

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2388
ANSWERED ON:21.07.2009
ONLINE LOTTERY SYSTEM
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Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether online/internet lottery has been approved in the country by the Government;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to regulate online/internet lottery trade in the country including corrective measures to check the fraudulent practices including cheating in online lotteries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI AJAY MAKEN)

(a) to (c): Lotteries fall under Entry 40 of the Union List of the Constitution of India, i.e., "Lotteries organized by the Government of India or the Government of a State." Accordingly, the Govt. of India formulated the Lotteries (Regulation) Act, 1998 which laid down the conditions subject to which State Governments shall organize, conduct or promote a lottery. Although the Lotteries (Regulation) Act, 1998 does not make specific mention about online lotteries but as per the opinion of Ministry of Law the definition of lottery under the Act is wide enough to cover all forms including online lotteries in which a lottery is organized.

2. Therefore, online/Internet lotteries are covered under the Central Act formulated by the Govt. of India.

Section 12(1) of the said Act provides as under:

"the State Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act"

Accordingly, different State Governments have formulated their rules for running the lotteries in their respective States. Some of the State have even formulated specific rules for operation of online lotteries. For instance. The Sikkim Online Network Lottery Rules, 2001, The Maharashtra Online Lotteries (Regulation) Rules, 2001, The Arunachal Pradesh State Online Rules, 2002, Meghalaya State computerized Online Lottery (Regulation) Rules, 2002, The Manipur State Online Lottery (Regulation) Rules, The Tripura computerized Network Lottery Rules, 2004 etc.

The internet/Online lotteries are accordingly regulated under the provisions of the Lotteries (Regulation) Act, 1998 and rules made by the State Governments. Depending upon the complaints received further necessary action is taken by the State Governments. For instance, the Kerala Govt. has instituted an inquiry by their vigilance department into some of the frauds reported, consequent to which the State went ahead to the extent of banning the online lottery entirely.