

The Maharashtra Lotteries (Control And Tax) And Prize Competitions (Tax) Act, 1958

MAHARASHTRA

India

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Act 82 of 1958

- Published in Gazette 82 on 27 March 2017
- Assented to on 27 March 2017
- Commenced on 27 March 2017
- [This is the version of this document from 27 March 2017.]
- [Note: The original publication document is not available and this content could not be verified.]

The Maharashtra Lotteries (Control And Tax) And Prize Competitions (Tax) Act, 1958 ACT No. LXXXII OF 1958 An Act to control and tax lotteries and to tax prize competitions in the State of Bombay. WHEREAS it is expedient to control lotteries and to levy tax on lotteries and prize competitions in the State of Bombay; It is hereby enacted in the Ninth year of the Republic of India as follows:—

1. Short title, extent and commencement.

(1) This Act may be called the Maharashtra Lotteries (Control and Tax) and Prize Competitions (Tax) Act. (2) It extends to the whole of the State of Maharashtra. (3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint in this behalf.

2. Definitions.

(1) In this Act, unless there is anything repugnant in the subject or context—(a) “lottery” does not include a prize competition; (b) “money” includes a cheque or any other negotiable instrument, a postal order or a money order; (c) “newspaper” includes any journal, magazine or other periodical publication; (d) “prize competition” means a prize competition within the meaning of the Prize Competitions Act, 1955; (e) “promoter” in relation to a prize competition means the person licensed to promote or conduct a prize competition under the Prize Competitions Act, 1955 and in relation to a lottery includes a proprietor, manager, organizer or any person having the control or directing the conduct of a lottery and in the case of a lottery conducted through a newspaper includes the publisher of such newspaper: Provided that in the case of a lottery contained in a newspaper of publication printed and published outside the State, the manager or agent of the publisher of such

newspaper or publication in charge of its circulation or distribution shall be deemed to be a promoter of the lottery for the purposes of this Act; and the words “promote” and “promoting” shall be construed accordingly; (f) “State” means the State of Maharashtra; (g) “quarter” means a period of three months beginning from the 1st January to 31st March, from 1st April to 30th June, from 1st July to 30th September and from 1st October to 31st December in each year; (h) “ticket” includes, in relation to any lottery or proposed lottery, any document evidencing the claim of a person to participate in the chances of the lottery. (2) For the purpose of this Act—(a) references to printing shall be construed as including references to writing and other modes of representing or reproducing words in a visible form; (b) documents or other matters shall be deemed to be distributed if they are distributed to persons or places whether within or without the State and the expression “distribution” shall be construed accordingly; and (c) the Collector may, after making such enquiry as he deems fit, determine the person who is or is to be deemed to be a promoter in relation to a lottery and his decision shall be final.

3. All lotteries unlawful.

Save as provided by this Act, all lotteries are unlawful.

4. Offences in connection with lotteries.

(1) Subject to the provisions of this section every person who in connection with any lottery which is unlawful under the provisions of this Act, but which is promoted or proposed to be promoted either in this State or elsewhere—(a) publishes any proposal to pay any sum, or to deliver any goods, or to do or for bear doing anything for the benefit of any person, on any event or contingency relative or applicable to the drawing of any ticket, lot, number or figure in the lottery, or (b) prints any tickets for use in the lottery, or (c) sells or distributes, or offers or advertises for sale or distribution, or has in his possession for the purpose of sale or distributions, any tickets or chances in the lottery, or (d) prints, publishes or distributes, or has in his possession for the purpose of publication or distribution—(i) any advertisement of the lottery, or (ii) any list (whether complete or not) of prize winners or winning tickets in the lottery, or (iii) any such matter descriptive of the drawing or intended drawing of the lottery, or otherwise relating to the lottery as is calculated to act as an inducement to persons to participate in that lottery or in other lotteries, or (e) brings, or invites any person to send into the State for the purpose of sale or distribution any tickets in, or advertisement of, the lottery, or (f) sends or attempts to send out of the State any money or valuable thing, received in respect of the sale or distribution, or any document recording the sale or distribution, or the identity of the holder, or any ticket, or chance in the lottery, or (g) uses any premises, or permits any premises to be used, for purposes connected with the promotion or document of the lottery; or (h) causes or attempts to cause any person to do any of the abovementioned acts shall, on conviction, be punishable,—(i) for the first offence with fine which may extend to one thousand rupees; (ii) for the second offence with fine which may extend to two thousand rupees, and (iii) for any subsequent offence with imprisonment for a term which may extend to three months or with fine which may extend to five thousand rupees or with both. (2) In any proceedings instituted under sub-section (1), an accused person shall not be deemed to be guilty if he proves that the lottery to which the proceedings relate was such a lottery as is not deemed to be unlawful under section 5 or 6

as the case may be, and that at the date of the alleged offence the accused believed and had reasonable ground for believing that none of the conditions required by section 5 or 6 to be observed in connection with the promotion and conduct of the lottery had been broken.

