

MANIPUR



GAZETTE

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**GOVERNMENT OF MANIPUR
FINANCE DEPARTMENT (LOTTERY SECTION)**

NOTIFICATION

Imphal, the 11th December, 2019

No.30/3/2018-FD(PIC) : In exercise of the powers conferred by sub-sections (1) and (2) of section 12 of the Lotteries (Regulation) Act, 1998 (Central Act 17 of 1998), the Governor of Manipur is pleased to make the following rules in supersession of all previous rules in this regard, to regulate the State Lotteries organized, conducted or promoted by the State Government, namely :-

1. Short Title, Commencement and Applications :-

- (1) These rules may be called the Manipur State Lotteries (Regulation) Rules, 2019.
- (2) These rules shall come into force with effect from the date of publication in the Official Gazette of Manipur.
- (3) These rules shall apply to Lotteries organized, conducted or promoted by the State Government of Manipur.

2. Definitions:- In these rules, unless the context otherwise requires :-

- (1) "Act" means the Lotteries (Regulation) Act, 1998 (Central Act 17 of 1998);
- (2) "Agency Agreement" means an Agreement executed between the State Government and the Distributor or Agent ;
- (3) "Central Computer Server" means a system of multiple Computers at a Central Location under the supervision and direct control of the Government of Manipur that accepts, processes, stores and validates the online lottery transaction or otherwise manages, monitors and controls the entire system of online lottery;
- (4) "Central Rules" means the Lotteries (Regulation) Rules, 2010 notified by the Ministry of Home Affairs.
- (5) "Distributor or Agent" means an individual or a firm or a body corporate or other legal entity under law so appointed by the State Government through an Agency Agreement to market and sell lotteries on behalf of the State Government;
- (6) "Director" means the Director, Manipur State Lotteries;
- (7) "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:

- (8) "Enforcement Agency" means District Collector, Additional District Collector, Sub-Divisional Officer, Sub-Deputy Collector and any other Officers specially authorized by the State Government in this behalf in their respective jurisdiction, Superintendent of Police and any other Officers specially authorized by him in their respective jurisdiction, Commissioner of Taxes and any other Officers specially authorized by him in their respective jurisdiction and they will exercise powers as specified in the rules:
- (9) "Lottery Terminal" means a terminal connected to the Central Computer Server under the supervision and direct control of the Director, through which lottery Tickets will be sold in retail:
- (10) "Mirror Server" means a system of multiple computers at any one location within the State of Manipur installed to act as a Mirror Server, with appropriate security controls giving full operational control to the Director, State Lotteries, Manipur.
- (11) "On-Line 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.
- (12) "Other State" means the State Governments other than Manipur, and includes Union Territories:
- (13) "Paper Lottery" means pre-printed lottery tickets as per the scheme approved by the Director, State Lotteries having imprint and logo of the State Government.
- (14) "Prize" means the amount payable against a winning number ticket:
- (15) "Rules" means the Manipur State Lotteries (Regulation) Rules, 2019 :
- (16) "State Government" means the State Government of Manipur:
- (17) "Sale Proceeds" means the amount payable by the distributor/Marketing Agent/ Selling agent to the Organizing State in respect of sale of tickets. The distributor / Marketing Agent / Selling agent of all forms of lotteries (paper and online) shall be liable to pay to the Government the following components as Sale Proceeds after the sale of tickets:
(a) Minimum assured revenue (MAR) for all other forms of lotteries and for 6 (six) draws of Bumper lotteries in a calendar year.

(b) Printing charges, transportation charges and other ancillary charges, if any.

(c) Taxable prize money.

(d) Unclaimed Prizes.

(e) Other charges / expenses, if any.

Provided, the prize amount disbursed by the Distributor / Marketing Agent / Selling Agent to the winners shall be adjusted by the State Government with the Distributor / Marketing Agent / Selling Agent, if any, while raising the invoices by the State Government;

(18) "Security Deposit" means a deposit or amount or bank guarantee paid to the Government of Manipur by the distributor or agent in any form for due fulfillment of the contract:

(19) "Service" means the design and procurement, installation and commissioning, operating and maintaining, promotion and marketing and any other activities required to be carried out for the purpose of Lottery system.

(20) "Sub-Agent / Retailer" means a person appointed by the Distributor or Agent to operate Lottery Terminals or to sell Tickets:

(21) "Tender Committee" means a Committee of Officers Constituted by the State Government under rule 5:

(22) "Ticket" means Lottery Tickets bearing the imprint and logo of Manipur State and released by the State Government for Sale either by itself or through the Agent in respect of a particular draw under any State Lottery:

(23) "Transaction Number" means the unique number printed on the Ticket which enables verification of a Ticket by the main Computer Server in case of On-Line Lotteries:

Words and expressions used in these rules but not defined herein shall have the meaning respectively assigned to them in the Act.

