

**IN THE HONOURABLE HIGH COURT OF KARNATAKA
AT BENGALURU**

W.P. No.

/ 2020 (PIL)

BETWEEN :

Sri.C.GOPAL

... PETITIONER

A N D :

1. STATE OF KARNATAKA

Vidhana Soudha

Ambedkar Veedhi.

BENGALURU - 560 001

Represented by its

CHIEF SECRETARY

2. STATE OF KARNATAKA

Vidhana Soudha

Ambedkar Veedhi.

BENGALURU - 560 001

Represented by its

ADDITIONAL CHIEF SECRETARY

Finance Department

3. BANGALORE TURF CLUB LIMITED

Race Course Road

P.O. Box No. 5038

BENGALURU - 560 001

Represented by its

CHAIRMAN

... RESPONDENTS

**MEMORANDUM OF WRIT PETITION UNDER ARTICLE 226 AND
227 OF THE CONSTITUTION OF INDIA**

The Petitioner submits as follows :

I. That the addresses of the Petitioner for the purposes of issuance of court notices, summons, etc. from this Honourable Court are as shown in the cause

...2

: 2 :

title hereinabove and also that of their Counsels **Sri. H.V. Praveen Gowda, K.S. Nagaraj, P.G Legal Chambers**, Advocates, No.10, Ridhi Sidhi, 2nd Floor, 5thCross, Lakshmi Road, Shantinagar, Bengaluru – 560 027.

II. That the address of the Respondents for the purposes of issuance of court notices, summons, etc. from this Honourable Court is as shown in the cause title hereinabove.

III. The Petitioner is an general public, has raised voice particularly in the interest of all section / age group of the society, especially helpless, downtrodden, economically weaker sections of the society, youth. students and the rural Indians etc. The Petitioner has raised his voice on behalf of the General Public against the Respondent No.1 and 2 for having granting permission to the Respondent No.3 to conduct On-line Betting by virtue of the approval dated : 29.06.2020 by way of Digital Signature by the Honourable Chief Minister to the Proposal dated : 25.06.2020 by the Respondent No.2 on the File No. FD/3/CRC/2020 with an intention to gain profit / revenue to the exchequer of the Respondent No.1 at the cost of the General Public at large which is bane to the society. Hence Petition.

BRIEF FACTS OF THE CASE

1. It is stated that the Respondent No. 3 who are into Horse Racing and Betting upon the same, made a representation to the Respondent No.1 and 2, seeking permission to allow them to conduct On-line Betting of their Tote by way of representation dated : 10.07.2018 to (a) Introduce app based betting, (b) Increase the number of off-course centres both in the City of Bangalore as well as in other cities of Karnataka, (c) Tie up with leading Retailers in the state to set up betting kiosks in their premises, with an intention / anticipation to (i) Massive expansion of reach culminating in significant increase in the Tote pool which could contribute to a stable Toto system, (ii) Increase in the number of racing patrons using official channels of betting which could be an additional source

: 3:

of revenue, (iii) Reducing the dependence on human resource where by optimizing the operations costs, loss of revenue due to strike etc., and (iv) Safe, secure, electronic money transactions in line with the mission of the Government to encourage cashless digital economy and the same is furnished at **Annexure - 'A'**. It is further stated that the Respondent No.3 further made one more representation dated : 22.05.2020 to the Respondent No.2, for Grant of permission to conduct On-line Betting of their Tote referring to the above letter and the same is furnished at **Annexure - 'B'**.

2. It is further stated that the Respondent No.2 on the basis of the **Annexure 'A' and 'B'** by the Respondent No.3, sent proposal to Hon'ble Chief Minister dated : 25.06.2020 (Note No.5) in File No. FD/3/CRC/2020, to agree for the On-line Betting, by quoting that, there would be increase in revenue to the Government and further to reduce physical presence of the punters in the race track by permitting the Respondent No.3, to conduct On-line Betting and the same is furnished at **Annexure - 'C'**. The Hon'ble Chief Minister without analysing the repercussion, pros and cons upon the society / general public at large, approved the above proposal and signed the same by way of Digital Signature on 29.06.2020 in the above File No.FD/3/CRC/2020 and the same is furnished at **Annexure - 'D'**. It is further stated that the Respondent No.2 upon the approval as intimated the Respondent No.3 with respect to granting of permission to conduct On-line Betting by vide letter dated : 02.07.2020 and the same is furnished at **Annexure - 'E'**. The Respondent No.3 in view of the above permission are preparing, to implement On-line Betting and to launch the same by the end of October, 2020 or early by First Week of November, 2020. Hence this Petition.

