TABLE OF CONTENTS

Paragraph	Particulars	Page
	Preface	v
	Executive Summary	vii
	Chapter-I: Introduction	
1.1	Legal framework - general	1
1.2	Evolution of the Mizoram State Lotteries	1
1.3	Rationale for taking up audit	3
1.4	Statutory conditions regulating lotteries	3
1.5	The Lotteries (Regulation) Rules, 2010	4
1.6	Audit Objectives	5
1.7	Audit Criteria	5
1.8	Scope and methodology of Audit	5
1.9	Acknowledgement	6
	Chapter-II : Audit Findings	
2.1.1	General Conditions	7
2.1.2	Selection of distributors and selling agents	7
2.1.3	Organising lotteries	16
2.1.4	Printing of lottery tickets	18
2.1.5	Distribution of lottery tickets	22
2.1.6	Sale of online lottery tickets	23
2.1.7	IT process of online lottery distributors/selling agents	27
2.1.8	Lottery Draws	30
2.1.9	Publication of results	33
2.1.10	Margin of prize money for online lottery	33
2.1.11	Disbursement of prize money	34
2.1.12	Co-ordination with Other States	35
2.1.13	Deposit of unsold paper tickets	35
2.1.14	Lottery or Gambling	35
2.2.1	Assessment of revenues from the lotteries	37
2.2.2	Charges for organising lotteries	37
2.2.3	Sale proceeds	38

Paragraph	Particulars	Page
2.2.4	Unclaimed prize money	40
2.2.5	Deduction of Income Tax at source	40
2.2.6	Multiple Bank Accounts	42
2.2.7	Reconciliation of Cash Balances	42
2.3.1	Maintenance of records	43
2.3.2	Unsold paper tickets	44
2.4.1	Internal Control	45
2.4.2	Internal Audit	46
2.4.3	Discrepancy between revenue figures of the Finance Accounts and departmental records	46
2.5.1	Non-utilisation of revenue from lottery for the identified purposes	47
	Chapter-III: Revenue analysis of Mizoram State Lotteries	
3.1.1	Receipts realised from lotteries vis-à-vis target fixed	49
3.1.2	Outstanding dues remaining unrecovered from earlier period	49
3.1.3	Receipts from lottery vis-à-vis cost of collection	51
3.2	Loss to the exchequer	52
	Chapter-IV: Conclusion and Recommendations	
4.1	Conclusion	57
4.2	Recommendations	58

LIST OF APPENDICES

Appendix	Subject	Page
1.1	The salient features of the agreement with Distributors	59
1.2	Rule 3 of Lottery (Regulation) Rules, 2010	60
1.3	Relationship among various stakeholders	62
2.1	Ownership details of Distributors (Firms/Companies) of Mizoram State Lottery	64
2.2	Hierarchy of Sub-agents/Area Distributors etc., of the Distributors of Mizoram State Lottery	66
2.3	Delay in deposit of MGR/MAR and calculation of penal interest @ 12 per cent per annum	68
2.4	List of Weekly/Monthly Schemes of Mizoram State Lottery year-wise distributor-wise	72
2.5	Location of central servers of the online distributors	75
2.6	List of Bumper draws conducted during the audit period	75

Appendi	Subject	Page
2.7	List of newspapers State-wise, both national and local, in which	76
	Mizoram State Lottery results were published by the distributors	