3. Administration of State Lottery:

(1) The State Lottery hereinafter referred to as the 'Manipur State Lottery' shall be organized, conducted or promoted by the State Government of Manipur and such lottery shall have its draw as per the Lotteries (Regulation) Act, 1998 and the Central Rules.

(2) The Directorate of Lotteries shall conduct the lotteries on behalf of the State Government. The Finance Department (Expenditure) of the State Government shall be the

Administrative Department exercising control over the Directorate of Lotteries.

- (3) There shall be a Director as well as a Joint Director of the State Lotteries hereinafter referred to as the Director and the Joint Director of the State Lotteries for the administration of the Directorate of Lotteries.

4. **Headquarter of the Office of the Director:** The Headquarter of the Office of the Director, Manipur State Lotteries shall be at Imphal.

5. **Tender Committee:** The State Government shall constitute a Tender Committee for considering and making recommendations with regard to the tenders invited for appointing the Agent for various lotteries floated by the State Government and may also consider any matters allied thereto. It shall consist of five Members including a Chairman and Member Secretary. The Secretary to the Government of Manipur, Finance Department and the Director, Manipur State Lotteries shall be the Chairman and Member Secretary, respectively. The other Members shall represent the Departments of Law and Home and one Expert as deemed fit by the State Government.

6. **Organisation of Lottery:**

(1) The State Government may organize paper lottery or online lottery or both subject to the conditions specified in the Act and these rules.

(2) The State Government may organize a lottery or lotteries, if it so decides, by issuing a notification in the official Gazette, outlining the purpose, scope, limitation and methods thereof.

(3) The Director may frame different Lottery Schemes which he may like to introduce from time to time with the approval of Finance Department.

(4) The State Lottery shall be named as 'Manipur State Government Lottery' with such sub-name as may be decided by the Director.

(5) The State Government may also conduct Bumper Draw of State Lottery, the number of which shall not be more than six in a calendar years.

(6) The State Government shall announce in advance, by way of a notification in the Official Gazette, the following information about every lottery, namely:-

(a) the name of the lottery or lottery scheme:

(b) prices 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 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:
- (j) the procedure for drawing the prize winning tickets or prize-winners: and
- (k) any other relevant details as deemed necessary:

- (7) In case the State Government decides to organize more than one lottery, the procedure as provided in sub-rule(vi) shall be followed for each lottery.
- (8) The paper lottery tickets and the stationery on which the online lottery tickets are issued shall be printed only by the State Government at a Government Press or any other high security press included in the panel of the Reserve Bank of India or the Indian Banks' Association, Mumbai.
- (9) The number of lottery draws except bumper draw organized by the State Government from all the lottery schemes put together, shall not be more than twenty four per day.
- (10) No draw of a lottery shall be conducted on any National Holiday.
- (11) The minimum sale price of a ticket shall not be less than two rupees.
- (12) The first prize in any lottery scheme shall not be less than ten thousand rupees.
- (13) The State Government 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.
- (14) The Director shall publish the result of the draws in at least one national and two local newspapers out of which one shall be in English as well as in the Official Gazette.
- (15) The Director (Lotteries), Manipur stands designated as the designated authority.
- (16) 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.
- (17) All the distributors or selling agents appointed or authorized by the State Government of Manipur shall act in conformity with the provisions of the Act, the Central Rules and these rules.

- (18) The State Government shall keep records of the tickets printed, tickets issued for sale, tickets sold, tickets which remain unsold at the time of the draw, and the prize winning tickets along with the amount of prize or prizes in respect of each draw, in the manner prescribed by the State Government.
- (19) The State Government shall ensure that proceeds of the sale of lottery tickets, as received from the distributors or selling agents or any other source, are deposited in the Public Ledger Account or in the Consolidated Fund of the State Government.
- (20) No lottery in any form shall be organized by any authority other than the State Government of Manipur, or by its appointed Distributors or selling Agent within its jurisdiction.
- (21) (a) Manipur State shall sell lottery tickets meant for a particular <State> to a distributor located and registered in that <State> only.
- (b) A distributor located and registered in a <State> selling tickets of another organizing State shall buy such tickets directly from the organizing State Government.
- (c) It shall be compulsory for <the organizing State> to print "FOR SALE IN <name of State> ONLY" on each paper lottery ticket".

7. Appointment of Distributors or Agents:-

(1) The State Government may appoint the distributor or agent for sale of Manipur State Lottery Tickets by Tender Procedure and by executing an Agency Agreement. The Government shall call for open tenders giving due publicity in leading national and local newspaper and in the Government Gazette for appointment of the distributor or agent.

(2) No political party in the State or political office bearer(s) shall have any direct financial interest in the applicant or be a shareholder of the applicant.

