

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 1237**

**TO BE ANSWERED ON MONDAY, DECEMBER 08, 2025/AGRAHAYANA
17, 1947 (SAKA)**

LOTTERIES REGULATION IN THE COUNTRY

1237. SHRI ANURAG SINGH THAKUR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has recently conducted any study/assessment regarding the revenue generated from lotteries conducted by different States in the country, if so, the details thereof;

(b) whether the Government has taken note of the compliance by States with the provisions of the Lotteries (Regulation) Act, 1998, particularly with regard to conduct, regulation and prohibition of lotteries, if so the details thereof along with the details of revenue collected by the Union and the State Governments from lotteries, including GST during the last five years, year-wise;

(c) whether instances of violation of Section 4 of the Lotteries (Regulation) Act, 1998 (relating to conditions for organising lotteries) and proliferation of unregulated/online lotteries have been reported in the country, if so, the details thereof; and

(d) the measures being taken by the Government to strengthen monitoring, curb illegal operations and ensure that legitimate revenue under the Lotteries (Regulation) Act, 1998 and GST framework is duly protected?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) No such study/assessment has been conducted recently.

(b), (c) and (d)

Ministry of Home Affairs has issued directions on 02.08.2011 under Section 10 of the Lotteries (Regulation) Act, 1998 stating that it is the responsibility of the State Governments to ensure compliance with the provisions of the Lotteries (Regulation) Act, 1998 and the Lotteries (Regulation) Rules, 2010 in letter and spirit. Further, directions have been issued by Ministry of Home Affairs on 18.07.2018 to all the lottery running States to have their

software/hardware used for online lottery certified by Standardization, Testing and Quality Certification Directorate (STQC) to ensure integrity of the hardware/software used for operation of online lottery. Thereafter, instructions have been issued on 22.01.2019 to all lottery running States that a lottery combining features of online and paper lotteries is not in accordance with the Lotteries (Regulation) Rules, 2010 and therefore, the same be stopped forthwith in case already launched by any of the lottery organizing State Governments. Taking into cognizance the responsibility assigned to lottery organizing States under the Lotteries (Regulation) Rules, 2010, the complaints received in the Ministry are forwarded to the concerned lottery organizing States for appropriate action.

The information related to revenue collected from sale of lottery tickets by the State Governments, falls under the purview of the concerned State Governments. Further, under GST, there is no distinct tariff item or service code for the supply of lottery. Therefore, it is not possible to provide the requested information regarding GST revenue from lotteries.

Under the GST framework, the following measures are already in place, to strengthen monitoring, curb illegal operations and ensure that legitimate GST revenue is protected:

- GST is payable @40%, with effect from 22.09.2025, on the lottery tickets at the stage of their sale by the State Governments to lottery distributors or selling agents. This is payable by the lottery distributors or selling agents on a reverse charge basis.**
- No GST is collected on further sale of the lottery tickets as these transactions have been exempted.**
- The GST rate on lottery has been rationalized from 01.03.2020 onwards wherein the distinction between lottery run by State Governments and lottery authorized by State Governments was done away with. Prior to 01.03.2020, lottery attracted two GST rates, namely, lottery run by State Governments at 12% and lottery authorized by State Governments at 28%. From 01.03.2020 till 22.09.2025, lottery attracted a uniform rate of 28% GST and from 22.09.2025 till date it attracts a uniform rate of 40% GST.**