3. The above order / granting permission to conduct On-line Betting is a ban to the Society, where the General Public i.e., all sector, category, youth, students kids, etc., would get addicted to the same and same would affect their family, education, occupation and would end up in bankruptcy etc., and would bring majority of them to the streets by putting them into deep financial crises, depression and may further lead to indulge in crime. Hence, this petition following amongst other grounds :

: 4 :

GROUND S

4. The permission granted at **Annexure - 'D'** by the Respondent No.1 and 2 in favour of the Respondent No.3 to conduct On-line Betting is Bane to the society than boon to the Society and the same is without analysing the repercussion, pros and cons going to cause upon the society, public at large, youths, kids, students, rural Indians etc.

5. The concept of Gambling or Betting involves, huge means of amounts of money with small investments, the same is morally and legally looked down upon as parties involved in the same face dangerous consequences along with their families.

6. The Gambling and Betting involves high risks as the outcome is uncertain, the mode of transaction involves money, property and with the revolution of internet technology, new dimensions have been opened up to process the mode of payment in the same and the Respondent No.3 is banking on the same to increase its revenue by spreading its tentacle beyond the limits at the cost of the society / public at large and making hectic efforts reach all sectors of people, students, youths, kids etc., with an intention to make profit and gain wrongfully.

7. Gambling and Betting was also a major part of Indian Mythology, great epics like Mahabharata and Ramayana witnessed the act of gambling as an important and popular form of recreation. In Mahabarata, Yudhishtir, the eldest of the pandavas, was fond of gambling and it is believed that he lost his entire kingdom, wife and his brother in a game of dice. However, if Online betting is implemented the above will be repeated in the families of the gamblers.

8. Manusmriti, the code of law states that gambling and betting is an act of open theft, treachery and embezzlement of wealth, respect and status in the society.

9. The Law Commission of India in a report to legalization of gambling in India and in one of the chapter it is reported and concluded that the gambling is a social evil that has been looked down upon by the society.

: 5 :

10. Gambling is a game of greed, gamblers end up risking a lot of money to win more and the cycle does not end. The gambling causes addiction, loss of livelihood and bankruptcy. However, the same was in the Metropolitan or Cosmopolitan cities and in some of the economically forwarded District head quarters but the permission at **Annexure - 'D'** will sneak into rural areas and accordingly loss of livelihood and bankruptcy also enters to rural areas with minimum income, i.e., hand to mouth.

11. Gambling should be for recreation that relieves the stress but on the contrary, gambling begins as a form of stress reliever but eventually it becomes an unmindful splurge of money and time. In simple terms, an activity that is supposed to be stress reliever ends up inviting problems.

12. Gambling also leads to becoming a crime, large amounts of money lost makes the person bankrupt and this can lead to crimes, people who gamble regularly are often seen giving up on their jobs and career. Lack funds to repay debts puts the lives of gamblers and their families into danger. On granting permission at **Annexure - 'D'**, the more number of families across the country would face the above problems when compared prior to the above permission.

13. Many people end up gambling trying to recover money they have lost. This is called "chasing losses" it results in people staking more and more money, most of which they will lose. Gambling addicts often turn to crime to feed their addiction.

14. It is immoral for the state or charities to raise money by exploiting people's stupidity. Taxing gambling is a regressive tax, this means poor pay a larger part of their income in tax than the rich, hence, it is more likely for poor people to gamble and regressive tax is deeply unfair.

15. Earlier the gambling and betting was physical or through a proxy for exchanging of bets between two or more people. With the advent of online betting / gambling, the indulgence into gambling is far easier now. The gambler can be in contact with each other through internet. The online gambling is an easy task for the lovers of gambling as the same is removal of your presence

: 6 :

from premise of betting and shifting it to your home screen. The online gambling will increase the gamblers drastically as one gamble from where ever they are and easily accessible.

16. The risk of loss of your finances is the main issue behind the online gambling. People get addicted to gambling and they indulge in the gambling regularly if the **Annexure - 'D'** is not quashed.

17. The risk of the gambler's credit details being leaked online is also a risk attached to it and it may also lead to health disorders too, physical as well as mental, as one has to behave sedentary for a long time and further waste time by playing.

18. With the ease of internet connection and the comforts of disguising one's identity, many minor are attracted to the gambling, with the fake identities and use of credit cards they fail to realize the extent to which they can go wrong.

19. College going youngsters have huge liking for On-line gambling, as it make them think that with their every share of spending increases in manifolds. This is what they term as 'easy money', not realising that the reverse has deeper effects.

20. Before implementing On-line Betting in Toto one should not have kept in mind with respect to the housewives, older generation, kids, families and who are not so wealthy.

21. No doubt that online gambling is heading towards a negative social impact where school going kids are also developing an addiction towards the same. There are families who are under severe debts due to their family members addiction towards the game. Since the accessibility is much more easy so the urge to play is also fulfilled faster, this is leading to sever addiction.

22. The Permission at **Annexure - 'D'** is nothing but a tool used to bring massive revenue to the state exchequer of the Respondent No.1 at the cost of the Public at large, it is nothing but gaining wrongfully at the cost of the society / public at large.