(3) The State Government may specify the qualification, experience and other terms and conditions for appointment of the distributor or Agents in addition to the following condition:

(a) In case of Firm or Company, the Firm and Company as well as any of the Directors should not have been declared insolvent in the last seven years from the date of application.

- (b) The Company as well as any of the Directors of the Company should not have been sentenced by any Court of competent jurisdiction for any offence with fine exceeding five thousand rupees or by imprisonment exceeding six months or both at any time during the preceding seven years.
 - (c) The distributor or agent should not have been blacklisted by any Government in or outside India.
 - (d) The distributor or Agent should satisfy any other relevant conditions, deemed necessary by the State Government and mentioned in the Tender Notification for appointment of distributor or agent.
 - (e) The Distributor or Agent should not be a defaulter to State Government or in litigation with State Government.
- (4) The Agency Agreement shall specify the conditions attached to it and shall be granted for an initial period of not more than 5 years.

Provided that the State Government, after examining the merits of the case, may extend the Agency for a further period not exceeding 3 years by executing a fresh Agency Agreement.

Provided further that the Agent shall have no rights or legitimate expectation in respect of an extension of a period of validity of the Agency other than the rights afforded by this sub-rule.

- (5) The Distributor/Agent/Sub-Agent shall be allowed to popularize State Lotteries schemes only at his own expenses provided that such publicity shall not in anyway give rise to any legal complications or draw the State Government into legal liabilities. The texts of any publications or display of advertisement etc through cable television should get the approval from the Director prior to floating of such advertisement or display.
- (6) Each tenderer shall furnish an Earnest Money not less than Rs. 1 Crore in the form of Bank Draft drawn in favour of Director, Manipur State Lotteries, Imphal on any Nationalised Bank payable at Imphal.
- (7) The distributor or agent shall furnish security not less than Rs. 15 Crore for 24 draws in the form of Demand Draft or Bank Guarantee of a Nationalised Bank to the satisfaction of the State Government in favour of the Director, Manipur State Lotteries, Imphal.
- (8) The Agency Agreement between the State Government and the Agent shall specify the apportionment of the total revenues accruing from the sale of Lottery Tickets or from all other sales ancillary to the Lottery activity, including revenue earned from advertisements; among
 - (a) The Payment of prize to the holders of Winning Ticket which shall not be less than 50% of the gross value of tickets sold;

- (b) The payment of cost incurred on promotional, advertising or operational services and other incidental costs as determined by the State Government from time to time; and
 - (c) Net balance of the total revenue for the Government.
- (9) The Agency Agreement executed between the State Government and the distributor or agent shall be deemed to include the following conditions requiring the Agent:

(a) To do such things in terms of the Agency Agreement including the transfer of the property or any rights excluding intellectual property rights or proprietary software as the Government may require upon the expiry of the Agency Agreement and to do such things as may be required by the Government to have effect on the grant of an Agency to another body.

(b) To provide to the Director at times specified by it with such information as it may require.

(c) To allow the Director or his representatives to take copies of any document of the Agent, including any information kept by the Agent relating to the State Lottery or all ancillary activities related to State Lottery.

(d) Where such information is kept by means of a computer to give the Director such assistance as he may require to enable him to inspect and take copies of the information in a visible and legible form or to inspect and check the operation of any computer and any associated apparatus or material that is or has been in use in connection with the keeping of the information.

(e) To allow the Director or any officer authorized by the State Government or the Director to enter any premises or facility belonging to or under the control of the distributor or agent or a member of the management of the Agent or premises to which the Agent or employee or contractor of the Agent or premises to which the Agent has right to access at any reasonable time if such entry is necessary for the protection of the integrity and the interest of the State Lottery and to,

(i) Examine or inspect any appliance, machine, document, account books or data captured in any form excluding proprietary software found on or in the premises or the facility and make copies of or make extracts from that thing, machine, document or data;

(ii) Seize for the purpose of further examination or securing information any appliance, machine, document or data excluding proprietary software on or in such premises or

facility which has a bearing on the conduct of the State Lottery;

- (iii) Seal or otherwise secure any such premises facility, appliance or machine on or in which any document or data which has bearing on the conduct of the State Lottery is stored or captured;
- (iv) Take such steps as may be reasonably necessary to protect the integrity and conduct of the State Lottery.