5. Licensed entertainment lotteries not unlawful.

(1) A lottery promoted as an incident of an entertainment shall be deemed to be an unlawful lottery, unless the promoter thereof has obtained a licence in respect of such lottery. (2) The following conditions shall be observed by the promoter in connection with the promotion and conduct of such lottery, namely:—(a) the whole proceeds of the entertainment (including the proceeds of the lottery) after deducting—(i) the expenses of the entertainment excluding expenses incurred in connection with the lottery, (ii) the expenses incurred in printing tickets in the lottery, and (iii) such sum (if any) not exceeding one hundred rupees, which the promoters of the lottery think fit to appropriate on account of any expense incurred by them in purchasing prizes in the lottery, shall be devoted to purposes other than private gain; (b) none of the prizes in the lottery shall be money prizes; (c) tickets or chances in the lottery shall not be sold or issued, nor shall the result of the lottery be declared, except on the premises on which the entertainment takes place and during the progress of the entertainment; and (d) the facilities afforded for participating, in lotteries shall not be the only, or the only substantial, inducement to persons to attend the entertainment. (3) If any of the conditions specified in sub-section (2) is broken, every person concerned in the promotion or conduct of the lottery shall, on conviction, be punishable—(a) for the first offence with fine which may extend to one thousand rupees, (b) for the second offence with fine which may extend to two thousand rupees, and (c) for any subsequent offence with imprisonment for a term which may extend to three months or with fine which may extend to five thousand rupees or with both: Provided that in any proceeding under this section, it shall be a defense to prove that the breach was committed without his knowledge. Explanation.—The entertainments to which this section applies are bazaars, sales of work, fetes and other entertainments of a similar character, whether limited to one day or extending over two or more days.

6. Licensed private lotteries not unlawful.

(1) A private lottery shall be deemed to be an unlawful lottery unless the promoter thereof has obtained a licence in respect of such lottery. (2) The following conditions shall be observed by the promoter in connection with the promotion and conduct of such lottery, namely:—(a) the whole proceeds, after deducting only expenses incurred for printing and stationery, shall be devoted to the provision of prizes for purchasers of tickets or chances, or, in the case of a lottery promoted for the members of a society, shall be devoted either to the provision of prizes as aforesaid or to purposes which are purposes of the society or, as to part, to the provision of prizes as aforesaid and, as to the remainder, to such purposes as aforesaid; (b) there shall not be exhibited, published or distributed any written notice or advertisement of the lottery other than—(i) a notice thereof exhibited on the premises of the society for whose members it is promoted or, as the case may be, on the premises on which the persons for whom it is promoted work or reside, and (ii) such announcement or advertisement thereof as is contained in the tickets, if any; (c) the price of every ticket or chance shall be the same and the price of any ticket shall be stated on the ticket; (d) every ticket shall bear upon

