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NOTIFICATION

No. G.O. 6010/39/2009-F IF & SL, the 8th March, 2011. Whereas the Lotteries (Regulation) Act, 1998 (Central Act no. 17 of 1998) by section II empowers the Central Government to make rules and the Central Government has already made the Lottery (Regulation) Rules, 2010 vide Ministry of Home Affairs, Government of India's G.S.R no. 278(E) dated New Delhi, the 1st April, 2010;

Whereas section 12 of the said Act of 1998 also empowers the State Government to make rules on a few specified matters, namely, time to be fixed for claiming prize money under clause (f) of section 4 of the Act, period to be fixed for draws of all lotteries under clause (i) of section 4 and any other matter which is required to be, or may be, prescribed;

Whereas the Central Rules of 2010 contain some important and relevant provisions, with reference to "Organising State", which also need to be adapted for proper implementation of the Act;

Now, therefore, the Governor of Mizoram, in exercise of the powers conferred by sub-section (1) of section 12 of the said Act and in supersession of earlier notifications in this regard is pleased to make the following rules, namely-

1 Short title and commencement-

- 1) These Rules may be called the Mizoram Lotteries (Regulation) Rules, 2011;
- 2) They shall come into force on and from the date of publication in the Official Gazette.

2 Definitions-

- 1) In these rules, unless the context otherwise requires
 - (a) "Act" means the Lotteries (Regulation) Act, 1998 (17 of 1998);
 - (b) "central computer server" means a system of multiple computers installed at a central location under the direct control of the Government of Mizoram, that accepts, processes, stores and validates the online lottery transactions or otherwise manages, monitors and controls the entire system of online lottery

- (c) "Central Rules" means the Lotteries (Regulation) Rules, 2010 as notified by the Ministry of Home Affairs, Government of India, New Delhi under the GSR 278 (E) dated 01st April, 2010 and published in the Gazette of India, Extraordinary, Part II, Section 3 (i) dated 01st April, 2010, pages 1 - 12;
- (d) "Director" means the Director of Institutional Finance & State Lottery, Government of Mizoram;
- (e) "Distributor or Selling Agent" means an individual or a firm or a body corporate or other legal entity under law so appointed by the Government of Mizoram through an agreement to market and sell lotteries on behalf of the Government of Mizoram;
- (f) "draw" means a method by which the prize winning numbers are drawn for each lottery or lottery scheme by operating the draw machine or any other mechanical method based on random technology, which is also visibly transparent to the viewers;
- (g) "online lottery" means a system created to permit players to purchase lottery tickets generated by the computer or online machine at the Lottery terminals where the information about the sale of a ticket and the player's choice of any particular number or combination of numbers is simultaneously registered with the central computer server.
- (h) "Organising State" means the State of Mizoram.
- (i) "prize" means the amount payable against a ticket bearing the winning number of any specified prize denomination;
- (j) "sale proceeds" means the amount payable by the distributor to the Organising State in respect of sale of tickets calculated at the face value printed on each tickets in respect of lotteries of a particular draw or scheme or both;
- (k) "security deposit" means a deposit or amount or bank guarantee pledged or paid to the Government of Mizoram by the Distributor or Selling Agent in any form for due fulfillment of the contract or financial commitment.

2) Words and expressions used but not defined herein but defined in the Act shall have the meanings respectively assigned to them in the Act.

Provisions of the Central Rules to apply - All the provisions of the Central Rules viz. Lotteries (Regulation) Rules, 2010 shall apply and shall be strictly followed, subject to the following changes-

- (a) wherever the expression "Organising State", the same shall be construed as the "State of Mizoram".
- (b) wherever the expression "Official Gazette" relating to the Organizing State occurs, it shall be construed as the Mizoram Gazette;
- (c) wherever the expression "Consolidated Fund to the Organising State" occurs, it shall be construed as the "Consolidated Fund of the State of Mizoram".

Organisation of Lottery :-

- 1) The State Government of Mizoram may organise paper lottery or online lottery or both, subject to the conditions specified in the Act, in the Central Rules and these rules.

