

G3-247 Report

INDIA

Searching for symmetry

India is one of those places on the map that in theory could be the next gambling hot spot. In reality restrictions and an irrational attitude to gambling has meant a lukewarm offering to date.

In the past India has been tightly controlled and legally has only been able to provide lotteries and horse racing. However the country is now eager to expand its gaming smorgasbord.

The various scandals surrounding the Indian Premier League cricket tournament has meant a huge push to introduce legalised sports betting, and with casinos only permitted in three states, there is also an air of expectation for growth in this sector. Whether it will get the green light to grow however is another thing entirely.

Historically, India is one of the oldest civilisations in the world and offers a diverse range of landscapes and cultural traditions. It is a country which manages to offer the unexpected

The name India is derived from Indus originating from the Old Persian word Hindus. The geographical term Bharat comes from a theological figure who was a legendary emperor of ancient India.

India is located in South Asia and is the seventh largest country by area and the second most populous country with over 1.2 billion in population. It stands apart from

Asia separated by its Himalayan Mountains and sea borders.

It is enclosed by the Indian Ocean in the south, the Arabian Sea in the south west, the Bay of Bengal in the south east and it shares land borders with Pakistan to the west, China, Nepal and Bhutan to the north east and Burma and Bangladesh to the east.

Four world religions originated from Indian – Hinduism, Buddhism, Jainism and Sikhism – whilst other religions arrived in the first millennium CE and helped shape the regions diverse culture.

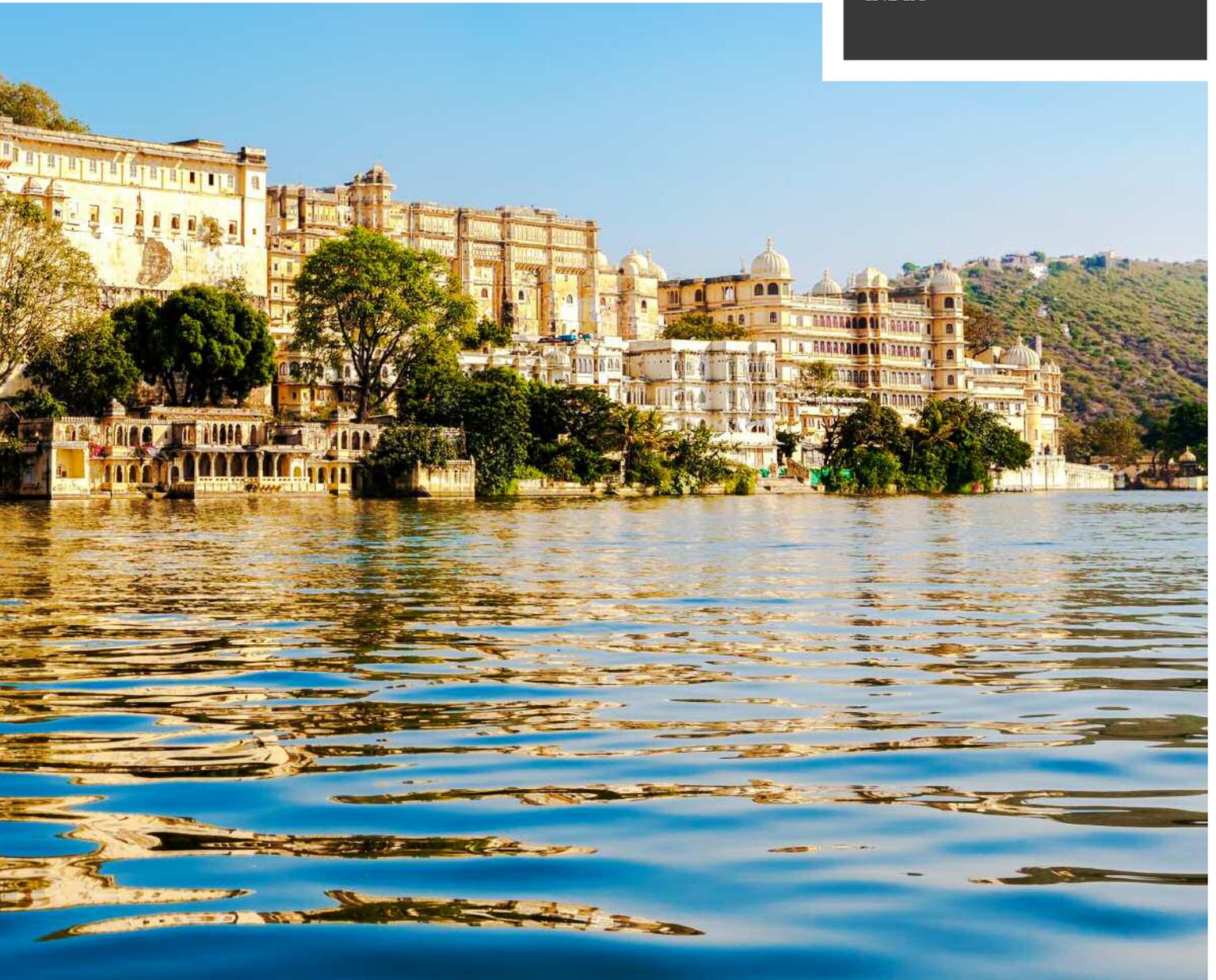
By the early 18th century the lines between commercial and political dominance were blurred and several European trading companies had established coastal outposts. The English East Indian Company was one and its control of the seas, resources, military and technology made it very attractive to the Indian elite. By 1765 it had gained control of the Bengal region and by the mid 1800s most of India was administered by the UK Company. India then primarily supplied the British Empire with raw materials and this was really the onset of India's colonial period.

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02 Although some 431 million Indians have left poverty since 1985, the country still continues to have problems such as poverty, corruption, terrorism and malnutrition.

03 Last year saw a 4.3 per cent rise in the number of foreign tourists into India which reached 6.8 million. Domestic tourism visits grew by almost 20 per cent to just over one billion and earnings from tourism reached US\$17.7bn.

India's modern age began somewhere between 1848 and 1885 when changes began to take place, including construction, education and technology. Some changes, such as land taxes and social reforms, were massively influenced by the British, and these caused resentments and rebellion. Finally the East India Company was dissolved and the British government took over the administration.



With growth came problems for small companies and farmers and there were large scale famines. After World War I changes began and the Indians called for self rule which finally led to India becoming an independent nation in 1947 after a struggle for independence led by Mahatma Gandhi.

The constitution was completed in 1950 which put in place a secular and democratic republic and over the last 60 years the country has seen highs and lows.

Economic liberalisation began in the 1990s which has created a large urban middle class and yet it still has huge amount of poverty, violence, religious insurgencies and unresolved territorial disputes with China and Pakistan.

India is a federal constitutional republic governed under a parliamentary system consisting of 28 states and seven union territories. All these states, and two of the union states (Puducherry and National Capital Territory of Delhi), have elected legislatures and governments whilst the remaining five union states are directly ruled by the centre through appointed administrators.

Tourism is a huge growth sector and a major part of the country's economy. It grew substantially in the 1980s, which was later followed by other plans and promotions to boost the sector

The Indian economy is the world's 11th largest by nominal GDP and following economic reforms in 1991 it became one of the fastest growing major economies and is now considered as a newly industrialised country. It is worth around US\$1.7 trillion with an average annual GDP growth rate of 5.8 per cent reaching 6.1 per cent in 2012.

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Major products include textiles, telecommunications,

