

**Bill No. LIII of 1999**

**THE LOTTERIES (PROHIBITION) BILL, 1999**

A

**BILL**

*to prohibit the organisation, conduct and promotion of lotteries and to provide for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Fiftieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Lotteries (Prohibition) Act, 1999.

Short title and extent.

(2) It extends to the whole of India.

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

Definitions.

(a) “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 lots or chances of prize by purchasing tickets;

10 (b) “organisation” means any local or other authority functioning under the control of the Central Government or a State Government and includes an undertaking established by or under a Central, Provincial or State Act or which is controlled or financed wholly or substantially by funds, provided directly or indirectly, by the Central Government or a State Government or a Government company as defined under section 617 of the Companies Act, 1956.

Prohibition of lotteries.

3. The Central Government or a State Government or any organisation shall not—

(i) organise, conduct or promote any lottery or sell or distribute or put for sale any lottery ticket, in any manner whatever or receive or remit any money in pursuance of organising, conducting or promoting any lottery or sale or distribution or putting for sale of any lottery ticket; or

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(ii) cause any lottery to be organised, conducted or promoted through any other person including any society whether registered or not under any law for the time being in force.

Penalty.

4. (1) Where any contravention of the provisions of section 3 has been committed by any Department of the Central Government or State Government or any organisation, the Head of such Department or the person incharge of such organisation, as the case may be, shall be guilty of offence and shall be liable to be proceeded against and punished under sub-section (3):

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

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(2) Notwithstanding anything contained in sub-section (1), where any offence under sub-section (1) has been committed by a Department of the Central Government or State Government or any organisation 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 officer, other than the head of such Department or the person incharge of such organisation, such officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

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(3) Whoever commits an offence under sub-section (1) shall be punishable with rigorous imprisonment for a term which may extend to two years, or with fine, or with both.

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Offences by companies.

5. (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:

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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.

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(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 that offence and shall be liable to be proceeded against and punished accordingly.

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*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.

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Offences to be cognizable and non-bailable.

6. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence under this Act shall be cognizable and non-bailable.

2 of 1974

17 of 1998

**7. (1) The Lotteries (Regulation) Act, 1998 is hereby repealed.**

**Repeal and  
saving.**

10 of 1897

(2) Notwithstanding such repeal, without prejudice to the application of section 6 of the General Clauses Act, 1897, anything done or any action taken or purported to have been done or taken in pursuance of the Act so repealed shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under or in pursuance of the corresponding provisions of this Act.

## STATEMENT OF OBJECTS AND REASONS

The malpractices in the conduct of lotteries and its impact on the poorer sections of the society had been under scrutiny of the Government for quite some time. The continued prevalence of the popularity known single digit and instant lotteries and the temptation offered by them had proved to be the undoing of many families. In spite of the guidelines issued by the Central Government from time to time as also the guidelines issued by the Supreme Court of India in the matter, the evil could not be totally eliminated and it was felt that a Central legislation to regulate the conduct of lotteries was necessary to protect the interest of the gullible poor. To tackle this evil, the Lotteries (Regulation) Act, 1998 was enacted by Parliament. This Act, besides imposing stipulations for conduct of lotteries in the country, banned single digit and pre-announced number lotteries.

2. The Lotteries (Regulation) Bill, 1998 was referred to the Department related Parliamentary Committee on Home Affairs. The said Committee, after considering the matter in all its aspects, had strongly recommended to the Government to come forward with a comprehensive Bill, at the earliest, in consultation with all the State Governments and the Union territory Administrations, imposing a complete ban on the lottery trade in the country. The matter was debated at length in Parliament when the said Bill was taken up for consideration. During the debate there was an overwhelming view in both Houses of Parliament in favour of banning the lotteries.

3. The matter was also placed before the Conference of Chief Ministers held on the 27th November, 1998 in New Delhi. The general consensus in the Conference was that lotteries should be statutorily banned.

4. Under the Constitutional frame-work, Parliament has legislative competence with regard to lotteries falling under entry 40 of List I (Union List) of the Seventh Schedule to the Constitution. Other types of lotteries fall under entry 34 of List II (State List) of said Schedule which is within the legislative competence of the State Legislatures. The Bill, therefore, proposes to prohibit the Central Government, State Government and any organisation controlled by such Government from conducting, organising or promoting any lottery. It also seeks to repeal the Lotteries (Regulation) Act, 1998.

5. The Bill seeks to achieve the aforesaid objective.

L.K. ADVANI.

NEW DELHI;

*The 21st December, 1999.*

RAJYA SABHA

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*(Shri L. K. Advani, Minister of Home Affairs)*