the face of it the name and address of each of the promoters and a statement of the persons to whom the sale of tickets or chances by the promoters is restricted, and a statement that no prize won in the lottery shall be paid or delivered by the promoters to any person other than the person to whom the winning tickets or chance was sold by them, and no prize shall be paid or delivered except in accordance with that statement; (e) no ticket or chance shall be issued or allotted by the promoters except by way of sale and upon receipt of the full price thereof, and no money or valuable things so received by a promoter shall in any circumstances be returned; and (f) no tickets in the lottery shall be sent through the post. (3) If any of the conditions specified in sub-section (2) is broken, each of the promoters of the lottery, and where the person by whom the condition is broken is not one of the promoters, that person also, shall, on conviction, be punishable—(a) for the first offence with fine which may extend to one thousand rupees, (b) for the second offence with fine which may extend to two thousand rupees, and (c) for any subsequent offence with imprisonment for a term which may extend to three months or with fine which may extend to five thousand rupees or with both: Provided that in any proceeding under this section, it shall be a defence for a person charged only by reason of his being a promoter of the lottery to prove that the offence was committed without his knowledge. Explanation.—For the purposes of this section—(a) the expression “private lottery” means a lottery in the State which is promoted for, and in which the sale of tickets or chances by the promoters is confined to, either—(i) members of one society established and conducted for purposes not connected with gaming, wagering or lotteries, or (ii) persons all of whom work on the same premises, or (iii) persons all of whom reside on the same premises, and which is promoted by persons each of whom is a person to whom under the foregoing provisions tickets or chances may be sold by the promoters and, in the case of a lottery promoted for the members of a society, is a person authorised in writing by the governing body of the society to promote the lottery; and (b) the expression “society” includes a club, institution, organization or other association of persons by whatever name called, and each local or affiliated branch or section of a society shall be regarded as a separate and distinct society.

7. Licences.

Every licence granted under this Act in respect of a lottery shall be granted by the Collector on payment of such fees and subject to such conditions and shall be in such form as may be prescribed.

8. Powers of State Government to issue orders pertaining to licences.

Notwithstanding anything contained in this Act or any rules made thereunder, it shall be lawful for the State Government by general or special order to—(a) prohibit the grant of licences in respect of a lottery or class of lotteries throughout the State or in any area; (b) prescribe the maximum number of licences which may be granted in any area; (c) direct that no licences specified in such order shall be granted without the previous approval of the State Government; (d) issue such other instructions in any matter pertaining to the grant or otherwise of licences under this Act as the State Government may deem proper.

9. Suspension or cancellation of licence.

The Collector may suspend or cancel a licence granted under this Act in respect of a lottery—(1)if there is any breach of any of the conditions subject to which the licence is granted ; or(2)if the holder of such licence contravenes any of the conditions specified in section 5 or 6 ; or(3)if any tax payable under section 10 is not duly paid by the promoter ; or(4)if the holder of such licence contravenes any of the provisions of section 14 ; or(5)for any other reason, for which the suspension or cancellation of the licence is, in the opinion of the State Government, necessary in the public interest.

10. Levy of tax on lotteries and prize competitions.

(1)There shall be levied,—(a)in respect of every lottery for which a licence has been obtained under section 5 or 6, a tax at the rate of 25 per cent. or the total sum received or due in respect of such lottery ; and(b)in respect of every prize competition for which a licence has been obtained under the Prize Competitions Act, 1955, a tax at the rate of 5 per cent. of the total entry fees received and retained in such competition.(2)The tax shall be collected from the promoter of such lottery or prize competition, as the case may be.

11. Levy of tax on lotteries in newspapers and publications printed and published outside State.

Notwithstanding anything contained in section 10, there shall be levied in respect of every lottery contained in a newspaper or publication printed and published outside the State, for which a licence has been obtained under section 5 or 6, a tax at such rates as may be specified by the State Government in a notification in the Official Gazette, not exceeding the rates specified in section 10 on the sums specified in the declaration made under section 14 by the promoter of the lottery as having been received or due in respect of such lottery or in a lump-sum having regard to the circulation or distribution of the newspaper or publication in the State.

12. Calculation and recovery of tax levied under section 10.

(1)The amount of tax to be levied in respect of a lottery or prize competition under section 10 shall be calculated by the Collector on the total sum received or due in respect of the lottery or prize competition as disclosed in the accounts maintained and statements submitted to him or a declaration made before him under section 14.(2)In cases where no such accounts are maintained, or no such statements are submitted, or no such declaration is made, or where such accounts, statements or declaration are or is in the opinion of the Collector false or incorrect, the Collector shall make the calculation to the best of his judgment.(3)The tax leviable under section 10 shall in the case of a prize competition be paid within 30 days of the end of each quarter and in the case of a lottery be paid within 30 days of the date on which such lottery is drawn.(4)If any tax payable under section 10 is in arrear the Collector may, in lieu thereof, recover any sum not exceeding double the amount of the tax so unpaid or any smaller sum above the amount of the tax which the Collector

may think it reasonable to recover.

13. Licence fee and other dues to be recoverable as arrears of land revenue.

All sums payable as fees or taxes under this Act shall be recoverable as arrears of land revenue.