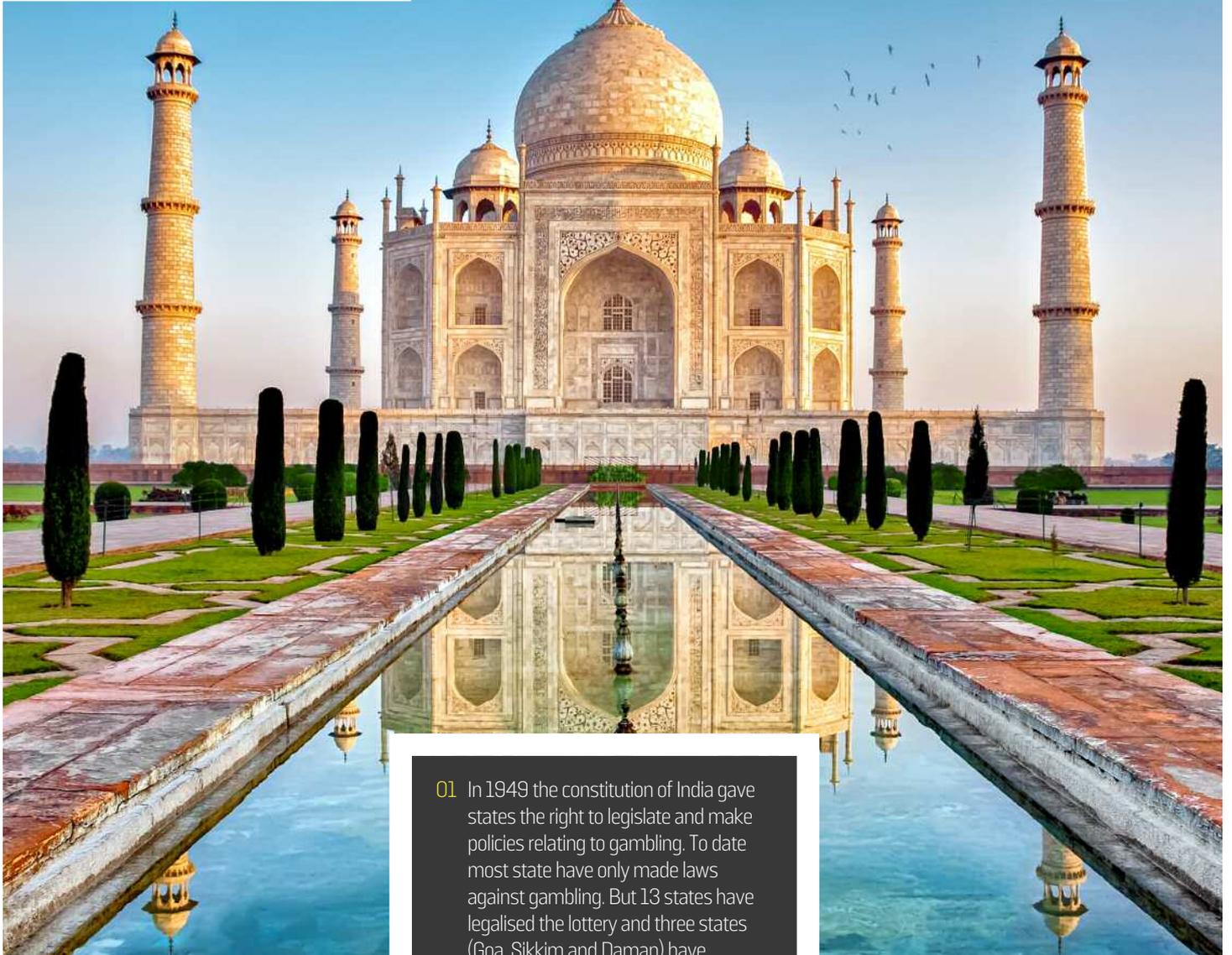
pharmaceuticals, food processing, petroleum and software. India's consumer market is said to be 11th in the world whilst the telecommunications industry is the fastest growing surpassing Japan to become the third largest smart phone market in the world.

Although some 431 million Indians have left poverty since 1985, the country still continues to have problems such as poverty, corruption, terrorism and malnutrition.

Tourism is a huge growth sector and a major part of the country's economy. It grew substantially in the 1980s following a National Policy on Tourism which was later followed by other plans and promotions to boost the sector with 'Incredible India' branding being launched during the Olympics in 2012.

Cruise shipping is one of the fastest growing sectors alongside adventure tourism and medical tourism.

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THE INDIAN GAMBLING MARKET

Gambling in India is very much part of the culture and history and the ancient kingdoms took part in gambling activities regularly, so much so it became an important feature of the Hindu religion. History shows gambling dates back as far as 2000BC with the Ramayanas making reference to it.

Legend has it that in 1500BC Yudhishtira gambled away his kingdom, his wealth, his brother and eventually his wife during a game of dice with King Shakuni. The King had loaded the dice and so continually won unbeknown to poor Yudhishtira.

The urge to gamble amongst Indians is strong. Dice has been passed down through the ages, much like cock fighting and ram fighting. By the 15th century a well structured and legislative system was in place regarding gambling and gambling houses were legalised and the King took his cut of any profit.

By the 18th century cricket took off alongside a gambling boom. But this took its toll on society and despite the tax gains, the British Empire believed that by banning gambling the Indian economy would strengthen.

01 In 1949 the constitution of India gave states the right to legislate and make policies relating to gambling. To date most state have only made laws against gambling. But 13 states have legalised the lottery and three states (Goa, Sikkim and Daman) have legislation in place for other types of gambling.

02 Many in India say that most newspapers are filled with stories about cricket betting scandals or betting house raids. Cricket is of course the favourite sport and a large portion of the community continues to partake in sports book betting despite the fact it is illegal.

So they outlawed gambling via the 1867 Public Gaming Act which still exists today. This banned all forms of gambling except horse racing, rummy and lotteries.

In 1949 the constitution of India gave states the right to legislate and make policies relating to gambling. To date most state have only made laws against gambling. But 13 states have legalised the lottery and three states (Goa, Sikkim and Daman) have legislation in place for other types of gambling.

The restraints under the Public Gaming Act has otherwise merely driven gambling underground and the mafia saw it as an opportunity to make vast amounts of money and began to offer Matka style games.

It's a tough mould to break. Mahatma Gandhi spoke out against gambling and his social and cultural influence still has an effect today whilst the government also believes it has a responsibility to live up to the tradition and therefore policy makers have always been unwilling to make any changes.

The Indian gambling market is said to worth up to US\$60bn per year (Rs300,000 crore), which is around two per cent of India's GDP, of which around \$40bn of this is illegally bet. For a long time lotteries and horse racing have been the main two popular and legal forms of gambling in India. They have persisted through legal changes over the last 200 years and provide a top up for government coffers.

More recently gambling began to emerge in Goa and Sikkim. These states have been pioneers of the gambling world in India and both set up online gambling and casino operations.



Goa today has a number of offshore and land based casinos, whilst Sikkim has set up the only legal betting website in India via Playwin lottery.

It's a paradox and many are now baffled as to where the law really stands. Back hander is a word branded around. If you have enough money to buy your way in, then you can probably do it.

Many in India say that most newspapers are filled with stories about cricket betting scandals or betting house raids. Cricket is of course the favourite sport and a large portion of the community continues to partake in sports book betting despite the fact it is illegal.

Sports betting is not permitted although there are continual calls to allow it saying funds merely go to underground bookies and this is then used for terrorism and drugs.

It's a grey area. Many bookmakers have been arrested but not the bettors. And there aren't any actual laws that prohibit sports betting. The Public Gambling Act makes casino gaming illegal, however on the other hand as a skill game horse race betting is permitted. Some argue

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sports betting is also a skill game.

The Public Gambling Act of 1867 basically prohibits the running of public gaming houses. It's an archaic document created during British rule. Pakistan has since abolished this rule whilst the Indian government continues with the same restrictions.

The law is 145 years old and basically bans gambling houses being operated or visited. The penalty is up to Rs200 or up to three months imprisonment for anyone found operating such a venue. Visiting gambling houses is also prohibited with up to Rs100 fines and one month imprisonment. Apparently no one has ever been found guilty of betting.

Skill games are however allowed. The situation is slightly vague, however in 1996 the Supreme Courts defined games of skill as the following: 'The competitions where success depends on substantial degree of skill are not gambling and despite there being an element of chance if a game is preponderantly a game of skill it would nevertheless be a game of mere skill.'

In 1968 Rummy was determined to be a skill game. Poker is a grey area. Horse racing is legal and declared a skill game. Cricket betting is banned.

The illegal gambling sector can be extremely damaging. Criminal rackets run the show and over the years these have become semi professional set ups with cutting edge technologies to run their systems. There is a constant battle between the police and bookmakers. Time and money is spent trying to track down illegal gambling set ups and as these operations in all reality don't impose any imminent problems to the public many Indians believe money would be better spent elsewhere.

But of course money from illegal gambling is then used in criminal circles and so the problem continues.



It is said if legal gambling was introduced in India the government could see Rs12,000 to Rs19,000 crore of revenue to the government via the Rs3bn crore illegal betting market alone.

The most popular game in India is Matka and because this is not subject to taxation the bookmakers can then offer better value payouts. Matka is very popular particularly in Mumbai and Gujarat and originated as a game called Ankadar Jugar where people bet on the closing price of cotton in the New York stock exchange.

It grew in popularity in the 1970s when Rathan Khatri ran the Matka racket in Mumbai. He was an honest and popular man and there was even call to make him Prime Minister when Indira Gandhi died. Khatri retired in the late 1990s and there has been a drop in Matka since the mafia has now taken control of the game and punters don't know if the game is fixed or not. Invariably it is.

The game is similar to the lottery and there are two draws of three numbers per day drawn from a pack of cards with numbers zero to nine. The numbers from the draw are added up and the last number is also included in the line up. A second draw is held and these numbers are all put together.

LOTTERY IS LEGAL

The lottery dates back to nearly 300 years in India and was introduced in Goa during Portuguese rule and later in Calcutta during British rule.

Lotteries helped fund development work back in the 17th century and after independence Kerala became the first state to introduce a state lottery.

01. There are 12 states which have legalised lottery – Maharashtra, Punjab, West Bengal, Kerala, Goa, Sikkim, Manipur, Meghalaya, Tripura, Mizoram, Arunachal Pradesh and Nagaland – and these governments run lotteries to primarily increase their revenues however they are also banned in some states, whilst there are cases where one state has banned lotteries run by another as they compete with each other for a share in the market.

Up until 1998 there was no law in respect to state lotteries and many states ran lotteries after obtaining Presidential Orders which entrusted each state with the power to operate lotteries.

Then Parliament enacted the Central Lotteries Act of 1998 which governs the lotteries and gave state governments the authority to run such gambling restricting it to a maximum of one draw per week.

