

NAGALAND STATE LOTTERIES

1. Introduction:

The Directorate of Nagaland State Lotteries was established in the year 1972 under the supervision of the Finance Department. Initially, the Secretary Finance acted as the Ex-officio Director with the support of a meager staff and M/s Kartar Singh as the Organizing Agent.

The main objective of establishing the Department was to generate a dependable source of revenue for the State Government. Therefore, the initial activity of the Department was to organize and conduct lotteries once in a month in different District Headquarters within the State. The efforts of the Department to promote and popularize the State lottery took sometime to be established on a firm footing due to lack of manpower and a limited market. During the period 1982-1984 the State Government took some remedial measures by appointing 2 (two) Delhi based Organizing Agents namely, M/s Marwah Agencies and M/s Iqbal Chand Khurana to conduct weekly paper lotteries from which the State Government started to generate a steady trickle of revenue.

Till 1992, the State lottery could capture about 40% of the lottery market in India, reflecting a huge presence and popularity. However, due to stiff competition from other lottery organizing States and Agents, lottery operations came to a standstill for almost most a year in 1992. Eventually, Organizing Agents from Nagaland and outside, namely, (i) M/s V.H. Enterprises, Dimapur, (ii) M/s Killen & Co., (iii) M/s Chuba Walling, Kohima, (iv) M/s P.M. Shah from South India, (v) M/s Amrit & Co., and (vi) M/s Jasmine & Co. from Delhi were appointed. But these firms could not revive the earlier market presence due to lack of market experience. The expansion of the Department took place during 1984-1998 with the creation of different categories of posts up to the level of Joint Director. It became a full-fledged Directorate in 2003. Since then, the Department having familiarized itself with the intricacies of the lottery business over the years, gradually began to generate increased revenue for the Government.

In October 1993, the Department, with the intention of establishing a stable source of revenue generation, appointed a Delhi based firm M/s M.S. Associates. True to its objective, the State lottery became quite popular in different parts of the country and yielded better results. However, after the promulgation of the Lotteries Regulation Act, 1998, all lottery markets in India were hit drastically and this slump continued till 2003. Subsequently, the appointment of M/s CAIRS & Co. (On-line lottery) and M/s MLAL (for Paper lotteries) in the year 2000 and 2004 respectively brought about a significant improvement by earning sizeable revenue to the tune of ` 15.81 crore during 2005-06. Thereafter, developments such as imposition of high rates of tax on lotteries by bigger States like Maharashtra, Karnataka and Kerala negatively affected the market of the State's lotteries. One of the largest markets of our lotteries – the State of Karnataka, decided to ban lotteries altogether. All these developments took away more than 80% of the existing market, and for a few years, revenue receipts from lotteries became nominal. Recently, with a good market presence in the States of North East and West Bengal and the framing of the Lotteries Regulation Rules by the Government of India guaranteeing a minimum revenue share for the States, our revenue receipts have begun to see a substantial increase.