

More Indian states may prohibit online lottery, says legal expert

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By Gareth Bracken

A recent ruling by India's Supreme Court that state governments are within their rights to regulate online lottery could lead to further prohibitive action at state level, according to a leading gaming lawyer in the country.

The Supreme Court's judgement addressed the question as to whether a state government can discriminate between a paper lottery and online lottery in pursuance of the provision of Section 5 of the Lotteries (Regulation) Act, 1998, under which each state is allowed to prohibit the sale of tickets of a lottery organised, conducted or promoted by every other state.

An earlier Supreme Court judgment had clarified that a state can prohibit the sale of lottery tickets from other states only if the relevant state does not have its own lottery, but the present judgement has clarified that a state may prohibit just one kind of lottery, in this case online lottery, thus upholding an earlier ruling by the Kerala government.

Outlining that the Supreme Court's decision will "surely have an impact on online lottery distribution from other states into Kerala", Gowree Gokhale, partner at Nishith Desai Associates, believes that other states "may be motivated to issue similar notification".

She did however add that the ruling should not have "any direct impact on gambling legislations that are state-specific, except that there is some guidance on how the old statutes may be interpreted in light of new technologies and business models".