This act covers the whole of India and enables the state governments to organise and promote lotteries and sell via distributors and agents.

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another as they compete with each other for a share in the market.

Key benefits of these lotteries include welfare initiatives, employment, funding for social development and tax revenue.

Later the Lotteries (Regulation) Rules 2010 was introduced to further regulate the industry and make the lottery operations become more transparent and disciplined.

Kerala introduced its lottery in 1967 and today revenues in this state are Rs2,778 crore with revenues used for assisting patients with serious illnesses. Net gaming revenue was Rs682 crore last year. There is a distribution network with more than 35,000 agents and 100,000 retailers.

Currently the Finance Ministry lists around 17 lotteries run in traditional format and 241 online ones (2011). There are said to be 168 online lotteries in Goa and 63 in Sikkim.

The lottery can be played for as little as five Rupees or up to 50 Rupees and tickets are sold by vendors located around most markets.

The largest illegal lottery is Matka. Today this type of gambling is run by small time bookies primarily in the Kalyan and Mulund areas and is an underground operation often run with criminal involvement. It is estimated that there are around 400 Matka bookies in the city and around 1,000 across the state.

Apart from the state government lotteries, the land-

**INDIA: Vital Statistics****Capital:** New Delhi**Population:** 1,220,800,359**Land Area:** 3,287,263 sq.km**Currency:** Indian Rupees (Rs)**Median age:** 26.7 years**Languages:** English, official (91.2%), Maori (3.9%), Samoan (21.%)**Ethnic Groups:** Indo-Aryan (72%), Dravidian (25%), Mongoloid, other (3%)**Government:**

Federal Republic

Chief of State:

President Pranab Mukherjee

Head of Government:

Prime Minister Manmohan Singh

Elections: President elected by an electoral college for a five year term. Last election held in 2012. Prime Minister chosen by parliamentary members of the majority party following elections. Last elections held in May 2009. Next due in May 2014.

locked country in South Asia, Bhutan, is also allowed to run lotteries in India. The central government is in pro-lottery business which is said to be a Rs50,000 crore industry.

Today in most Indian states there are lottery terminals available and some lotteries are drawn every 15 minutes. There is a high proliferation of illegal lotteries throughout the country and it is said the government is losing revenue and credibility.

A good example of a state run popular lottery is in Sikkim which introduced its system in 2001. Sikkim licensed PlayWin Lotto which is very popular and tickets are bought online or via a terminal. It was one of the first such lotteries and established in 2001. Tickets cost 10 Rupees and can produce massive payouts.

It has operations now in many Indian towns and is the gaming brand of Pan India Network Ltd which is part of the US\$2.4bn Essel Group. PlayWin is also India's first and largest online gaming company providing an online lottery network.

The Essel Group has been in existence for the last 30 years and is a leading business conglomerate working in media, entertainment, infrastructure, education and technology.

In the entertainment field alongside PlayWin, the company also operates the Fun Cinema chain which has 81 screens in 19 cities plus two amusement parks called Essel World

Playwin offers three big lotto games – Thunder Ball (drawn every Tuesday), Thursday Super Lotto and

Horse racing is entirely legal and one of the most popular forms of gambling in India. It is grown in popularity due to a decision by the Supreme Court found that betting on horse racing was a matter of skill.

Saturday Super Lotto plus smaller games Jaldi 5 and Jaldi 5 Double and after 10 years in operation the games can be played on various platforms in retail outlets, internet and via the SMS platform.

Meanwhile Sugal and Damani, which is primarily involved in the lottery business (amongst other businesses in tourism, hospitality and engineering) has recently opened a casino via its subsidiary company Sol Entertainment (Crown Casino) in Goa.

Sugal and Damani has 40 years experience in operating government lotteries in India and has developed its own in house software whilst its subsidiary Skill Lotto Solutions runs lotteries in Punjab, Maharashtra, Sikkim, Goa, West Bengal and Mizoram amongst others. The company has rolled out over 20,000 computer based online lottery terminals in various states.

The company's lottery application branded Complot/Playsmart is now running in over 30,000 point of sale terminals generating over five million transactions a day.

The application supports traditional distribution channels such as retail agents and equips them with lottery terminals.

Sunny Group is an authorised distributor of the Sugal and Damani systems in the Mumbai region and provides the Complot/Playsmart and Smartlot lottery systems.

HORSE RACING

Horse racing is entirely legal and one of the most popular forms of gambling in India. It is grown in popularity over the last 20 years or so mainly due to a decision in 1996 when the Supreme Court found that betting on horse racing was a matter of skill, so neither the 1888 Police Act or the 1930 Gaming Act could be applied to horse race betting and it was not considered as gambling per se.

Today, Pari Mutual horse races are organised by five Turf Authorities who between them operate eight race tracks. It is a very popular sport and has expanded greatly throughout the country. It is a cheap sport to attend and costs between Rs20 and Rs200 so attracts large crowds. Races are run on flat tracks and the courses are relics of the British colonial era.

At the moment people can only bet on local races at the track via bookmakers who offer prices from white cages in the betting rings. There are also on course tote bookmakers who run a pool betting system. For large bets bookmakers open up credit accounts. In addition bets can be made off course via betting shops and overseas racers can be bet on at foreign online bookmaker sites. But there is no online betting on horse racing for the Indian races. Indians can of course bet on international sites for international races.

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Legal wagering on the tote is estimated to bring in around Rs2bn (US\$45m) each year plus an equivalent amount staked with licensed bookmakers.

Taxes, in relation to on course betting, are currently set at 30 per cent on stakes which is high. This was increased from 20 per cent in 2010.

Today the Turf Authorities of India manage and host events through eight different racecourses including:

Bangalore Racecourse is operated by the Bangalore Turf Club which was founded in 1920. Horse racing in Bangalore began some 150 years previously but between wars it was difficult to access good racing horses. Today the track is very popular and has a capacity of 1,500 visitors. The track is a 1,950 metre oval with four curves.

Hyderabad Racecourse is run by the Hyderabad Race Club which was set up in 1968 by the Nizam's. The club switched venues and ended up moving from Moula Ali racecourse to Malakpet and constructed in palace of Nawab Mir Mahboob Ali Khan Nizam VI. A grandstand was later added and it is the most modern in India. There are two different race tracks to cope with two seasons the monsoon and the dry season.

Royal Calcutta (Kolkata) Racecourse is operated by the Royal Calcutta Turf Club where the race track was first built in Kolkata in 1820. Races at first were held in Akra. In the early 1800s the Bengal Jockey Club took over and

Due to the problem with the Indian banking system there are only a small number of bookmakers who can properly service the market and these include Bet365, William Hill, Ladbrokes and Betfair

a few years later it was moved to the Miadan area which is in the centre of the city and where it sits today.

Mumbai (Mahalakshmi) Racecourse is operated by the Royal Western India Turf Club and is among the best in the world and was initially created from marshy lands known as the Mahalakshmi Flats. The Turf Club controls racing in Mumbai, Pune and New Delhi. The track was built in 1883 and spans 225 acres whilst the track is a 2,400m oval track. There are around 1600 horses in training in Mumbai. The Mumbai-Pune betting totalisator was set up in 1967.

Pune Racecourse was built in 1830 and is located in Pune Cantonment and was built on land that was controlled by the Indian Army. The total area is around 118 acres and it is also operated by the Royal Western India Turf Club which hosts many events such as the Pune Derby. The track is a 3,200 metre oval turf track.

Madras Racecourse is also known as Guindy Racecourse and is one of the oldest racecourses in India. The track was first built in 1777 in Guindy. It is operated by the Madras Race Club.



Ooty Racecourse is located in Ooty and is also operated by the Madras Race Club which hosts many events at this track. It is a highland racecourse so the altitude is much higher. It is also one of the smaller tracks and takes up 55 acres and the track is 2,400 metres.

Mysore Racecourse is located in the Mysore district and is used by people from the Karnataka area. It is said to be the most picturesque race track in India as it is located in the foothills of the Chamundi Hills. It is operated by the Mysore Turf Club and is very exclusive and only allows 250 members in each year. It is oval shaped and extends to around 2,000 metres.

SPORTS BETTING

India is regarded as the hotbed of global betting syndicates with gamblers and bookmakers all involved in a network of illegal 'spot fixing'. The latest scandal last year saw several bookmakers arrested and the idea now is to ascertain whether legalised betting can exist in India without the stigma attached and whether it can then eradicate illegal betting.

Although internet gambling is technically illegal (bar via Sikkim's PlayWin Lotto) there is nothing stopping

players betting online with offshore bookmakers.

Sports betting falls under state jurisdiction. Although the sports minister can propose a bill, sports betting cannot be legalised nationally.

Due to the problem with the Indian banking system there are only a small number of bookmakers who can properly service the market and these include Bet365, William Hill, Ladbrokes and Betfair

Up until the year 2000 India's online gambling sector managed to avoid restrictions mainly because there was nothing in state legislature which deemed it to be illegal.

The Information Technology Act 2000 did regulate the online sector but only prohibited publication of information online that can 'corrupt' people which although includes online gambling information does not stop Indian gamblers from betting over the internet. The penalty for online gambling is up to Rs100,000 fine or up to five years imprisonment.