: 7 :

23. The Respondent No.1 being the Government, is bound to educate the society with respect to not to indulge in gambling, on the other way round is making hectic efforts to swindle money to gain wrongfully at the cost of the public at large by encouraging the public to indulge in the same by way of **Annexure - 'D'**.

24. The Public at large who were not aware or had knowledge of gambling / betting in Horse race, now will gain knowledge of the same and would bet in the horse race by using the App which would be developed by the Respondent No.3.

25. However, in many states On-line Betting / gambling is stopped and the same is considered as illegal and further has not permitted the same, keeping the welfare of the public at large / society. However, earlier Government of Karnataka has banned the online lottery and all kind of lotteries in the year, 2007.

26. The above gambling / betting would be easily access to the each and every person with smart phones and moreso the students / youths / kids would become prey to the above On-line Betting as the same is easy way to make money and vice versa.

27. Earlier, Kids and students where more attracted and were addicted to video games like Pubg etc., and however, in view of the same been stopped most of the youngsters and students and their families are saved, in same fashion the kids, students and youngster would get addicted to the above gambling / betting and would further lose interest in education, which would tarnish their career.

28. Though agreed that there was / is gambling from ages that does not mean to take the said betting to the door steps of each and every citizens and to see that the same is easily accessible.

30. At present the gambling was only in few Metropolitan / Cosmopolitan cities and some District Head Quarters and people who were familiar with the same used to indulge in the said gambling / betting but the above permission would

: 8 :

give access to large number of people as the number of the people using the smart phones in the country is almost more than 25 % of the entire population in India.

31. By the above permission at **Annexure - 'D'**, thousands of workers who were working for the Respondent No.3 to would lose their job and in turn the same would affect their livelihood.

32. The employees who were working for the Respondent No.3 were main cause for collection of enormous revenue and upliftment of the Respondent No.3 as the Respondent No.3 mainly depended on the large No. of man power to run the show especially during the racing session.

33. Large number of women worked for the Respondent No.3 in booking counters especially during the racing session and they were literally fast like money counting machines in booking and used to issue tickets to many in a minutes without any mis-calculation in the funds collected from the punters. By the virtue of **Annexure - 'D'**, they and their family would be on streets without bread and butter.

34. The Petitioner submits that there is no petitions pending before this Honourable Court in respect of the same cause of action and the Petitioner has not preferred any other Writ Petition against the Impugned Orders. There is no alternative remedy except to file this Writ Petition. Hence this.

35. The Petitioner crave leave of this Honourable Court to file the above Public interest litigation in the interest of public at large.

36. The Petitioner crave leave of this Honourable Court to urge other grounds during the course of arguments.

GROUNDS FOR INTERIM PRAYER

The Petitioner is an General Public and on behalf of the General Public in order to save the society and public at large hereby most humbly prays that this Honourable Court be Pleased to stay the Impugned Approval / Permission by

: 9 :

the Chief Minister / Respondent No.1 dated 29.06.2020 on the File No. FD/3/CRC/2020-CT1-FINANCE DEPT.SEC(ComputerNo.292832) at **Annexure - 'D'** granted upon the Proposal dated : 25.06.2020 proposed by the Respondent No.2, as the same is bane to the society and public at large and in order save to the deprived class of the society, youths, students, kids and people from rural sector, getting addicted to gambling than concentrating on the constructive work and further from getting themselves bankrupt and putting themselves and their family into danger by putting them into depression and further from losing their valuable properties / wealth and from indulging into criminal activities.

P R A Y E R

WHEREFORE the Petitioner most humbly pray that this Honourable Court may be pleased to

(a) Issue a Writ, Order or direction in the nature of a Writ of Certiorari, quashing the impugned Approval / Permission granted by the Chief Minister / Respondent No.1 dated 29.06.2020 on the File No. FD/3/CRC/2020-CT1-FINANCE DEPT.SEC(ComputerNo.292832) at **Annexures – 'D'**, upon the the Proposal dated : 25.06.2020 proposed by the Respondent No.2 in the interest of justice and equity.

(b) Grant such other relief/s as this Honourable Court deems fit in the facts and circumstances of the case in the interest of justice and equity

INTERIM PRAYER

Issue an interim order of stay staying the Impugned Approval / Permission granted by the Honourable Chief Minister / Respondent No.1 dated 29.06.2020 on the File No. FD/3/CRC/2020-CT1-FINANCE DEPT.SEC (ComputerNo.292832), at **Annexures – 'D'** upon the Proposal dated : 25.06.2020 proposed by the Respondent No.2 pending disposal of the writ petition in the interest of justice and equity.

BENGALURU

DATE :

ADVOCATE FOR PETITIONER

(H.V. PRAVEEN GOWDA)