14. Promoters of lotteries or prize competitions to keep and maintain accounts, submit statements and make declarations.

(1) Every person promoting a lottery or prize competition of any kind shall keep and maintain accounts relating to such lottery or competition and shall submit to the Collector statements in such form and of such period as may be prescribed: Provided that in the case of a prize competition the accounts maintained and the statements thereof submitted to the licensing authority under the Prize Competition Act, 1955, shall be deemed to be the accounts or statements to be maintained or submitted, as the case may be, under this section. (2) In the case of a lottery contained in a newspaper or publication printed and published outside the State, every person promoting such lottery shall make a declaration in such form and of such period as may be prescribed.

15. Penalty for failure to keep accounts, submit statements or make declaration of keeping false accounts, submitting false statements and making false declaration.

If—(a) any promoter of a lottery or prize competition liable under sub-section (1) of section 14 to keep and maintain accounts or to submit statements in the manner and of the period prescribed fails to keep accounts or so to submit the statements, or keeps such accounts or submits such statements as he knows to be or has reason to believe to be false, or (b) any promoter of a lottery liable under sub-section (2) of section 14 to make a declaration in the manner and of the period prescribed fails to make the declaration or makes such declaration as he knows or has reason to believe to be false, he shall, on conviction, be punished with fine which may extend to Rs. 500.

16. Forfeiture of newspapers and publications, containing unlawful lotteries.

Where any newspaper or publication, wherever printed or published, contains an unlawful lottery the Collector may, by notification in the Official Gazette, declare every copy of the issue of the newspaper or every copy of such publication containing such lottery to be forfeited to the State Government.

17. Power of Collector to require production of accounts or to inspect accounts.

The Collector may, for the purposes of this Act at all reasonable times—(i) require any promoter of a lottery or prize competition to produce before him accounts or other documents or to furnish any

other information ; or(ii)inspect the accounts of any such promoter.

18. Power of entry and search.

It shall be lawful for a police officer—(i)in Greater Bombay, not below the rank of Sergeant or Sub-Inspector and either empowered by general order in writing or authorised in each case by special warrant issued by the Commissioner of Police, Bombay, and(ii)elsewhere, not below the rank of a Sub-Inspector of Police authorised by a special warrant issued in each case by a Magistrate of the First Class or a District Superintendent of Police or by an Assistant or Deputy Superintendent of Police specially empowered by the State Government in this behalf—(a)to enter, with the assistance of such persons as may be found necessary by night or day, and by force, if necessary, any house, room, or place which he has reason to suspect is used for purposes connected with the promotion for conduct of any lottery ;(b)to search all parts of the house, room or place which he shall have so entered, the persons whom he shall find therein and also such persons as may be specified by name in the warrant ;(c)to take into custody and bring before a Magistrate all such persons ;(d)to seize all things which are reasonably suspected to have been used or intended to be used in connection with a lottery and which are found therein :Provided that no officer shall be authorised by special warrant unless the Commissioner of Police, the Magistrate, the District or Assistant or Deputy Superintendent of Police concerned is satisfied, upon any complaint made before him on oath and upon making such inquiry as he may think necessary, that there are reasonable grounds, to suspect the said house, room or place to be used for purposes connected with the promotion or conduct of an unlawful lottery.

19. Searches how made.

All searches made under section 18 shall be made in accordance with the provisions of the Code of Criminal Procedure, 1898.

20. Power to arrest without warrant in certain cases.

A Police Officer may apprehend without warrant any person found, or reasonably suspected of committing an offence under clauses (a), (c), or (d) of sub-section (1) of section 4, in any public street, or thoroughfare or in any place to which the public have or are permitted to have access.

21. Power of investigation.

(1)Every officer not below the rank of a Sub-Inspector of Police shall have power to investigate all offences punishable under this Act.(2)Every such officer shall, in the conduct of such investigation, exercise the powers (except the power to arrest without warrant otherwise than under section 20) conferred by the Code of Criminal Procedure, 1898, upon an officer in-charge of a police station for the investigation of a cognizable offence.

22. Offences to be bailable.

All offences punishable under this Act shall be bailable.

23. Jurisdiction to try offences.

No Magistrate, below the rank of a Presidency Magistrate or a Magistrate of the Second Class shall try an offence under this Act.