In May 2011 the Federal Information Technology Act was introduced which was intended to restrict online gam-



bling activities by holding the ISP responsible for blocking offshore betting sites.

However despite this there is extensive online illegal gambling throughout the country as it did not prohibit Indian residents from accessing online betting operators internationally which either accept Rupees or offer e-wallet deposit options. The majority of sports bettors use Moneybookers or Neteller to deposit to online bookies.

The only site which apparently accepts Rupee deposits directly is Bet265.com. This site enables players to register with their home address, deposit, and wager and withdraw in Indian Rupees.

Otherwise Indians can deposit money via Skrill (Moneybookers) or Neteller – e-wallets set up in Rupees linked to player's home bank accounts or credit or debit card. EntroPay is another system similar to e-wallet but funds are loaded to the player's account via virtual debit card number. This means players can deposit and withdraw anonymously.

NETeller say there are 1,565 websites for casinos games,

"Criminal law should be invoked only where a guilty intent is proved and players should not be liable of match fixing and doping on mere presumption. At the same time legalising betting would be a step in the right direction as this will ensure transparency and lead to removal of corruption from sports, which is the need of the hour."

KTS Tulsi, Senior Advocate of Supreme Court of India.

poker, bingo and sports which will take money from India. Moneybookers list 1,475 such sites whilst Visa and Mastercard report 1,898 and 1,813 respectively. Approximately 40 per cent of internet users in India have admitted to visiting gambling sites and betting.

Raj Patel of blog site Sportsbetting.net.in said: "Moneybookers for example is famous in India and used by many website programmers, consultants and freelance writers to take payment from their clients. Indian banks deal with them regularly for transactions that have nothing to do with gambling.

"While your bank might ask you for a purpose code when doing large deposits or withdrawals ultimately there isn't too much concern they will have an issue with these transactions. This is because the name of the gambling site never appears."

The IPL 2013 spot fixing scandal brought the whole sports betting issue back to the surface again and there are calls to re-evaluate the current legislation and legalise sports betting in a bid to curb fixings on sports.

The Indian Premier League, India's most successful and profitable professional sports league came under fire in May 2013 when three Indian cricketers from the Rajasthan Royals were said to have been involved in spot fixing during certain league cricket matches. It blew up when the owner of the Chennai Super Kings team, Gurunath Meiyappan, was also interrogated regarding his role.

What emerged was that there were strict limitations within the existing legal framework to charge or prosecute alleged sporting fraud offenders in India. This is partly due to the archaic laws and the absence of any law governing fraud in the field of play.

At a Federation of Indian Chambers of Commerce and Industry (FICCI) conference late last year it was argued that the government could earn substantial revenues from taxing such activities, it would help remove illegal gambling, it could support some grass root sports programmes from revenue and help prevent criminal activity funded by illegal betting.

A tax rate of 20 per cent has been suggested. At the moment the betting market in India is said to be worth US\$600m. There have been extensive discussions between the Law Ministry and Ministry of Youth Affairs and Sports about the drafting of a modern law on sports. The Prevention of Sporting Fraud Bill 2013 (anti-fixing

bill) is a step in the right direction and will help combat fraud in domestic and international sporting events.

This was drafted last year by the Ministry of Youth Affairs and Sports and has been based around other laws in the EU and the bill has a provision of monetary fines of Rs1m up to Rs5m which is dependent on the economic benefit the guilty party has derived from sporting fraud.

Mr KTS Tulsi, Senior Advocate of Supreme Court of India said: "After the IPL fiasco there is a big hue and cry regarding the amendments in the sports law and inclusion of issues such as criminalisation of sports, invoking criminal law for match fixing and betting and strengthening of anti-doping laws, but in an effort to clean up sports, sportsmen should not be made a scapegoat.

"Criminal law should be invoked only where a guilty intent is proved and players should not be liable of match fixing and doping on mere presumption. At the same time legalising betting would be a step in the right direction as this will ensure transparency and lead to removal of corruption from sports, which is the need of the hour."

For a bill to be passed by Indian Parliament it needs to be introduced before both the houses. After it is passed here it is signed into effect by the President of India. It has yet to go through the first two houses.

Meanwhile in July 2013 the National Sports Development Bill 2013 was drafted in a bid to bring reforms in regarding the management and governance of sports. But since sports is a state subject, both the anti fixing bill and the sports bill will need to be introduced before the parliament and will require the support of the states as well as the lawmakers. It was open to public consultation under December 2013.

For a bill to be passed by Indian Parliament it needs to be introduced before both the houses (the Rajya Sabha and the Lok Sabha). After it is passed here it is signed into effect by the President of India. It has yet to go through the first two houses.

However many say the question is not whether sports betting in India should be regulated but more when it will be regulated? It has taken seven months for the draft bill to be introduced after the IPL scandal and it has not yet been finalised so it could take some time yet.

The central elections in India are scheduled for April 2014 which could mean the anti fixing bill may be shelved until the monsoon session of parliament bringing further delays.

In October last year the FICCI launched a paper, Regulating Sports Betting in India, during a conference on the issue which followed on from a previous paper published in June 2012.

01 The Goa, Daman and Diu Public Gambling Act 1976 plus the Sikkim Casino Games (Control and Tax Rules) 2002 authorise gambling via casinos. The Sikkim Regulation of Gambling (Amendment) Act 2005 gives the Sikkim government the authority to authorise gambling on certain days and make certain gambling houses legal whilst the Sikkim Online Gaming (Regulation) Act 2008 permits online gaming in Sikkim to include casino games. In August 2009 it was amended to make online sports betting in Sikkim legal.

Research for the paper showed that 83 per cent of respondents believed regulating sports betting in India was better than banning it whilst 74 per cent believed legalising sports betting would curb match fixing.

It is estimated that the online gaming market in India could grow to Rs46bn by 2016. There are basically now two options for India

1. Keep the status quo and according to the FICCI continue to lose around Rs12,000 to Rs20,000 crore annually in tax revenue. Also enable match fixing to continue and illegally activities financing drugs and terrorism.
2. Legalise and regulate sports betting. India is looking toward the US in terms of its legalisation mainly because of the nature of democracy and division of powers between central government and state governments.

CASINOS AND ONLINE GAMING

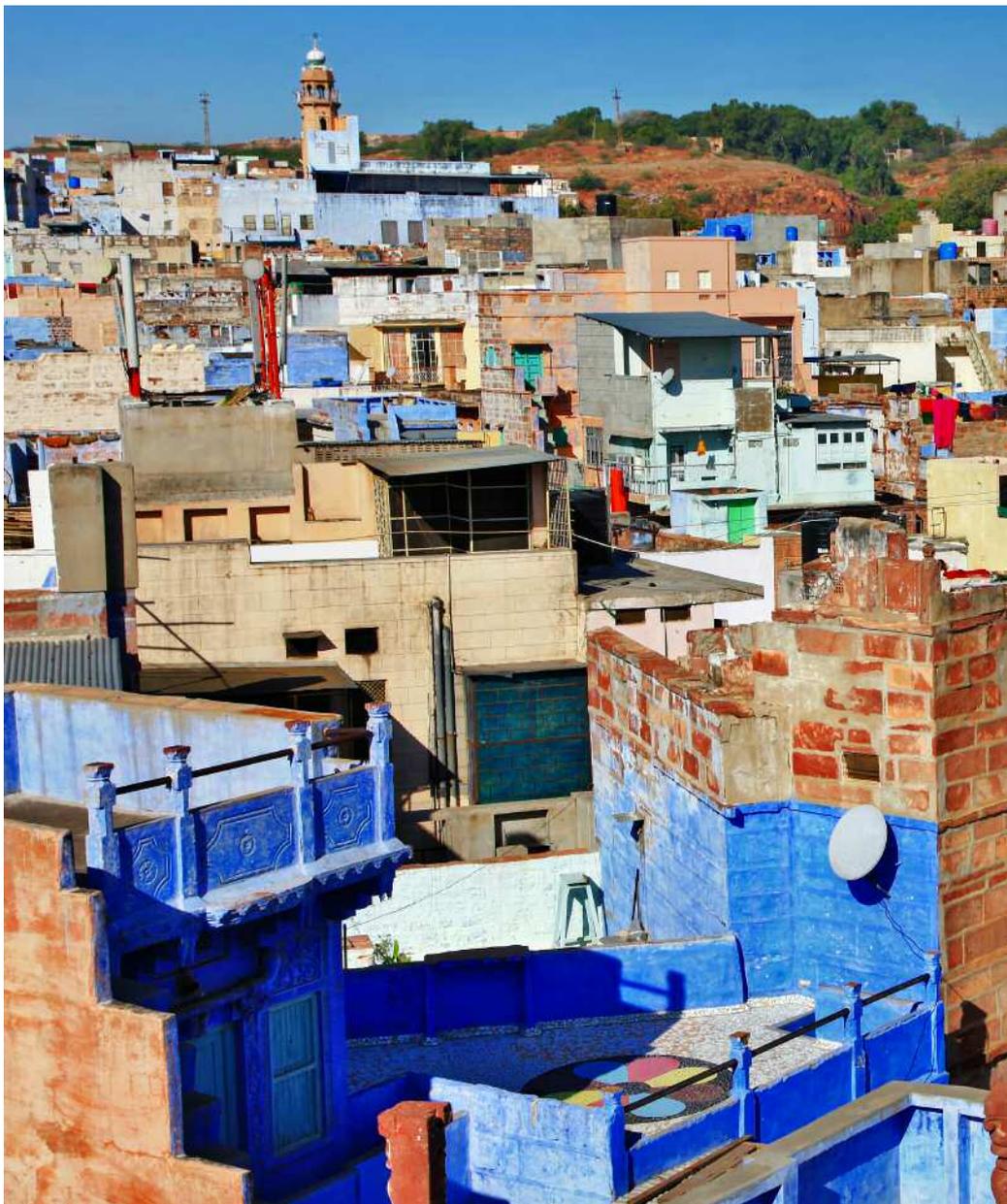
At the moment there are a handful of casinos in India. Only two Indian states, Goa and Sikkim, plus the Union Territory of Daman and Diu, allow gambling.

