

IndiaCode

The Lotteries (Regulation) Act, 1998

(ACT NO. 17 OF 1998)

[*As on the* 1st June, 2026]

LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O.	„	Statutory Order.
Notifn.	„	Notification.

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THE LOTTERIES (REGULATION) ACT, 1998

ARRANGEMENT OF SECTIONS

SECTIONS

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THE LOTTERIES (REGULATION) ACT, 1998

ACT NO. 17 OF 1998

[7*th July*, 1998.]

An Act to regulate the lotteries and to provide for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Forty-ninth Year of the Republic of India as follows:—

1. Short title, extent and commencement.—(*1*) This Act may be called the Lotteries (Regulation) Act, 1998.

(*2*) It extends to the whole of India.

(*3*) It shall be deemed to have come into force on the 2nd day of October, 1997.

2. Definitions.—In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "bumper draw of a lottery" means a special draw of lottery conducted on or during any festival or other special occasion wherein the prize money offered is greater than the prize money offered in the case of other ordinary draw of lotteries;

(*b*) "lottery" means a scheme, in whatever form and by whatever name called, for distribution of prizes by lot or chance to those persons participating in the chances of a prize by purchasing tickets;

(*c*) "prescribed" means prescribed by rules made under this Act.

3. Prohibition of lotteries.—Save as otherwise provided in section 4, no State Government shall organise, conduct or promote any lottery.

4. Conditions subject to which lotteries may be organised, etc.—A State Government may organise, conduct or promote a lottery, subject to the following conditions, namely:—

(*a*) prizes shall not be offered on any pre-announced number or on the basis of a single digit;

(*b*) the State Government shall print the lottery tickets bearing the imprint and logo of the State in such manner that the authenticity of the lottery ticket is ensured;

(*c*) the State Government shall sell the tickets either itself or through distributors or selling agents;

(*d*) the proceeds of the sale of lottery tickets shall be credited into the public account of the State;

(*e*) the State Government itself shall conduct the draws of all the lotteries;

(*f*) the prize money unclaimed within such time as may be prescribed by the State Government or not otherwise distributed, shall become the property of that Government;

(*g*) the place of draw shall be located within the State concerned;

(*h*) no lottery shall have more than one draw in a week;

(*i*) the draws of all kinds of lotteries shall be conducted between such period of the day as may be prescribed by the State Government;

(*j*) the number of bumper draws of a lottery shall not be more than six in a calendar year;

(*k*) such other conditions as may be prescribed by the Central Government.

5. Prohibition of sale of ticket in a State.—A State Government may, within the State, prohibit the sale of tickets of a lottery organised, conducted or promoted by every other State.

6. Prohibition of organisation, etc., of lottery.—The Central Government may, by order published in the Official Gazette, prohibit a lottery organised, conducted or promoted in contravention of the provisions of section 4 or where tickets of such lottery are sold in contravention of the provisions of section 5.

7. Penalty.—(*1*) Where a lottery is organised, conducted or promoted after the date on which this Act receives the assent of the President, in contravention of the provisions of this Act, by any Department of the State Government, the Head of the Department shall be punishable with rigorous imprisonment for a term which may extend to two years or with fine or with both:

Provided that nothing contained in this section shall render such Head of the Department liable to any punishment if he proves that the contravention was committed without his knowledge or that he exercised all due diligence to prevent the commission of such contravention.

(*2*) Notwithstanding anything contained in sub-section (*1*), where a contravention under this Act has been committed by a Department of Government and it is proved that the contravention has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any officer, other than the Head of the Department, such officer shall also be deemed to be guilty of that contravention and shall be liable to be proceeded against and punished accordingly.

(*3*) If any person acts as an agent or promoter or trader in any lottery organised, conducted or promoted in contravention of the provisions of this Act or sells, distributes or purchases the ticket of such lottery, he shall be punishable with rigorous imprisonment for a term which may extend to two years or with fine or with both.

8. Offences to be cognizable and non-bailable.—The offence under this Act shall be cognizable and non-bailable.

9. Offences by companies.—(*1*) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was incharge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

10. Power to give directions.—The Central Government may give directions to the State Government as to carrying into execution in the State of any of the provisions of this Act or of any rule or order made thereunder.

11. Power of Central Government to make rules.—(*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(*2*) Every rule made by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

12. Power of State Government to make rules.—(*1*) The State Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) time to be fixed for claiming prize money under clause (*f*) of section 4;

(*b*) period to be fixed for draws of all lotteries under clause (*i*) of section 4; and

(*c*) any other matter which is required to be, or may be, prescribed.

(*3*) Every rule made by the State Government under this section shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.

13. Repeal and saving.—(*1*) The Lotteries (Regulation) Ordinance, 1998 (Ord. 6 of 1998), is hereby repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of this Act.

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STATEMENT OF OBJECTS AND REASONS

The conduct of certain types of lottery trade in the country, the malpractices thereof and their impact on the poorer sections of the society have been under scrutiny of the Government for quite some time. The continued prevalence of the popularly known single digit and instant lotteries and the temptation offered by them proved to be the undoing of many families, especially poor daily wagers and low income groups.

2. In spite of the guidelines issued by the Central Government over a period of time as also the guidelines issued in the recent past by the Honourable Supreme Court in the matter, the evil has not been totally eliminated and it is felt that a Central legislation to regulate the conduct of lotteries is necessary to protect the interest of the gullible poor.

3. Considering the exigencies of the matter and as the Parliament was not in session, an Ordinance, namely, the Lotteries (Regulation) Ordinance, 1997 (Ord. 20 of 1997) was promulgated by the President on the 1st day of October, 1997. In order to give continued effect to the provisions of the said Ordinance, the Lotteries (Regulation) Second Ordinance, 1997 (Ord. 31 of 1997) was promulgated by the President on the 30th day of December, 1997. As the Lotteries (Regulation) Second Ordinance, 1997 was going to lapse on the 5th day of May, 1998, the President promulgated on the 23rd day of April, 1998, the Lotteries (Regulation) Ordinance, 1998 (Ord. 6 of 1998).

4. The Bill seeks to replace the Lotteries (Regulation) Ordinance, 1998.

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L. K. ADVANI.

NEW DELHI;

The 16*th May,* 1998.