- (10) (a) The State Government will secure a valid and enforceable undertaking in writing from the Distributor or Agent that the Distributor or Agent will not change the control of the Agency Agreement for the duration of the Agency Agreement. The Distributor or Agent will not transfer, cede or in any other way encumber the Agency Agreement to another person. Under no circumstances, shall the Agent have any pre-emptive right or preference over the Agency and on the expiry of the period, the Agency shall come to an end automatically.
 - (b) Prior to one month before the closure of the Agency, the Distributor or Agent shall settle the dues, if any, and the Distributor or Agent shall not have any right to seek for any waiver or any concession in respect of any of the conditions or the money payable by him to the State Government.
 - (c) The investment, if any, made by the Distributor or Agent cannot be a ground for the continuation of the Agency after the period of the Agency Agreement.
 - (d) So also, neither the quantum of profit nor the quantum of any loss in the business can be a ground for the continuation of the Agency after the expiry of the period stipulated in the Agency Agreement.
 - (e) Under no circumstance, the Distributor or Agent shall meddle with the system which is working for the performance of the Lottery and if it is found that he has meddle with the recorded material or the stored system or any input, he shall be prosecuted.
 - (f) Utmost integrity shall be maintained at all times by the Distributor or Agent in marketing the Lottery Tickets.
- (11) The State Government shall secure a valid and enforceable undertaking in writing from the Distributor or Agent that the Agent will

not permit, require or compel any of its employee or Sub-Agent knowingly to sell the ticket or to award or to pay, any prize to -

- (a) Directors or employees of the Distributor or Agent or Director of a holding or share holder company of the Agent, an employee, Agent or consultant of the Agent or a member employee of Sub-Agent of its board;
 - (b) a person who prints or in any other way manufactures a Ticket for the State Lottery or any of his/her or its employees;
 - (c) a person who supplies, operates, maintains or repairs any computers or any other electronic device or system of any kind, or part thereof or software for those computers or devices in respect of the State Lottery, or any of his/her or its employees: or
 - (d) a person who is responsible for the marketing and advertising in respect of the State Lottery, or any of his/her or its Directors or Employees, as the case may be.
- (12) The Distributor or Agent shall submit monthly to the Director or to the State Government, the reports and financial statements.
- (13) The State Government may recover any of its dues from the Distributor or Agent, by encashing Demand Draft or Bank Guarantees submitted by the Distributor or Agent or as arrears of land revenue or by filing a civil suit or by any other method.
- (14) The Distributor or Agent shall not be entitled to any immunity by virtue of being an Agent of the State Government.
- (15) The State Government may vary any conditions in the Agency Agreement granted to the extent that the variation is provided for within the frame work of Act or to the extent provided for in the Agency Agreement.
- (16) There is no pre-emptive right to the Distributor or Agent to continue to do the business nor can the Agent demand of the Government that the Agent shall be appointed again, even after the period has lapsed or the license of the Agency was terminated.

8. Duties and Responsibilities of the Agent :-

- (1) The Distributor or Agent shall enter into an Agency Agreement with the State Government for sale of the Manipur State Lottery

Tickets on the terms and conditions as may be specified by the State Government.

- (2) The Distributor or Agent appointed shall prepare and submit detailed record of the tickets obtained from the State Government, tickets sold and those which remain unsold up to the date and time of draw along with other details, as may be specified by the State Government.
- (3) The Agent shall be responsible to protect the secrecy of the process of production and distribution of the lottery tickets and other items in the Lottery and for the safety of such material and equipments which could be used to produce forged Tickets.
- (4) The Agent should ensure the security and safety of the Central Computer System, equipment's data, Tickets materials and other consumables used in production of On - Line Tickets, the communication network and retail terminal so as to prevent theft, fraud, misuse or total destruction from fire accident or such other natural disasters. He shall abide by any security measure that may be ordered by the State Government in this behalf.
- (5) The Distributor or Agent shall 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.

9. In case of On-line Lottery, the Distributor or Agent shall-

- (1) Ensure that the terminals including all component parts accessories used in the network from retail outlet to control system must be of proper and sound working conditions at the time of installation.
- (2) Ensure that any data and information relating to On-line Lottery cannot be accessed, read, added to, removed or altered by unauthorized person.
- (3) Provide adequate security management system to ensure that the On-line Lottery system provided by him accords clear confidence and provides adequate integrity aspects to the system.

10. Age Restriction on sale of State Lottery Tickets :-

- (1) No Lottery Ticket shall be sold to a person who has not completed the age of eighteen years.

- (2) In the event that a person of age less than eighteen years, buys a State Lottery Ticket and becomes a prize winner, he shall not be eligible to get the prize money and the said prize money shall be treated as State Government property as per section 4 of the Act.

11. Appointment of the Sub-Agents/Retailers :- The Distributor or Agent may appoint Sub-Agents/Retailers for the sale of Lottery Tickets and he shall be responsible for and shall indemnify the State Government against any claim, losses, charges, amounts, dues payable or claimed by such Sub-Agents/Retailers or anybody. The Distributor or Agent shall submit the details of Sub-Agents/Retailers to the Director, Manipur State Lotteries on monthly basis. The Distributor or Agent shall also ensure that the Sub-Agents/Retailers satisfy the following qualifications/requirements :-

- (1) He must have completed eighteen years of age.
- (2) He should not have been blacklisted by any Government in last three years.
- (3) Individual should not have been convicted and sentenced in the last three years for any criminal offences with imprisonment of six months or fine of five thousand rupees or both.