The Goa, Daman and Diu Public Gambling Act 1976 plus the Sikkim Casino Games (Control and Tax Rules) 2002 authorise gambling via casinos. The Sikkim Regulation of Gambling (Amendment) Act 2005 gives the Sikkim government the authority to authorise gambling on certain days and make certain gambling houses legal whilst the Sikkim Online Gaming (Regulation) Act 2008 permits online gaming in Sikkim to include casino games. In August 2009 it was amended to make online sports betting in Sikkim legal.

At the moment there are two casinos operational in Sikkim and a dozen or so in Goa. It is estimated that Rs1.35 trillion (around US\$30bn) is spent annually on casino type gambling in India.

SIKKIM

Sikkim is a landlocked Indian state located in the Himalayan Mountain bordering Nepal, China's Tibet



and Bhutan and West Bengal.

It has around 610,000 inhabitants and is the least populous state in India and the second smallest state after Goa in terms of total area.

It is however a popular tourist destination due to its culture, scenery and biodiversity. It also has the only open land border between India and China and is the only state with an ethnic Nepali majority.

Its economy today is dependent largely on agriculture and tourism and its GDP is around US\$1.5bn.

In the last few years the government has made huge strides to promote tourism and the state revenue has increased 14 times since the mid 1990s. A large amount of investment both from domestic and international organisations has been put into the region bringing economic power.

Now although Sikkim plays second fiddle to Goa in terms of gambling locations, it was however the first Indian state to offer gambling and opened the state's first casino in March 2009.

In this year the government of Sikkim issued the Sikkim Online Gaming (Regulation) Act 2008. The act was notified and is now operational in the state of Sikkim. This made games such as roulette, blackjack, poker, keno and other casino games legal for online play. Any operator offering such games must start by paying a 500 Rupee application fee. If this is approved a one year licence is issued on receipt of approximately \$2,000, which is then renewable annually. Monthly taxes are one per cent of the GGR.

At the time the Online Gaming Act saw nine Letter of Intent (LOIs) issued by the government whilst only four of these nine procured provisional licences for setting up an operation. However none had the necessary requirements for set up.

At the time it was thought cricket betting sites and online casinos would jump at the chance to run sites. But this never happened. The only gambling site operating from Sikkim at the moment is PlayWin Lotto.

Around the same time the Central government also issued the Information Technology Rules 2011 which looked at internet companies and how to prevent the



spreading of socially unacceptable material which included anything relating to money laundering or gambling.

This put a spanner in the works as the Reserve Bank of India also refused to allow payment gateways to gambling websites. It was also suggested that no other operators applied as many are afraid of repercussions from illegal bookies.

But things continued. In August 2009 amendments were added and the Sikkim Online Gaming (Regulation) Amendment Bill 2011 was passed. This basically permitted sports betting and approved games such as football, cricket, tennis, golf and horse racing. However to offer sports betting a gambling licence is also required by the government of Sikkim.

The period for such a licence is five years requiring a Rs5 lakh application fee (around \$10,000).

In addition, the success of the national Playwin lottery has been astounding and today it is largely accepted as the main national lottery of India. It has also brought a huge amount of revenue into the state.

Goa is renowned for its beaches, places of worship and world heritage architecture and although at one time the capital Panaji was a neglected area in terms of tourism, now it is economically in a good position.

The state also has two casinos. The first was opened 2009 at the Hotel Royal Plaza in Gangtok followed by a casino in Hotel Mayfair in 2002.

The Sikkim Casino Games (Control and Tax Rules) 2002 grants licences to casino operators in the state whilst the Sikkim Regulation of Gambling (Amendment) act 2005 gives the government the authority to authorise casinos.

The law only authorises casinos in five star hotels and having had only a one party rule for the last 10 years has not faced any serious political opposition to these rules.

A licence fee of Rs5 crore is required which lasts five years plus an annual royalty fee of Rs1 crore (\$200,000) or 10 per cent of the GGR (increased to 15 per cent by the third year) whichever is higher is also paid.

CASINO SIKKIM is located at the Royal Plaza Hotel in Gangtok and was Sikkim's first casino to open in 2009 and is a luxury hotel located above a river valley. It is part of the Sarovar Hotels and Resort chain which is one of the third largest hotel chains in India. The hotel has a total of 78 rooms. The casino is located on the first floor and opens from 6pm until 4am and has table games and slot machines.

CASINO MAHJONG is located at the Mayfair Spa Resort and opened in 2011 and is owned and managed by Trio Ventures which is a company started by three entrepreneurs from Gangtok. The resort is located in a green forest and surrounded by mountains offering family rooms, cottages and villas. The casino is spread across an area of 7,000sq.ft and has 15 gaming tables and poker room with gaming tables and a VIP room and slots. The company paid Rs5 crore for the five year licence and Rs3 crore was spent setting up the facility.

GOA

Similarly Goa is also thriving thanks to tourism brought in from gambling. The state is India's smallest state in terms of area and fourth smallest by population.

It is located in West India in the region known as Konkan on the Arabian Sea. It is India's richest state with a GDP two and half times that of the country as a whole.

The capital is Panaji and the region is still culturally influenced by the Portuguese who first landed there in the early 16th century as merchants and later conquered the land. It was annexed by India in 1961.

Tourism is the primary industry and it handles 12 per cent of all foreign tourists in India. In 2010 the area saw two million tourists of which 1.2 million were from abroad.

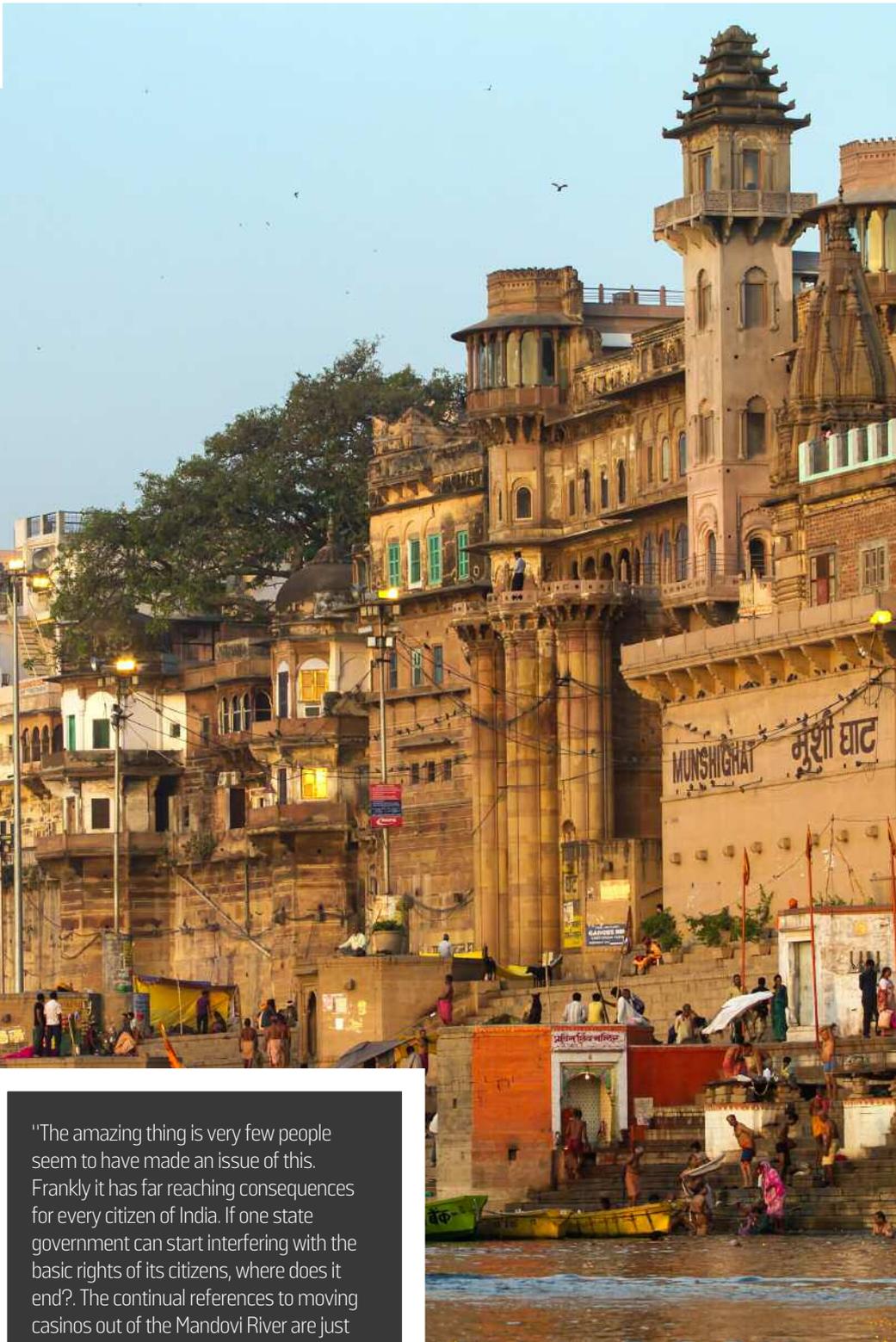
Goa is renowned for its beaches, places of worship and world heritage architecture and although at one time the capital Panaji was a neglected area in terms of tourism, now it is economically in a very good position.