- 2) The State Government of Mizoram may organise a lottery or lotteries, if it so decides, by issuing a notification in Mizoram Gazette, outlining each lottery-wise the purpose-scope, limitation and methods thereof.
- 3) The State Government of Mizoram shall announce in advance, by way of a notification in Mizoram Gazette, the following informations about every lottery proposed to be organised by it, namely:-
 - a) the name of the lottery or lottery scheme;
 - b) maximum retail price of the lottery ticket;
 - c) total number of tickets printed in case of paper lottery;
 - d) gross value of the tickets printed;
 - e) name or names of the distributors or selling agents with their addresses and contact informations;
 - f) prize structure;
 - g) the amount offered as prize money;
 - h) periodicity of the draw;
 - i) the place where the draw shall be conducted; and
 - j) the procedure for drawing the prize winning tickets or prize-winners.
- 4) In case the State Government of Mizoram decides to organise more than one lottery, the procedure as provided in sub-rule (3) shall be followed for each lottery.
- 5) The State Lottery shall be organised, conducted or promoted by the State Government through various terminals connected with the Central Server, or shall authorize the Distributor for sale of tickets after entering into written agreement.
- 6) A Mirror Server shall be monitored in the Directorate of Institutional Finance & State Lottery by the Director or his authorized officer.
- 7) The State Lottery shall be named as the "Mizoram State Lotteries" with such other sub-names as may be decided by the Government/Director from time to time as per market conditions.
- 8) The Director shall arrange to deliver the tickets on behalf of the State Government to the Distributor as the case may be at the place mutually agreed upon.
- 9) The form, size and design of tickets shall be decided by the Director on behalf of the State Government.
- 10) The printed tickets for a particular draw shall bear the imprint and logo of the State Government, distinctive number, the date/time of draw and the sale price of the ticket/minimum retail price (MRP) and facsimile signature of Director, Institutional Finance & State Lottery. On the reversed side of the tickets, there shall be a printed information in English/Hindi or any Regional language showing prize structure and such other essential details and conditions as the State Government may consider necessary for the purchasers. Such terms and conditions which appear on the Lottery tickets shall be determined by the State Government through the Director.
- 11) The printing of the Online lottery ticket, as per the approved schemes, shall be done by the Terminal(s)/Retailers and shall have the imprint logo and facsimile signature of the Director. Such tickets shall be sold after printing of the players' selected numbers.

- 12) The schemes are liable to be changed or modified by the Government keeping in view/ according to market conditions.
- 13) No instrument of any kind used in transmission of alpha-numeric message or any instrument of audio visual display/recording shall be allowed to the person(s) present at the draw place.
- 14) A certified copy of the results shall be supplied to the representative of the Distributor by the authorized officer(s) of the Government/Director after the last draw conducted during the day.
- 15) The State Government may authorize the Distributor to make the payment of prizes on its behalf, up to the value of Rs. 5,000/- (Rupees five thousand) only to the prize winners within a period of 90 (ninety) days from the date of draw. The expenses incurred by the Distributor on account of payment of such prizes may be adjusted/set-off against the sale proceeds of lottery tickets payable by the Distributor to State Government.

Payment of prizes which is not covered under the above provision will be made by the Director after deduction of Tax Deduction at Source (TDS) and Departmental charges, if any.

- 16) One ticket will enable the holder thereof to claim one prize only, whichever is higher. The prize winner for amount above Rs. 5,000/- shall be require to submit the Prize Winning Tickets(PWT) in original along with 3 (three) copies of passport size photograph supported by documentary proof and a Court Affidavit duly attested and signed by the 1st Class Magistrate addressed to the Director, Institutional Finance & State Lottery, Aizawl for payment.
- 17) Prizes that are not claimed by the Prize winners within a period of 90 (ninety) days from the date of draw shall not be disbursed and shall stand forfeited to the State Government as unclaimed prize money.

Provided that the Director may, in exceptional circumstances, disburse the prize amount to the prize winners on his/her application even after the expiry of the said period of 90 (ninety) days but not exceeding 120 (one hundred and twenty) days if he is satisfied that the reasons for not claiming the prize amount within the said period of 90 (ninety) days are cogent and genuine.

In order to determine the unclaimed or undistributed prize money, the Distributor shall, within a period of one month from the expiry of the period of 90 (ninety) days referred to above, submit the audited account thereof, to the Director, Institutional Finance & State Lottery.

- 18) No forged, torn, mutilated or tampered ticket shall be entertained for prize claim payment.
- 19) The prize claims on taxable amount shall be paid after due verification of prize winning ticket (PWT) form the concerned printing press or central server/mirror server.
- 20) The entire prize ranks shall be paid only in Indian currency.
- 21) There shall be 2 (two) judges for conduct of Mizoram State Lotteries with a time table shift-wise in the day to day operation of the lottery draws. The panel of judges so appointed shall be paid a lump sum remuneration as may be decided by the Government from time to time.

All draws of Mizoram State Lottery (*both Paper and Online*) shall be held and conducted within the territory of Mizoram and shall be held and conducted under the direct supervision of the Director or his authorized representative and in the presence of at least two Draw Judges duly appointed by the Director, Institutional Finance & State Lottery.