12. Restriction on sale of On-Line Lottery Tickets by Lottery Terminal

- (1) No State On-Line Lottery Ticket shall be sold by means of a lottery terminal/vending machine unless such machine is, at all times when tickets can be sold by means of it, attended by a person authorised by the Agent.
- (2) A lottery terminal/vending machine shall not be treated as attended for the purpose of this rule unless the person attending the lottery terminal/vending machine is in a position where he can control the operation of the machine.
- (3) Notwithstanding any other provision of law to the contrary, no On-Line Lottery or type of lottery or any other lottery game shall be authorised or conducted which uses any video mechanical, electrical or other video device, contrivance or machine which, upon the insertion by the participant of a coin, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, tokens to be exchanged for cash, or any other prize.

whether the payoff is made automatically from the machine or in any other manner whatsoever.

13. Prohibition of Sale of Tickets :-The Tickets shall not be sold by the State Government or The Distributor or Agent in other State or area where the sale of the Tickets is prohibited by law unless permission of the competent authority is obtained in this behalf by the Director.

14. Conducting, Organizing etc. of State Lottery :-

- (1) The State Government shall sell the 'Manipur Government Lottery Tickets' either by itself or through The Distributor or Agent, who will be governed by the conditions of Agency Agreement entered upon between the State Government and the Agent, for which open tender shall be invited.
- (2) The proceeds of the sale of Lottery Tickets received/collected shall be credited into the Public Accounts of the State Government.
- (3) Sale of tickets in respect of each draws shall close 5(five) minutes before the time of the draw in respect of paper lotteries and just before the time of draw in case of Online Lotteries and shall not take place thereafter.
- (4) The information regarding the State Lottery Schemes and the results shall be made available in the State Government Gazette and shall be displayed on the website of the State Government and at the retail outlets.
- (5) The first draw shall be held within such period as specified in the Agency Agreement. In case the first draw is not held within the stipulated period due to any failure on the part of the Distributor or Agent, then his Earnest Money or any Security Deposit shall be forfeited.

Provided that the State Government may extend the period for holding the first draw if it considers necessary to do so in public interest.

15. Ground for termination of Agency Agreement :-

(1) The Agency may be terminated by the State Government on the following grounds; namely :-

- (a) If the Distributor or Agent is no longer a fit and proper person for the purpose of Manipur State Lotteries because of insolvency, or for any other valid reasons, as may be provided by law.

- (b) If a condition contained in the Agency Agreement has been materially contravened.
- (c) If any information given by the Distributor or Agent or any person who in any way controls the Agent or a Retailer/Sub-Agent or representative of the Agent is false
 - (i) In or in connection with the application for the Agency.
 - (ii) In accordance with a condition in the Agency Agreement; or
 - (iii) In respect of financial matters regarding the Manipur State Lotteries in respect of any aspect of the management of the Manipur State Lotteries.
- (d) If any person who is managing the business or any part of the business of the Distributor or Agent or who is a supplier of goods or services of the Agent is not a fit and proper person to do so, whether because of insolvency, liquidation, incarceration in a prison or other institution or for any other relevant reason unless the Agent immediately takes steps to effectively dissociate himself or itself from that person.
- (e) If any person for whose benefit the Agency has been acquired or who is a holding company of the Agent or who in any other way controls the Agent, is not a fit and proper person to benefit from it, whether because of insolvency, liquidation, incarceration in a prison or other institution or for any other relevant reason;
- (f) If the Distributor or Agent has failed to take adequate steps to prevent the commission of fraud by his or its employees, Retailers/Sub-Agents, Representatives, Suppliers or by participants in the Manipur State Lotteries after having been alerted to or becoming aware of condition conducive to the commission of fraud, or to instances of fraud or dishonesty;
- (g) If the Distributor or Agent or any of its employees or Retailers/Sub-Agent repeatedly and knowingly sell tickets or awards or pay prizes to any person in contravention of any of the provisions of these Rules.
- (h) If application has been made to a High Court for the sequestration or liquidation, as the case may be, of the Distributor or Agent or a person who in any way controls the Agent.

(2) Notwithstanding, anything contained in this rule, the State Government may terminate the Agency Agreement, even for a single contravention of these rules or violation of any terms of the Agency Agreement subject to the procedure laid down in the rules.