The off shore casinos emerged after restrictive laws prevented land based casinos being developed. Nothing was mentioned about hosting casinos on the water so casinos began to open onboard ferries which float outside the city of Panaji in the waters of the River Mandovi.

It is said around 30 per cent of people who fly into Goa are gamblers. Goa alone accounts for 95 per cent of the Indian gambling pie and the state government takes around Rs100 crore in taxes.

Business began in 2001 when the first offshore casino, Casino Caravela, opened its doors with 14 tables and for the last five years the casino market has grown by around 40 per cent each year.

The Mandovi River is now home to India's largest casino.



nos. At the moment there are six offshore licences in Goa of which four are operational with a total of 106 tables and 75 slots. The entry fee is Rs3,500 per player of which Rs2,000 goes to the local Goa government. The four casinos are operated by two operators – Pride Group and Deltin Group.

Meanwhile there are nine land based casinos. Gaming fees and taxes were hiked last year when the new Goa government came into power from Rs15 lakh to Rs2.5 crore for landbased casinos and from Rs5 crore to Rs6.5 crore for offshore and many casinos were forced to close down.

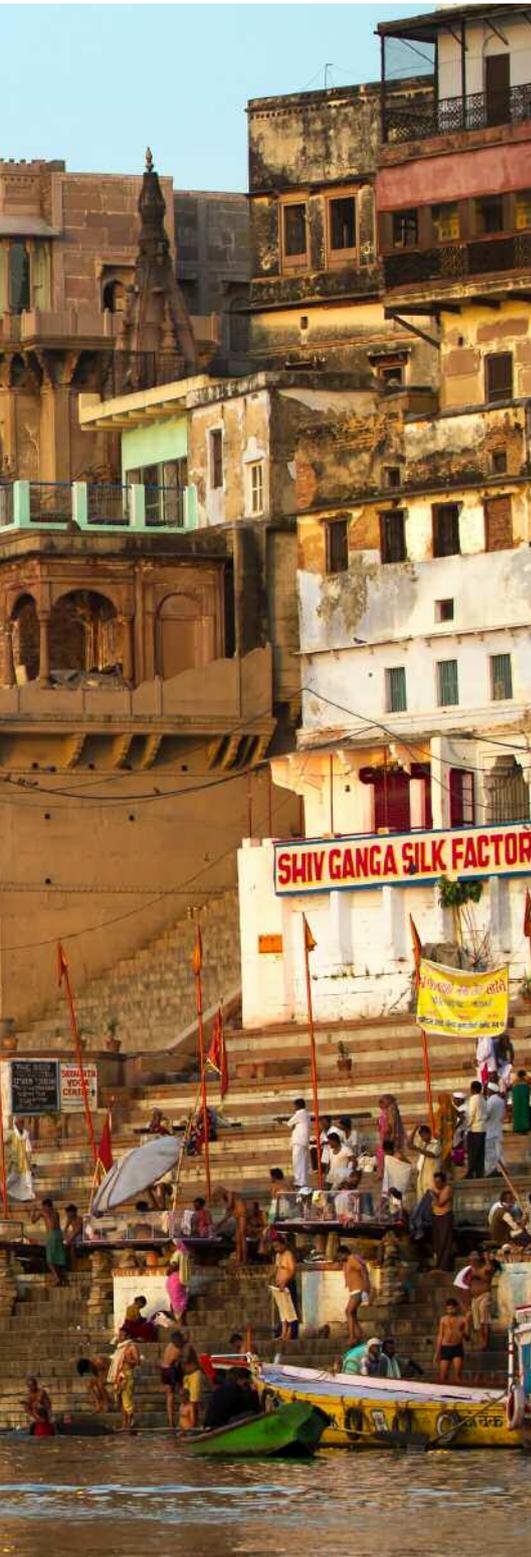
"The amazing thing is very few people seem to have made an issue of this. Frankly it has far reaching consequences for every citizen of India. If one state government can start interfering with the basic rights of its citizens, where does it end?. The continual references to moving casinos out of the Mandovi River are just so much political 'noise'. It is completely unfeasible for the vessels to operate in anything other than sheltered water. The issue is not one of sea worthiness or otherwise of the vessels, but it is the safety issue regarding moving hundreds of people from shores to ship and back again in the dead of night and in water where wave height between June and end of September can be up to two metres high."

John Snowball, Vice President of Crown Casino Goa.

In 2012/13 the casinos in Goa contributed \$2.2m to the state government in form of taxes plus also earned \$296,458 from entry fees, \$536,463 in annual licence fees from offshore casinos and \$0.41 in annual licence fees from onshore casinos.

Last year the Goa courts banned mining depriving the state of taxes and so the gambling sector is more important than it was despite constant calls against the sector with reports of gambling addiction problems and the 'corruption' on local culture.

Another issue is that Indian casinos can only take dollars



and not pay back dollars (only Rupees) so currency convertibility is often a hindrance and some say this is why India only attracts one tenth of the gambling audience of major casino markets.

Earlier this year Goa's Chief Minister Manohar Parrikar announced that local Goans would be banned from entering casinos. The ban was due to come into place on February 28th. This will also coincide with the promised set up of the casino gaming commission.

The idea is to permit only tourists in the casinos in a bid to stop gambling addiction problems. However Shrinivas

Nayak, Director of Casino Pride offshore casino and three land based casinos and of the Casino Operations Association, said the ban on locals will only give rise to issues such as identifying indigenous Goans from the many casino patrons who enter.

At the moment around 80 per cent of gamblers at onshore casinos in South Goa are locals and 50 per cent of clients at onshore casinos in North Goa are Goans. For offshore casinos 70 per cent of clients are tourists so these are less affected.

Manohar Parrika, Chief Minister of Goa has said no more licences will now be issued. In June 2013 some 29 of 30 elected city council members in Panaji voted to close all casino offices in the city on the riverside and wanted floating casinos pushed out to sea.

The legislative bill was passed in the assembly more than a year ago but has received heavy criticism as to how it can be implemented and enforced. The rules were due to be notified in February.

It is thought people will resort to document forgery and it could affect the casino industry heavily particularly in the out of season periods.

Some say the idea of banning Goans from casinos is contrary to a section in the Indian Constitution where it is prohibited to ban anyone of 'religion, race, caste, sex or place of birth' from 'access to shops, public restaurants, hotels and places of public entertainment.'

John Snowball, Vice President of Crown Casino Goa said: "The amazing thing is very few people seem to have made an issue of this. Frankly it has far reaching consequences for every citizen of India. If one state government can start interfering with the basic rights of its citizens, where does it end?"

Meanwhile there are calls now to remove all offshore casinos out of the Mandovi River. Things began to brew in the summer of 2013 in Goa when Delta Corp unveiled the MV Horseshoe. The idea was to change an existing vessel in the Mandovi River for one which was bigger. The Horseshoe was three times bigger and has now catalysed an anti gambling war in Goa.

The Horseshoe was previously operated by Caesars Entertainment in the US Great Lakes, and houses a 40,000 sq.ft casino and is now named the Deltin Royale.

Manohar Parrika, Chief Minister of Goa has said no more licences will now be issued. In June 2013 some 29 of 30 elected city council members in Panaji voted to close all casino offices in the city on the riverside and wanted floating casinos pushed out to sea.

However this is thought to be a unfeasible option. John

Snowball added: "The continual references to moving casinos out of the Mandovi River are just so much political 'noise'. It is completely unfeasible for the vessels to operate in anything other than sheltered water. The issue is not one of sea worthiness or otherwise of the vessels, but it is the safety issue regarding moving hundreds of people from shores to ship and back again in the dead of night and in water where wave height between June and end of September can be up to two metres high.

"Plus the politicians, and casino opposition, seem to have forgotten the Mumbai terrorist attacks where the terrorists arrived by small boat from a vessel offshore. How could the hundreds of passenger transfers per week possibly be monitored?"

Meanwhile back in 2010 it was announced that the Goan gaming industry would soon be regulated by a gaming commission which would be set up to monitor both onshore and offshore casinos.

Despite the initial announcement however nothing really happened under the Congress government which was in power at the time. Nor under the BJP led coalition government which took over in 2012.

