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NOTIFICATION

No.G.16010/39/2012-F.Est, the 5th March, 2019: 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;

AND, WHEREAS section 12 of the said Act of 1998 also empowers the State Government to make rules only 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;

AND, WHEREAS the Central Rules of 2010 contain some important and relevant provisions, with reference to an "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, 2019.
- 2) They shall come into force with immediate effect.

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 1st April, 2010 and published in the Gazette of India, Extraordinary, Part II, Section 3 (i) dated 1st April, 2010, pages 1-12;
 - (d) "Commission" means the amount of money that the Distributor or Selling Agent receives out of the sale proceeds in lieu of their services as Distributors or Selling Agents;

- (e) "Director" means the Director of Institutional Finance & State Lottery, Government of Mizoram;
 - (f) "Distributor" 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;
 - (g) "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;
 - (h) "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;
 - (i) "Organising State" means the State of Mizoram;
 - (j) "prize" means the amount payable against a ticket bearing the winning number of any specified prize denomination;
 - (k) "sale proceeds" means the amount of sales value calculated at the face value printed on each ticket multiplied by the number of tickets sold in respect of a particular draw or scheme or both; "security deposit" means a deposit or amount of bank guarantee pledged or paid to the Government of Mizoram by the Distributor or Selling Agent in any form for due fulfilment of the contract or financial commitment;
 - (l) "Selling Agent" means a Distributor.
- 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.
- 3. 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";
- 4. 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 may conduct and organise the lotteries, if it so desires to generate and raise its additional revenue to promote various development activities of social importance like Education, Poverty alleviation, Health, Welfare, empowerment of women, handicapped persons etc., by issuing a notification in the Official Gazette. The scope, limitations and methods for organizing the lotteries (Paper and Online) will be in line with The Lotteries (Regulation) Act, 1998 and the rules made thereunder along with the Mizoram State Lottery Rules, 2018 as amended from time to time.
 - 3) The State Government of Mizoram shall announce in advance, by way of a notification in Mizoram Gazette, the following information 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 information;

- 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. All draws, whether Online or Paper Lottery, shall be conducted under the direct supervision and control of the State Government of Mizoram.
 - 6) The hardware/software used for operation of Online Lottery shall be duly certified by Standardisation, Testing and Quality Certification Directorate (STQC), Ministry of Electronics & IT or any other Agency specified by the Government of India.
 - 7) A Mirror Server shall be monitored in the Directorate of Institutional Finance & State Lottery by the Director or his authorized officer.
 - 8) 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.
 - 9) 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.
 - 10) The form, size and design of tickets shall be decided by the Director on behalf of the State Government.
 - 11) The printed tickets for a particular draw shall bear the imprint and logo of the State Government, distinctive number, the date and time of draw and the sale price of the ticket/maximum retail price (MRP) and facsimile signature of the Director, Institutional Finance & State Lottery. On the reverse side of the tickets, there shall be a printed information in English or any other language showing prize structure and such other essential details and conditions as the State Government may consider necessary for the purchasers. It shall be compulsory for the State Government to print 'FOR SALE IN (Name of State) only' on each Paper Lottery ticket. Such terms and conditions which appear on the Lottery tickets shall be determined by the State Government through the Director.
 - 12) 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.
 - 13) The schemes are liable to be changed or modified by the Government keeping in view/ according to market conditions.
 - 14) 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.
 - 15) 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.
 - 16) The State Government may authorize the Distributor to make the Payment of Prizes on its behalf, up to Rs. 10,000/- (Rupees ten thousand only) to the Prize winners within a period of 60 (sixty) days from the date of draw.
 - 17) The amount of prize money so disbursed by the Distributor on account of payment of such prizes may be adjusted/ set-off against the sale proceeds of Lottery Tickets to be deposited to the State Government.

- 18) 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.
- 19) One ticket will enable the holder thereof to claim one prize only, whichever is higher. The Prize winner for amount above Rs. 10,000/- (Rupees ten thousand only) shall be required to submit the Prize Winning Ticket (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/Notary addressed to the Director, Institutional Finance and State Lottery, Aizawl for Payment.
- 20) i) Prize claims that are not submitted to the Director, Institutional Finance & State Lottery within the period of 60 (sixty) 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 application even after the expiry of the said period of sixty days but not exceeding ninety days if he/she is satisfied that the reasons for not claiming the prize amount within the said period of 60 sixty days are cogent and genuine.
- ii) In order to determine the unclaimed or undistributed prize money, the Distributor shall, within a period of one month from the expiry of sixty days referred to above or as the Director may allow in exceptional circumstances, submit the audited account thereof, to the Director, Institutional Finance & State Lottery;
- 21) No forged, torn, mutilated or tampered ticket shall be entertained for prize claim payment.
- 22) The prize claims on taxable amount shall be paid after due verification of prize winning ticket (PWT) from the concerned printing press or central server/mirror server.
- 23) The entire prize ranks shall be paid only in Indian currency.
- 24) 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.
- 25) 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.
- 26) The Distributor shall lift all the printed lottery tickets, at a wholesale/ discounted price to be mutually agreed and decided upon by the Government and the Distributor, keeping in view the market condition, in such advance period as may be laid down in the agreement. The Government may also allow the Distributor to lift the tickets of each lottery on credit against an unconditional irrevocable Bank Guarantee or cash security in the form of Fixed Deposit Receipt in favour/ name of the Director, Institutional Finance & State Lottery.

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.
- 27) 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.