16. Notice of Termination:-

- (1) If the State Government is satisfied that grounds exist for the termination of the Agency Agreement granted in terms of rule 7, it shall issue notice to the Distributor or Agent stating the grounds and call upon the Distributor or Agent to furnish reason therefor within fourteen days of service of that notice at the registered address of the Distributor or Agent, as to why the Agency Agreement should not be terminated, failing which the Agency Agreement will cease to be valid upon the expiration of the said period of fourteen days.
- (2) If the Agency Agreement for the Manipur State Lotteries ceases to be valid in term of sub-rule (i), the State Government shall inform the Agent in writing of that fact and of the date upon which the Agency Agreement ceases to be valid. The State Government / Director shall give due publicity to the said termination of Agency Agreement.

17. Termination of Agency Agreement:-

- (1) If sufficient reasons are furnished by the Distributor or Agent, the State Government shall after considering such reasons call upon the Distributor or Agent to appear before the State Government on a specified date to make oral representations in support of any written representation made by the Distributor or Agent or to answer any question which the State Government may have with regard to such written representations, thereafter the State Government shall consider the matter and decide whether or not to terminate the Agency Agreement.
- (2) If the State Government decides to terminate the Agency Agreement, it shall pass an order stating the grounds of the termination and the date on which such termination shall take effect and it shall forthwith give due publicity to the termination of the Agreement.

18. Printing of Tickets :-

- (1) In case of on-line lottery, ticket shall be printed by the Lottery Terminal only after the lottery number is selected by the player and is validated by a transaction number given by the Central Computer Server.
- (2) The Tickets printed for each draw shall bear the imprint and the logo of Manipur State, the Ticket number, transaction number, the date and time of draw and price of ticket.
- (3) On the reverse of the Ticket, details of prize, prize structure or details of rules for players and such other essential details may be printed in English which the Director considers necessary, for the information of the purchaser of Tickets.
- (4) All the Lottery Tickets shall bear the facsimile signature of the Director, Manipur State Lotteries.
- (5) All the Lottery Tickets shall indicate the number of series, alphabetical notation of series and released.
- (6) The terms and conditions which appear on the lottery tickets shall be such as may be determined by the State Government in consultation with the Agent provided that these terms and conditions shall not be inconsistent with the terms and conditions of the Agency Agreement or the rules. These terms and conditions will immediately, with the printing of the tickets, become an integral part of the Agency Agreement.
- (7) The Director shall be responsible for ensuring standards of security in the printing of Manipur State Lottery Tickets. For this purpose, the Director or the officer authorized by the State Government or by the Director shall frequently inspect the place of printing of Tickets.
- (8) The Distributor or Agent shall verify by himself whether all the Tickets purchased by him are correctly printed without any defects. If any defects notice, he shall immediately bring the defect to the notice of the Director. The Distributor or Agent shall not sell any fake Tickets to the public. If it is found that the Agent is responsible for the sale of defective tickets, his agency shall be suspended without any notice besides forfeiting his security deposits. If any loss arises to the State Government, it shall be recovered from the Distributor or Agent by the Director.

19. Sale of Lottery Tickets :-The Director, Manipur State Lotteries shall release the lottery tickets for the Distributor / Agent in case of paper lottery. The Distributor / Agent shall deposit the Sales Proceeds as per terms of the agreement in the accounts of the State Government of Manipur.

20. Conduct of Draws and Results :-

- (1) Each draw shall be conducted at Imphal or such other place or places within the State as decided by the State Government.
- (2) Each draw shall be conducted by the Director in public between 9.30 A.M. to 10.00 P.M. or during any time as may be decided by the Director on all working days and holidays under the supervision of a Panel of Judges specifically nominated by the Director or by an Officer duly authorized by him, from amongst the Gazetted Officers of the State/Central Government/Public Undertakings and retired Gazetted Officers. The Panel of Judges shall consist of two members, provided that in the absence of one Judge, the other Judge shall supervise the draw and in the absence of both, the Director or the Joint Director shall act as Judge of the draw in an unavoidable circumstances.
- (3) The Director shall evince due care and diligence in the conduct of the draw and ensure that no deviation or mistake occurs in the process of the draw.
- (4) The draw shall be conducted by operating the draw machine or any other mechanical or random methodology, which is visibly transparent to the viewers.
- (5) As soon as a particular number is drawn, it shall be entered or pasted the printed result-sheet on the Register of Prize Winning Numbers kept in the personal custody of the Director. The Judges present shall sign the printed result sheets and the Register maintained by the Director immediately after the draw is over.
- (6) The Director or any other Officer authorised by him shall authenticate all results of the draw. The Director shall cause to furnish a certified copy of the results of the draw for publication in the dailies on the following day of the draw and shall also arrange for the publication of the said results in the next immediate issue of the Manipur Gazette Extraordinary. A certified copy of the result shall be supplied to the Distributor or Agent immediately after the draw.
- (7) The Director shall have the power to postpone the date of draw or alter the timings of draw under exceptional circumstances, depending upon the market conditions or for any other unforeseen circumstances. Wide publicity shall, however, be given to such postponement and to the revised date on which such draw will be held.
- (8) On any complaint with respect to any draw, the Director shall have the power to stop the conduct of such draw and make alternative arrangement for fresh conduct of the draw.

