

C3.29021/05/CT

Office of the Commissioner  
Commercial Taxes  
Thiruvananthapuram  
Dated. 03.06.05

**CIRCULAR No.10/05**

Sub:- Kerala Tax On Paper Lotteries Act-2005- Guidelines issuing of Reg:

Ref:\_ Order No.C3.20675/05/CT Dt. 27.04.05 of Commissioner of Commercial Taxes

The Director of State Lotteries has pointed out certain modus operandi practiced by dealers in lottery tickets through fraudulent means. Visual media and News papers are also highlighting the issue of illegal activities conducted by dealers in the paper lottery tickets. There are reported incidents of cheating the public by conducting single digit lotteries and also by circulating different `series' of tickets, which may not be included in the proposed draw. The Commercial Taxes Department is empowered to initiate action against tax evasion through fraudulent activities done by such dealers. It is high time to detect such cases for which action is to be initiated with the assistance of department of lotteries and police authorities. The Asst. Commissioners of the Commercial Taxes department appointed under section 4(2) of the Kerala Tax on Paper Lotteries Act, 2005 are directed to observe the following instructions and to report compliance.

1.The Asst. Commissioners granting the certificate of registration should insist the applicants/promoters to declare the series of tickets which is intended to be sold in market along with draw number and serial numbers of total tickets intended to be circulated and to get it recorded in the certificate issued after collecting advance tax under section 10 of the Kerala Tax on Lotteries Act, 2005.

2.The Asst. Commissioners shall direct the promoters/ organizers to keep the records and accounts pertaining to the details declared before them at the place of business, and it shall be subjected to scrutiny periodically

3.Copy of the certificate mentioned above together with copy of the agreement made by the promoter/organizer with the Government concerned shall be made available to the District Lottery Officer then and there. The Asst. Commissioners shall conduct an enquiry through Department of lotteries regarding the violation of any of the provisions of the Lotteries Regulation Act with reference to the terms and conditions mentioned in the agreement, and pass on such information to the Police Department for necessary action.

4.The details regarding registration certificate issued, the draws proposed to be conducted, advance payment against each draw and serial numbers of tickets issued

including `series' to be available in same number of tickets in groups shall be furnished to the Commissionerate every Monday in the following format by E-mail, copy of which shall be made available to the District Lottery Officer concerned too.

Ticket Name	Govt. which conducts the lottery	Date of Draw	Draw Number	Sl. Nos of tickets issued	
				From	To

Series of tickets	Draw type	Amount of tax remittance	Balance tax, if any, due	Action taken

5.As there is information that lottery business is being conducted fraudulently by certain dealers for evading tax so as to cheat the Government as well as the public, the Asst. Commissioners concerned shall conduct search and inspection under section 20 of the Act with the assistance of the District Lottery Officer and local police and initiate action under section 29 of the Act by filing complaint before the local police. The details of search and inspection shall be intimated to the undersigned then and there. All Dy. Commissioners shall supervise this item of work and review the performance periodically.

Receipt of the circular shall be acknowledged by return .

Sd/-  
Commissioner