However following the death of 20 year old Sai Dhanush the idea of forming a gaming commission has been given new momentum and a renewed push to introduce. The commission was said to be ready by August 2013. However it is still not set up.

Dhanush under the law should not have been allowed to enter a Goan casino where the age limit is 21. He fell from a second level of an offshore casino vessel and drowned.

Once it is set up the commission will enable constant checks and inspections to make sure rules are followed and have penalising powers. It would also specify a minimum payout ratio. At the moment there is no government system to oversee the ratio of monies won by gamblers in comparison to the money netted by the casino operators.

Meanwhile the number of land based casinos has dropped over the last year or so partly due to the large increase in annual licensing fees. At the moment those which remain include:

CHANCES RESORT AND CASINO in the Vanguinim Valley Resort in Dona Paula which is located in a five star boutique hotel with 53 rooms and suites. The hotel is just 30 minutes drive from Dabolim Airport. The casino is Goa's first and largest land based casino and offers gaming and VIP room plus a kid's garden and restaurants. The casino is open 11am until 4am and includes American Roulette, Mini Baccarat, Blackjack, electronic roulette, 35 slots and video slots.

CASINO CARNIVAL in Goa Marriott Resort is located adjacent to the Miramar beach near the capital Panaji. It is one of the finest five star resort offering. Casino Carnival is a Vegas style casino with electronic roulettes, Blackjack, Baccarat, the Sigma Serby and the largest selection of slots in Goa. It is open from noon until 2am. It was associated with the offshore Carnival before its sale (not part of the sale).



GOLDFINGER in Cidade de Goa Resort is directly associated with Chances Casino. The Cidade resort on Vanguinim Beach is a luxury five star resort spread across 40 acres. It is designed to resemble a self contained Portuguese hill hamlet and has around 180 rooms and swimming pool whilst the casino has 35 slots and is open 24 hours a day with Baccarat, Blackjack and Roulette and a big derby.

TREASURE CASINO is located at Majorda Beach Resort which has 120 rooms spread over 22 acres of

land. The casino is open from noon until 1am. The casino was at one time a disco and has been designed like a pirate ship with rustic ambience. The resort is operated by Eastern International Hotels Ltd

DUNES CASINO at the Zuri White Sands Resort is located in Varca in south Goa and has 154 rooms available. The casino is one of the largest in Goa and one of the newest.

CASINO PARADISE is also operated by the Casino

Pride group (Goa Coastal Resorts and Recreation) and is a land based casino and over 5,000 sq.ft in size offering Roulette, Blackjack, Baccarat and Sega horse racing. It is located in Hotel Neo Majestic in Porvorim which has 50 five star rooms. The Pride Group began business in 2007 with the Hotel Neo Majestic and has gradually built up and now includes a family of four casinos (Paradise, Pride, Palms and Pearl) and two five star hotels (Neo Majestic and La Calypso)

CASINO PALMS offers table games and slots and is



NUMBER OF:	
LOTTERY:	State run
LOTTERY REVENUE:	estimated to be Rs12000 crore
RACETRACKS:	8
TOTE REVENUE:	Rs2bn (US\$45m)
BOOKMAKER REVENUE:	Rs2bn
LANDBASED CASINOS:	9
OFFSHORE CASINOS:	4
CASINO VISITORS (TOTAL):	2 million per year
CASINO SLOTS:	195
CASINO TABLES:	180
CASINO REVENUE:	Rs1.35 crore (US\$22bn)
ONLINE GAMBLING:	Not permitted bar Playwin Lotto
TOTAL GGR:	US\$60BN

Deltin's Casino Caravela (initially opened in 2010) has since been moved out of the Mandovi. It floated near the city of Panaji and there were 200 gaming positions made up of 190 table positions and 10 slots.

Damani Group Venture) and overlooks the Mandovi River at the Crown Goa Hotel which has 43 rooms. It is located on the first floor and has table games and slots.

About five casinos have closed over the last year or so including the Las Vegas Casino at the Leela Resort, Hacienda de Oro at the Holiday Inn near Mobor Beach, the Palace Casino at the Riviera de Goa Resort and the Goa Nugget located in the Ramada Caravela Beach Resort in Varca Beach, Goa which is owned by Advani Hotels (in which Delta Corp has a 35.6 per cent share).

Meanwhile there are four offshore casinos operating:

CASINO CARNIVAL is the newest floating casino and is on the Mandovi River overlooking Panaji. It has four operational decks with 27 gaming tables over two floors plus two electronic roulettes, a VIP room and entertainment on the main gaming floor. There are also 45 slots. Entry fee is from 1,500 Rupees per person which includes buffet dinner and drinks. There is American Roulette, Poker, Blackjack and slots. It was operated by the Salgaocar Group since 2009 but was very recently acquired by the Pride Group. The sale was estimated to be around Rs80 to Rs85 crore. Salgaocar will continue with its land based casino at the Marriott.

CASINO PRIDE is berthed near Panaji and has three floors covering 30,000 sq.ft. There are 40 gaming tables such as Roulette, Blackjack, Baccarat and poker plus electronic and slot machines. This is operated by Goa Coastal Resorts & Recreation

DEL TIN JAQK (formerly the Casino Royale) is the largest offshore casino in Goa with the largest selection of games. The ship has six decks and three gaming floors covering 12,000 sq.ft and you can find 50 table games including Blackjack, Texas Hold 'em, American Roulette, Teen Patti, Baccarat, slot and poker and 30 slots, VIP rooms and even an amphitheatre, creche, children's playroom and helicopter platform. It is open 24/7.

DEL TIN ROYALE (Horseshoe) is a luxurious casino in Panaji offering Baccarat, Blackjack and Roulette and has a dedicated poker room and a room for Indian Flush (Teen Patti). The casino is operated by the Deltin Group and was the company's first offshore gaming vessel to be launched in 2008 and previously known as the Horseshoe. The Royale has an area of 31,900 sq.ft and offers 500 gaming positions across 470 table positions and 30 slots. The four level casino also has in house dining and entertainment restaurant called Vegas and an exclusive lounge. It also houses the Royale Poker Room, India's largest such poker room.

The Goa casino operators include the Salgaocar Group which owns the Goa Marriott Resort, Hotel La Paz Gardens and Aero Mundial Pvt travel agency. The company is predominantly a mining company dealing in exporting iron ore. But it has investments in other areas such as hospitality, real estate and healthcare.

The company was set up in the 1950s by Vasudev Salgaocar and is now run by his sons Shivanand and Dattaraj Salgaocar and are responsible for the setting up of the Goa Marriott Resort and were also operators of the Casino Carnival offshore casino until its recent sale.

Goa Coastal Resorts and Recreation Pvt Ltd operates five casinos under the Pride brand – the offshore Casino Pride in Panaji and the Casino Carnival, plus three land based casinos – Casino Paradise in Porvorim, Casino Palms in Baga and Casino Pearl in Bogmalo.

The largest operator in Goa is the Deltin Group which has business interests in India, Sri Lanka and Kenya. In

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located at La Calypso Hotel in Calangute, Baga Road in Goa. Operated by Casino Pride Group (Goa Coastal Resorts)

CASINO PEARL is newly opened in the five star resort Bogmalo Beach Resort and is one of the largest casinos with table games and slots. Operated by Casino Pride Group (Goa Coastal Resorts)

CROWN CASINO is one of the latest casinos in Goa owned and managed by Sol Entertainment (Sugal and

SPORTS BETTING IN INDIA: THE CURRENT SCENARIO

"Betting and/or gambling in India are for the most part prohibited, especially in sports. This stance has been further cemented by the controversies in 2013 surrounding spot-fixing, match-fixing, and overall illegal betting on cricket matches through bookies. With that in mind, a legal framework was proposed by the central government in the form of a legislation that covered any unethical activity in sports. The draft 'Prevention of Sporting Fraud Bill, 2013' ("Anti-fixing Bill") was therefore released in the public domain by the Sports ministry. Although the Anti-fixing Bill was considered in May 2013, it took nearly seven months to draft the Anti-fixing Bill, by which time there has been partial dwindling in relevance and urgency. This is unfortunate because betting and/or gambling in sports is not only an area that is unchecked, but it is also governed by laws that are either archaic or inadequate. In the absence of the Anti-fixing Bill becoming a notified act, the current legislation that governs gambling and betting is the 'Public Gambling Act, 1867'. Not only is the act archaic, it is also vague in that it doesn't cover explicitly the possibility of online or telephonic betting/gambling. Not only that, the interpretation of the act is subjective to the extent that betting on cricket may not even come under the Public Gambling Act, 1867, since section 12 of the act states that any game requiring skill will not be covered under this act.

'Sports' is a state subject under the Constitution of India. Since sports is a state subject, the Anti-fixing Bill will need to be introduced before the Parliament and will require the support of the states as well as the acknowledgment by the lawmakers that the bill serves the national interest of India. 'Gambling' is also a state subject, and a majority of the states with the exception of Sikkim and Goa have prohibited gambling in their respective states. It is unlikely therefore that gambling or betting on sports will receive support in the absence of a central legislation explicitly encouraging or allowing betting on sports, either at establishments or online.