- 28) The State Government of Mizoram shall sell the lottery ticket meant for a particular consuming State to Distributor(s) located and registered in that particular State only.
- 29) A Distributor located and registered in the State of Mizoram selling tickets of another organising State shall buy such ticket directly from that organising State Government.
- 30) 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.
- 31) The Distributor shall lift the printed tickets in full or in part by raising invoice and the delivery challans by the Government.
- 32) 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.
- 33) 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.
- 34) The State Government/Director may appoint a renowned firm/company of Chartered Accountants and technical experts for the purpose of conducting annual financial and system audit.
- 35) 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.
- 36) 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.
- 37) No draws of a lottery shall be conducted on any National Holiday and after 10:00 Pm in any other day.
- 38) The minimum sale price of a lottery ticket shall not be less than two rupees.
- 39) The first prize in any lottery scheme shall not be less than ten thousand rupees.
- 40) The State Government of Mizoram shall charge an amount not less than five lakh rupees per draw for bumper draw of lottery and, for all other forms of lottery, an amount not less than ten thousand rupees per draw.
- 41) The Director shall have the result of the draws published in at least one national and two local newspapers in the state which the lottery is usually marketed, out of which one shall be in English, as well as in the Official Gazette of the State.
- 42) The Secretary, Finance Department (Administrative Head), Government of Mizoram stands designated as the designated authority.
- 43) 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.
- 44) 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.

- 45) 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.
- 46) The modalities by which the Sale Proceeds shall be deposited to the State Government by the Distributor or Selling Agents shall be specified by the Government in the Tender/E.O.I document.

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 at the time of inviting tender/E.O.I or by such other methods as it may deem fit and proper.
- 2) The State Government may appoint Distributor(s)/Selling Agents by way of inviting Expression of Interest through open tender. The Expression of Interest shall be in two parts namely:-
 - (a) **Technical bid.**
 - (b) **Financial bid.**
- 3) The terms and conditions to be fulfilled by the Participating Entity in Technical bid and Financial bid shall be specified by the Government in the tender/E.O.I document.
- 4) The modalities for submission of bids/E.O.I by the participating entity shall be specified by the Government in the tender/E.O.I document.
- 5) The modalities by which the Selling Agent or Distributor shall get their commission shall be as specified by the Government in the tender/E.O.I document.

6. Disposal of unsold lottery-tickets and unused counterfoils -

- 1) The Distributors, after each draw is held, shall return all the unsold tickets, if any, of such lotteries to the Director, Institutional Finance & State Lottery, Government of Mizoram, as instructed by the Government from time to time, or 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.

7. 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 letter and spirit.

8. 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/Notary;
- c) three copies of passport-size photograph of the holder of the winning ticket, duly attested by a Gazetted Officer/Notary;
- d) an affidavit of ownership of the prize winning ticket from any Magistrate;

9. 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 inconsonance 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 intact, 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;

10. Mode of Payment to and by the State Government of Mizoram -

- 1) All payment due from a Distributor to the Government of Mizoram after adjustment of the prizes upto Rs. 10,000/- as Disbursable Prize Money by the Distributor shall be made by such Distributor by electronic mode of bank transfer like NEFT/RTGS only to the designated bank account of the Director, Institutional Finance & State Lottery or as instructed by the Government from time to time;
- 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;

10-A. Lottery other than the Mizoram Lotteries -

- 1) Save as provided in these rules, all lotteries conducted by private parties, associations, firms or other persons without prior permission of the Government or any Officers authorised in the behalf are illegal and liable to punishment as per provision of sub-rule (2) of Rule 10-A.
- 2) Any private parties, associations, firms or other persons who are found to have conducted such types of trade as lottery without obtaining prior permission from the Government or any Officers authorized in this behalf shall be liable to punishment as provided under Section 294A of the Indian Penal Code, 1860 (Central Act 45 of 1860).
- 3) Permission for conduct of Lottery may be issued by the Director after obtaining approval of the Government. In no case, permission shall be issued unless the following conditions are fulfilled by the applicants, namely -
 - a) reason for conduct of lottery must be on charitable ground or purpose only;
 - b) the applicant shall be an organizations or firms which is well established, reputed and recognized at the State level;
 - c) all the profits out of the lottery should invariably go to the purpose for which the permit is given;
 - d) the scheme should be only for one or single draw at a time;
 - e) no portion or the whole amount of such prizes of any lottery or lucky ticket or raffle or lucky coupon shall be paid in terms of money and it shall be paid in kind;
 - f) the total value of all prizes for any draw shall not be less than 50% of the total value of the ticket printed and the applicant shall deposit to the Director, 25% of the value of prizes by means of Call Deposit or by Cash as Security deposit before issue of permission;
 - g) The applicant shall deposit a fee to the Government at the rate of 3% of the total value of the scheme before issue of permission;
- 4) Claim period of prizes shall be 45 days from the date of drawal of results.
- 5) No extension of time for draw of the result shall be granted after marketing the tickets.
- 6) Drawal of results shall be held and conducted by the concerned parties within the territory of Mizoram in transparent, free and fair manners.

- 7) Payment of prizes should be completed within 60 days from the date of draw failing which Government reserves the right to make payment of prizes from the security deposit.

11. 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.

12. Repeal & Savings -

- 1) On and from the commencement of these rules, all the earlier rules made pertaining to Mizoram State Lottery 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.

Vanlal Chhuanga,
Commr. & Secretary to the Govt. of Mizoram,
Finance Department.