24. Government may authorise certain officer to perform functions of Collector.

The State Government may, by general or special order, authorise the officer to perform the functions to be performed by the Collector under any of the provisions of this Act.

25. Offences by companies.

(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in-charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence. (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be proceeded against and punished accordingly. Explanation.—For the purposes of this section—(a) “company” means a body corporate, and includes a firm or other association of individuals; and (b) “director” in relation to a firm means a partner in the firm.

26. Collectors and other officers to act subject to orders of State Government.

The Collectors and all officers duly authorised under section 24 shall exercise the powers and perform the duties conferred and imposed on them by or under this Act in accordance with such orders as the State Government may from time to time make.

27. Officers to be public servants

All officers acting under this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860.

28. Protection of persons acting in good faith and limitation of suit and prosecutions.

(1) No suit prosecution or other legal proceedings shall be instituted against any officer of the Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder. (2) No suit shall be instituted against the State and no prosecution or suit shall be instituted against any officer of the Government in respect of anything done or intended to be done, under this Act, unless the suit or prosecution has been instituted within six months from the date of the act complained of.

29. Appeal and revision.

(1) Any person aggrieved by any order passed under this Act, by the Collector or any officer authorised under section 24 may appeal against such order to the Commissioner or to such officer as the State Government may appoint in this behalf. (2) Every order passed in appeal under this section shall, subject to the powers of revision conferred by sub-section (3), be final and shall not be liable to be called in question in any court of law whether in a suit or other proceeding or by way of appeal or revision. (3) The State Government may, at any time call for and examine the record of any order of, or the proceedings, recorded by any officer or persons for the purpose of satisfying itself as to the legality or propriety of such order passed by, or as to the regularity of such proceedings of, such officer or person and may pass such order in reference thereto as it thinks fit.

30. Exemption.

The State Government may exempt totally or partially from the payment of tax under this Act any prize competition or lottery the net proceeds of which are to be devoted to a charitable purpose.

31. Rules.

(1) The State Government may, by notification in the Official Rules Gazette, make rules for the purposes of carrying out the provisions of this Act. (2) In particular and without prejudice to the generality of the foregoing provision the State Government may make rules for the following matters:—(i) the form of licence and the fees on payment of which and the conditions subject to which a licence shall be granted under section 7; (ii) the manner in which the accounts shall be kept and maintained and the form in which and the period at which the statement of accounts, are to be submitted under section 14. (3) Any rule made under this section may provide that any person contravening any such rule shall, on conviction, be liable to fine which may extend to fifty rupees. (4) Rules made under this section shall be subject to the condition of previous publication.

32. Saving.

Nothing in this Act shall apply to—(a) the owner, lessee or occupier of any race-course to whom a licence has been granted for horse racing on a race-course under section 4 of the Bombay

Race-Course Licensing Act, 1912, or to any person who carries on the business or vocation of or acts as a book-maker, or turf commission agent under licence or permit issued by such owner, lessee or occupier to enable him to carry on his business or vocation under the said Act, as specified in the licence or permit or to any entries in respect of any stake or bet received by such person, (b) a lottery organized by the Central Government or a State Government, (c) a lottery specially authorised by the State Government.

33. Repeal of section 294A of Act XLV of 1860.

The provisions of section 294-A of the Indian Penal Code, 1860 in its application to the territories to which this Act extends, are hereby repealed.

34. Repeal and savings.

The following Acts, that is to say,—(i) the Bombay Lotteries and Prize Competitions Control and Tax Act, 1948, and (ii) the Saurashtra Lotteries and Prize Competitions Control and Tax Act, 1951, are hereby repealed: Provided that such repeal shall not affect,—(a) any right, privilege, obligation or liability already acquired, accrued or incurred or anything done or suffered before the commencement of this Act, (b) any legal proceeding or remedy in respect of such right, privilege, obligation or liability, or (c) the levy, assessment, collection or refund, of any tax or fee or the imposition or recovery of any penalty which may have become payable before the commencement of this Act, under any Act so repealed; and any such proceeding may be instituted, continued or disposed of and any such remedy may be enforced and any such tax or fee may be levied, assessed or collected or refund thereof made, and any such penalty may be imposed or recovered as if this Act had not been passed: Provided further that any licence for a lottery granted under any of the Acts hereby repealed and in force immediately before the commencement of this Act shall continue in force under this Act, unless it is inconsistent with any of the provisions of this Act.