- 22) The Distributor shall lift the lottery tickets within such reasonable period so as to ensure the conduct of first draw within a period of thirty days from the date of execution of agreement or any other date fixed by the State Government in public interest. If the first draw is not held within the stipulated period due to the failure of the Distributor in lifting the tickets, then his performance security/Bank Guarantee shall be forfeited to the Government.
- 23) The Distributor shall lift all the printed lottery tickets, at a wholesale/discounted price to be mutually agreed and decided upon by the Director and the Distributor, keeping in view the market condition, in such advance period as may be laid down in the agreement. The Director may also allow the Distributor to lift the tickets of each lottery on credit against an unconditional Bank Guarantee of cash security kept in the shape of Fixed Deposit Receipt.

In case the Distributor fails to lift the tickets already printed in full or in part, he shall be required to pay damages equal to the amount of the invoice value of the un-lifted tickets.
- 24) Any defect or deficiency noticed in the printed tickets should be immediately brought to the notice of the Director. Under no circumstances such defective ticket should be sold. The purchaser(s) or Distributor, as the case may be, may get rectified tickets in exchange for the defective tickets without extra payment. The exchange will be done by the Government/Distributor immediately on production of the defective/mutilated tickets by the Distributor/purchaser, as the case may be.
- 25) In case of loss of tickets in transit, the same shall immediately be brought to the notice of the Director for publication in the newspapers. However, in case of loss of tickets after delivery to the Distributor, no compensation of any kind shall be payable to the Distributor.
- 26) The Distributor shall lift the printed tickets in full or in part by raising invoice and the delivery challans by the Government.
- 27) The Distributor desiring to stop the marketing of tickets at his own will shall be required to give prior notice of 30 (thirty) days to the Government failing which the Distributor shall have to compensate the State Government for the revenue that it would have otherwise earned during the period of 30 (thirty) days. In addition to the compensation amount described above, the State Government may also recover such damages as per the terms of the agreement.
- 28) In the event of any loss or damage caused to the State Government due to the omission or negligence of the Distributor, Printers or Advertising Agencies, as the case may be, the same shall be made good (including damages, if any sustained by the State Government, as per the provisions of the Agreement) by the said Distributor or Printer or Advertising Agency.
- 29) The State Government/Director may appoint a locally based renowned firm/company of Chartered Accountants and technical experts for the purpose of conducting annual financial and system audit.
- 30) The record relating to those draws which are no longer required, shall be kept in the custody of the Director for a maximum period of three years from the date of publication of the

result, after which it shall be destroyed with the approval of the State Government and the decision in this regard will be communicated to the Accountant General concerned one month before the date of such destruction.

- 31) The number of lottery draws except bumper draw organised by the State Government of Mizoram from all the lottery schemes put together, shall not be more than twenty four per day.
- 32) No draws of a lottery shall be conducted on any National Holiday and after 10:00 Pm in any other day.
- 33) The minimum sale price of a lottery ticket shall not be less than two rupees.
- 34) The first prize in any lottery scheme shall not be less than ten thousand rupees.
- 35) The State Government of Mizoram shall charge a minimum amount of five lakh rupees per draw for bumper draw of lottery and, for all other forms of lottery, a minimum amount of ten thousand rupees per draw.
- 36) Every other State Government under whose jurisdiction the Mizoram State lottery tickets are being sold shall be entitled to charge a minimum amount of two thousand rupees per draw from the State Government of Mizoram but the maximum amount chargeable shall not be more than what is being charged by such other State Government from its own lotteries.
- 37) The Director shall publish the result of the draws in at least one national and two local newspapers as may be chosen by the Director, Information and Public Relations, Government of Mizoram, out of which one shall be in English, as well as in the Mizoram Gazette of the State.
- 38) The Financial Commissioner, Government of Mizoram stands designated as the designated authority.
- 39) No prize shall be offered on a lottery ticket or in an online lottery on the basis of single, double or triple digit in any form or combination.
- 40) All the distributors or selling agents appointed or authorised by the State Government of Mizoram shall act in conformity with the provisions of the Act, the Central Rules and these rules.
- 41) No Lottery in any form shall be organised by any authority other than the State Government of Mizoram, or by its appointed Distributors or Selling Agent within its jurisdiction.