Today, the Anti-fixing Bill isn't likely to appear before the Parliament in what happens to be the last session before the general elections are held. The draft itself is yet to be finalised, and the central elections in India are scheduled for April 2014, which for the Anti-fixing Bill most likely means that it will be shelved until the monsoon



session of parliament. This possibly delays its introduction by at least six months from now. There is also the possibility that the government which is formed after the central elections may not introduce the Anti-fixing Bill in its current form and instead opt for a more detailed draft that encompasses more situations beyond what is envisaged in the current draft. Until then, ambiguity will prevail. It is extremely unlikely that betting on sports will be legalised despite certain corners supporting this move. There is a cultural and societal stigma attached to betting which will lead to controversy surrounding any move that seeks to make sports betting or gambling a mainstream and legal activity. There will also be difficulty in regulating sports betting in India, since the mechanisms for governance and accountability are either non-existent or inefficient where they exist."

Desh Gaurav Sekhri, head of Sports Initiative at J. Sagar Associates, a leading Indian law firm. Views are personal. deshgaurav.sekhri@jsalaw.com.

India is the only listed entity in the gaming industry and over the years has developed a business model offering offshore and land based gaming.

At the moment the company owns three of the six offshore gaming licences in Goa. Two are operational – Deltin Jaqk (Casino Royale) which opened in 2008 and the Deltin Royal (Horseshoe) which was opened last year.

Deltin's Casino Caravela (initially opened in 2010) has since been moved out of the Mandovi. It floated near the city of Panaji and there were 200 gaming positions made up of 190 table positions and 10 slots. There was also a bar and buffet and outdoor swimming pool.

Delta Corp owns a majority stake in this casino and this was India's first offshore gaming casino which Delta bought from Advani Hotels and Resorts and Casinos Austria International. At the time it had 10 table games and eight slots. This ship has since been sent to Zuari for a makeover and will soon be on the Zuari River after pulling out of the Mandovi river.

In addition Delta Corp also operates two resort hotels in Goa – The Deltin Palms and Deltin Suites plus also plans to open the Deltin Empress which is an all exclusive all-suite luxury offshore hotel anchored in the Mandovi River in Goa for VIP guests.

01 In theory, Daman could become a gaming hub for at least four cities – Surat, Baroda, Ahmedabad and Mumbai as it is a 2.5 hour drive from Mumbai. The casino and resort are expected to be operational by mid 2014 and will be India's largest integrated casino resort. The resort is now just waiting for final formalities to be completed although this has been an ongoing wait.

The company re-branded all its operations recently and the Deltin brand is copyrighted to the Delta Corp Ltd. The Delta Corp is a fast growing Indian company offering gaming and hospitality since 2008.

Meanwhile there are other states also looking at the casino option now in India. Other states such as Odisha, Assam and Haryana have contemplated legalising gambling but dropped the idea due to political opposition and negative responses from the public.

However the possibility of casinos is now promising for states such as Daman and Punjab.

DAMAN

Daman is located on the western Indian coast between Maharashtra and Gujarat and is a city in the Daman district in the territory of Daman and Diu.

Daman is divided by the Daman Ganga River into two parts namely Nanidaman (small Daman) and Motidaman (big Daman). Ironically Nanidaman is actually the larger of the two towns and is residential and holds many important entities such as supermarkets and hospitals. Motidaman is the old city mainly inhabited by fishing communities.

The total population is around 35,700 and the two parts are connected by two bridges. However because it is only 193 kilometres from Mumbai and has well connecting highways to other cities it is in a prime position for gaming and leisure options. It is already a popular tourist resort mainly due to the freedom to drink alcohol which is prohibited in the neighbouring state of Gujarat.

The city's gaming laws are governed by the Goa, Daman and Diu Public Gaming 1976. In 2008 an amendment was added to authorise games of electronic amusement and slot machines to be located in five star hotels.



The law states that for an application fee of Rs2 lakh this will enable two machines or less for five star hotels or for Rs20 lakh 20 machines or less are permitted on board offshore vessels. Licences are granted for five years.

In May 2013 Delta announced a deal to acquire a 51 per cent stake in Daman Hospitality, a resort in Daman for Rs50 crore. The resort is a 187 room five star deluxe property called The Deltin. It is spread over 10 acres also houses three bars and four restaurants and 70,000sq.ft of outdoor pools and events area.

Deltin Corp owns an 'in-principle' licence to set up a casino in Daman with the aim of introducing 1,000 to 1,500 gaming positions in this resort. The casino (Fiesta Casino) is a 50/50 venture between Thunderbird's subsidiary Impacto and Deltin.

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Chairman of Delta Corp, Jaydev Mody, said in his annual report: "The Indian economy is expected to jump back into growth mode after a rather unremarkable year that was marked by so called policy paralysis, higher costs of borrowing and depressed global demand.

"The India story continues to be alive and well. The

weakening of the Rupee has positives for exporters as well as for long term investors. The so called hot money has already left the country and it is a good time for foreign investors to pick up assets.

"According to government statistics consumer spending in India grew from \$549bn to \$1.06 trillion between 2006 and 2011 putting India on the path to becoming one of the world's largest consumer markets by 2025. Consumption is expected to rise 7.3 per cent annually over the next 20 years. By 2040 nine out of every 10 Indians will belong to the 'global middle class group' with daily expenditures ranging between \$10 and \$100 per person in today's PPP terms.

"Gaming and casino business remains an area of large demand. However this is limited to Goa, Sikkim and Daman. A growing middle class will mean that domestic tourists in search of global gaming experiences at home will head to Goa or Daman which are more easily accessible than Sikkim."

Deltin Corp gaming and hospitality business in Goa will generate an operating profit of Rs135 crore on annual revenues of Rs575 crore this year.



CASINOS IN INDIA: WHAT'S HAPPENING?

"Casinos in Goa have made a very positive contribution to the local economy and, no matter what their comments for local public consumption may be, they are here to stay. They have driven forward airline travel, taxi usage, hotel occupancy, restaurant usage and they have also provided jobs to thousands of young Goans, who are now earning vastly more money than they ever thought possible. Many of these are young people without any significant academic qualifications and therefore whose employment prospects would be limited to low end, low paying, and intermittent (possibly seasonal) work.

The other major effect is the levelling out of the seasonality which bedevilled to hospitality industry in Goa until recently. In short, many hotels and restaurants simply closed up during the monsoon end May to end September. This is now much less pronounced, with significantly greater numbers of arrivals (mainly domestic tourists) during the monsoon season.

On a national level, many state governments would like to see this sort of effect in their own state, but lack the political courage to push legislation through. The prime and perhaps only consideration an Indian politician has is to ensure that he gets elected at the next election – and, as everywhere in the world – there are very few votes in advocating the legalising of casinos. However, if it happens it is likely to be in one of the smaller states where the jobs and economic stimulation provided by casinos would be more pronounced.

Currently only Sikkim has casinos which is hampered by the difficulties in getting there (no civil airport as yet). Daman (a Union Territory about 150 km north of Mumbai) is awaiting the issue of a licence. The casino and hotel are built but they have been waiting for the issue of the licence for several years now. Daman operates under the same basic primary legislation as does Goa – The Goa, Daman, and Diu Public Gambling Act 1976."

John Snowball, Vice President of Crown Casino in Goa. www.crowncasino.in

PUNJAB

Punjab is in the north west of India and after the partition of India in 1947 the Punjab province of British India was divided between India and Pakistan. Punjab is the only state in India with a majority Sikh population.

Agriculture was at one time its largest industry and the state is the largest producer of wheat in India. It has a population of 27 million and tourism is fairly high and sees around 1.6 million tourists per year.

Two years ago plans began circulating about a casino opening in Punjab but were dropped following protests from the opposition party and religious groups.

However last year the idea resurfaced and Punjab's flamboyant Deputy Chief Minister Sukhbir Singh Badal started talks again and it is understood a feasibility report is now being undertaken with the aim of building a Las Vegas style casino in Mattewara, a village near Ludhiana.

It is anticipated there will be fierce opposition once again however reports of fiscal problems in the Punjab government is a good reason to go ahead with plans.

Punjab has one of the highest per capita incomes in India but government coffers are low. A disastrous 'Free Power to Farmers policy' has resulted in low state finances coupled with faltering revenue collections and stagnating agricultural incomes.

The state has one of the highest per capita incomes in India but ironically government coffers are low. A disastrous 'Free Power to Farmers policy' has resulted in low state finances coupled with faltering revenue collections and stagnating agricultural incomes.

If the casino plans go through it will be part of the state's Rs300 crore proposed amusement park project which is a park in Mattewara to include entertainment, race course, forest safari, lakes, five star hotel, villas and of course a casino.

"The Indian economy is expected to jump back into growth mode after a rather unremarkable year that was marked by so called policy paralysis, higher costs of borrowing and depressed global demand. The India story continues to be alive and well. The weakening of the Rupee has positives for exporters as well as for long term investors. The so called hot money has already left the country and it is a good time for foreign investors to pick up assets. "Gaming and casino business remains an area of large demand. However this is limited to Goa, Sikkim and Daman. A growing middle class will mean that domestic tourists in search of global gaming experiences at home will head to Goa or Daman which are more easily accessible than Sikkim."

Jaydev Mody, Chairman of Delta Corp.