21. Prizes and Prize Claims :-

- (1) The State Government shall guarantee the payment of all the prize amounts of lotteries.
- (2) Prize winners may claim the prizes either directly or through a Bank or through registered or insured post in the prescribed claim form issued by the Director along with –
 - (a) For prize winners upto Rs. 10,000/- the retailers/distributor would pay in cash to the winner and collect the original ticket, on behalf of the State Government.
 - (b) For prize winners above Rs. 10,000/- claim form duly filled up would be submitted by the winner along with the original ticket duly signed at the back of the ticket for payment by cheque by the appropriate authorities as decided by the Government.
 - (c) Provided the limit of Rs. 10,000/- will deemed to have been amended as and when and with effect from the date the provision under S. 194 B of the Income Tax Act are amended.

The prize winner should affix the full signature or thumb impression on the reverse of the prize winning ticket before making the claim.

- (3) All claims on prize and in the case of bonus and incentives, if and when prescribed by the State Government as per Agency Agreement, shall be presented to the Director within ninety days from the date of draw (both the draw date and the last date are inclusive). However, The Distributor or Agents shall be entitled to fifteen days grace time beyond ninety days to entertain claims and claim reimbursement. The claims received after the expiry of the time limits shall not be entertained by the Director, or the Agent under any circumstances.
- (4) No tickets shall be eligible for more than one prize in a draw. In the event of a ticket winning more than one prize in a draw, the tickets shall be eligible for the highest prize drawn against it.
- (5) Claims attracting income Tax shall be entertained by the Director either directly, through registered or insured post or through bank, within the time limit prescribed as above and Income Tax due shall be deducted at source.
- (6) The State Government may authorise the Distributor or Agent to disburse prizes directly to the prize winners of the Non-Taxable Prizes upon providing the prize Winning Ticket details or the

- counterfoils of such tickets, as the case may be, and an account of such prizes paid by the Agent shall be furnished to the Director within a period of 120 days from the date of the draw.
- (7) The holder of the Prize Winning Ticket shall be entitled to claim the prize amount on the actual production of the Ticket in good condition. The prize amount shall not be paid unless the Prize Winning Ticket is produced to the Director or the Distributor or Agent.
 - (8) Claims on prizes for mutilated/tampered/torn/disfigured tickets shall be rejected except in cases where it is possible to verify the genuineness of the Ticket. If during verification, it is found that the Ticket is genuine, the prize amount due may be disbursed. The claim shall be rejected, if the genuineness of the tickets cannot be established. In such cases, the decision of the Director shall be final and binding.
 - (9) Claims on prizes on forged Tickets shall be straight away rejected. If necessary, such Tickets may be got verified by a Forensic Science Laboratory or any other Authority prior to rejecting such Tickets. Criminal action may be initiated as per provision under the Indian Penal Code, 1860 (Central Act XLV of 1860).
 - (10) Prize money unclaimed within the time prescribed in sub-rule (iii) and prizes not won or not otherwise distributed/claimed shall become the property of the State Government.
 - (11) All the Prize Winning Ticket holders shall be paid in Indian currency.
 - (12) The Director of Lotteries shall have the over-riding charge to make deduction from the prizes as may be specified by the State Government from time to time in Bumper Draw of Lottery towards the Establishment Cost of the said Directorate enabling it to discharge its financial liabilities pertaining to the said Bumper Draw of Lottery.

22. Sale of other State Lottery in Manipur :-

- (1) Any other Government may sell its Lottery Tickets in the State of Manipur only after obtaining approval of the State Government.
- (2) Before selling the Lottery Tickets in the State of Manipur, the other State concerned shall inform the State Government by supplying relevant records and information. The State Government may also call for any additional records or information, if it is so needed to satisfy itself.

(3) In the absence of the complete details, the Director may return the scheme to the concerned State Government directing to furnish the complete details within a period of fifteen days. The Director shall verify all the details furnished and send report to the Secretary to State Government, Finance Department who shall decide as to whether the scheme is consistent with all the provisions of the Act and pass appropriate orders within a period of thirty days.

(4) No lottery should be marketed until an appropriate order passed by the Secretary to State Government, Finance Department under sub-rule (3) above is formally communicated. Enforcement Agency may seize by a seizure memo such tickets marketed before the communication of the orders under sub-rule (3) above.

(5) Enforcement Agency may :-

(a) seize by a seizure memo for the purpose of further examination or securing information or investigation of any lottery, thing, machine, document, account books or data, on or in such premises or facility which has bearing on the conduct of the lotteries;

(b) seal or otherwise secure any such premises, facility, thing or machine on or in which any document or data which has bearing on the conduct of lotteries is stored or captured; and

(c) take such legal action as per provisions of the Act which may be necessary to protect the integrity and conduct of Lottery.