5 Appointment of Distributors and Selling Agents

- 1) The State Government of Mizoram shall specify qualifications, experience and other terms and conditions for the appointment of distributors and selling agents for the purpose of marketing of the lottery-tickets, while processing appointment of such distributors and selling agents by inviting Expressions of Interest (E.O.I) or by such other methods as may be deemed fit and proper;

Provided that in the matter of selection of such distributors or selling agents, the State Government may consider allowing certain preference to the parties having rich experience of running lotteries of at least two Northeastern States including Mizoram for a

number of years with sound, noncoercing and satisfactory financial track-records with complete infrastructure, manpower and capital to manage alone, if necessary, the entire marketing of the lottery-tickets on behalf of the State Government of Mizoram.

- 2) The distributor(s) or selling agent(s) on appointment through an agreement in each case, shall furnish a security deposit in the form of Demand Draft or a Bank Guarantee, as may be specified by the State Government of Mizoram at the time of invitation of the EOI.
- 3) The State Government of Mizoram shall pay to the distributors or selling agents a commission at such rate or rates as may be mutually agreed for the lawful, responsible and commercial marketing of the lottery-tickets and on the prize amounts disbursed by them to the winners in connection with the State lotteries organised by the State Government of Mizoram, in consonance with the provisions of the Act, the Central Rules and these Rules.

Disposal of unsold lottery-tickets and unused counterfoils-

- 1) The distributors or selling agents shall immediately after each draw is held, return the unsold tickets to the Director with full accounts along with the challans of the money deposited in the Public Ledger Account or in the Consolidated Fund of the State Government, as the case may be, with a copy of such return or detailed accounts to the designated authority.
- 2) The unsold tickets and unused counterfoils of lottery tickets, if any, shall be disposed of, in the manner specified by the State Government of Mizoram, by the Director from time to time.

Procedure to prohibit the sale of lottery tickets-

Regarding prohibition of the sale of tickets of a lottery organised, conducted or promoted by every other State Government than the State Government of Mizoram within the State of Mizoram, the provisions of Rule 5 of the Central Rules shall apply, mutatis mutandis, and shall be followed in letters and spirit.

Claim of Prizes-

A subject to rules 4 to these Rules, all claims of taxable prizes shall be submitted to the Director, along with:-

- a) claim-form, as may be specified by the Director from time to time, duly filled in;
- b) original prize winning ticket with one photo copy of the prize winning ticket, duly attested by a Gazetted Officer;
- c) three copies of passport-size photograph of the holder of the winning ticket, duly attested by a Gazetted Officer;
- d) an affidavit of ownership of the prize winning ticket from any Magistrate.

Examination of Prize winning Tickets.

The prize winning tickets received by the Director through the distributor or the selling agent, as the case may be, or directly from the holder will be examined carefully In consonance with the following procedure :-

- a) a ticket which is prima-facie found not genuine may be sent to the printer of the ticket for verification of its genuineness, and for report;

- b) a ticket, even if found mutilated but the series and ticket number remaining in tact, may be accepted after careful examination of its genuineness;
- c) a ticket which is found tampered with in any way shall not be accepted for the purpose of disbursement of prize-money due on it.

Mode of Payment to and by the State Government of Mizoram

- 1) All payment due from a distributor or a selling agent to the State Government of Mizoram shall be made by such distributor or selling agent by Demand Draft only drawn in favour of the Director on any Nationalised or Public Sector Bank located at Aizawl.
- 2) The Director shall initially credit all the amounts so received in the approved Bank account in any reputed Nationalised, Scheduled or Public Sector Bank located at Aizawl and in the authorised manner.
- 3) The transactions relating to the payment of Prize money, charges for publication of results, expenses incurred in connection with lottery draws and other miscellaneous expenses shall be done through the Bank Account jointly operated by the Director and the Joint Director, Institutional Finance & State Lottery, Government of Mizoram.
- 4) The Director shall submit weekly returns of all such transactions to the Designated Authority.

Interpretation :-

If any question arises as to the interpretation of these rules or in regard to any matter not expressly provided for in these rules, the matter shall be referred to the Government of Mizoram and the interpretation made thereon shall be binding;

Provided that no such interpretation shall be opposed to or inconsistent with any of the provisions of the Act or the Central Rules.

Repeal-

- 1) On and from the commencement of these rules, all the earlier Rules made by the State Government of Mizoram including Mizoram State Lottery Rules as notified vide No.G.16010/39/97-FSL/95 dt.1.9.2000 and No.G.16010/39/97-FSL/Pt dt.2.8.2001 and all amendments made thereto shall stand repealed.
- 2) Notwithstanding such repeal, anything done or any action taken under the rules so repealed, except any agreement made under the repealed Rules, having it been opposed to the provisions of the Central Rules, shall, if not inconsistent with any provisions of the Act, the Central Rules or these Rules, be deemed to have been done or taken under the corresponding provisions of these Rules.

Lalmalsawma,
Finance Secretary.