(6) If any other State Lottery is approved by the State Government for sale within the State, it shall require the other State concerned, their Agent or its Sub-Agent/Retailer to allow the Director or any Officer authorized by him or Enforcement Agency to :-

(a) enter into any premises or facility belonging to or under the control of the Agent or a member of the management of the Agent or any Sub-Agent/Retailer or Employee or Contractor of the Agent or premises to which the Agent has a right of access, at any reasonable time, if such entry is necessary for the

public interest or protection of the integrity and interest of the Lottery;

- (b) examine or inspect any thing, machine, document or data captured in any form excluding proprietary software, found on or in the premises or facility and make copies of or make extracts from that thing, machine, document or data;
 - (c) take copies of any document, including any information kept by the Agent or Sub-Agent or Retailer relating to the Lottery or all other ancillary activities within the State; and
 - (d) assist to inspect and take copies of the information in a visible and legible form from the Computer or to inspect and check the operation of any Computer and any associated
- (7) No other State selling their Tickets in the State of Manipur shall use a name of prefix or suffix in the name of a lottery (e.g. Manipur, name of the cities and towns or any such other name which can be used as a prefix or suffix or otherwise) which could mislead people to believe that the said lottery is organised, conducted or promoted by the Government of Manipur and where the State Government is satisfied that such use is misleading or is likely to mislead people to believe that the lottery is run or conducted by the Government of Manipur, the State Government can cause seizure of such Tickets within the State of Manipur through its Enforcement Agency.
- (8) The Distributor / Agent should deposit the GST on sale of Manipur State Lotteries Tickets as per prescribed rules and they should show the certificate or other documents issued by the concerned assessing authority to the enforcement Agency whenever it is demanded. On non-production of such Certificate, enforcement Agency is empowered to seize such Lottery tickets thereof.
- (9) Where the State Government either suo-moto or on a complaint received in that behalf are satisfied after verifying the necessary information that sale of Tickets of a lottery organised, conducted or promoted by any other State, in the State, is in contravention of the provision of the Act and the Rules made there under, it may temporarily suspend the sale of such Tickets within the State and report the matter to the Government of India seeking its final order in the matter under section 6 of the Act.

- (10) The State Government either suo-moto or on a complaint received from any person, may, within the State of Manipur, prohibit the sale of tickets of a lottery organised, conducted or promoted by other State, if it is satisfied that the lottery organised, conducted or promoted by the other State, is being run in contravention of the provisions of the Act.
23. **Making good of Loss :-** In the event of any loss or damage, caused to the State Government due to the omission or negligence of the Distributor or Agent or his duly authorised Sub-Agent/Retailer, the same shall be made good from the Distributor or Agent.
24. **Weeding out of Old Record:-** After the draw is over, the records shall be kept in the custody of the Director for a minimum period of three years, after which those records which are no longer required shall be destroyed by communicating the decision in this regard to the Office of the Accountant General, Manipur, one month before the date of such destruction.
25. **Remission :-** In case of natural calamities or circumstances beyond the control of the Distributor or Agent, the State Government may consider to allow such remission to the Agent as it may deem appropriate.
26. **Right to issue Instruction :-** The State Government shall have all rights to issue any instruction from time to time for the matters which may not be specifically covered under these rules for the smooth functioning of its Lotteries and all instructions so issued by the State Government will be read in cohesion with other rules, provisions of the Act, terms and conditions laid down in the Tender Document- Invitation of Bids for State Lottery system and also with the terms and conditions entered in the other Tender Notices and Agency Agreements. All such instructions shall have the force of law and will be binding on all concerned.
27. **Arbitration :-** All disputes, questions or differences or any interpretation thereof arising out of or in connection with the Agency Agreement shall be, at the first instance, mutually discussed and resolved by mutual agreement, failing which they shall be referred to an Arbitrator appointed by the State Government. The arbitration proceedings shall be conducted in accordance with the procedures laid down under the Arbitration and Conciliation Act, 1996 (Central Act 26 of 1966) which shall be final and binding on the parties and place of arbitration shall be at Imphal.

28. Interpretation and Legal Jurisdiction:-

- (1) If any question arises as to the interpretation of these rules, or any other matter concerning thereto, the same shall be referred to the State Government and the decision of the State Government thereon shall be final.-
- (2) Legal jurisdiction of these Rules shall be the Courts at Imphal.

29. Conditions under clause (K) of section 4 of the Act:- These rules shall be subject to the conditions as may be prescribed by the Central government from time to time.

RAKESH RANJAN,
Principal Secretary (Finance),
Government of Manipur.

