

**ANDHRA PRADESH MONEY CIRCULATION SCHEMES  
(PROHIBITION) ACT, 1965**

**30 of 1965**

**[28th December, 1965]**

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**ANDHRA PRADESH MONEY CIRCULATION SCHEMES  
(PROHIBITION) ACT, 1965**

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An Act to prohibit the promotion or conduct Money Circulation Schemes. Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixteenth Year of the Republic of India as follows:

**1. Short title extent and commencement :-**

(1) This Act may be called the Andhra Pradesh Money Circulation Schemes (Prohibition) Act, 1965.

(2) It extends to the whole of the State.

(3) It shall come into force on such date as the Government may, by notification in the Andhra Pradesh Gazette, appointt.

**2. Definitions :-**

In this Act, unless the context otherwise requires,

(a) Government means the State Government;

(b) money includes a cheque, postal order or money order:

(c) money circulation scheme means any scheme, by whatever name called or known, for the making of quick or easy money, or for the receipt of any money or valuable thing as the consideration for a promise to pay money, on any event or contingency relative or applicable to the enrolment of members into the scheme, whether or not such money is derived from the entrance money of the members of such scheme;

(d) State means the State of Andhra Pradesh.

**3. Prohibition of money circulating schemes, or enrolment as a member on participation in any such scheme :-**

No person shall, promote or conduct any money circulation scheme, or enrol as a member in any such scheme, or participate in it otherwise, or remit or receive any money in pursuance of such scheme.

**4. Penalty for contravening the provisions of Section 3 :-**

Whoever contravenes the provisions of Section 3 shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

**5. Penalty for other offences in connection with money circulation schemes :-**

Whoever with a view to the promotion or conduct of any money circulation scheme in contravention of the provisions of this Act or in connection with any such money circulation scheme promoted or conducted

(a) prints or publishes any ticket, coupon or other document for use in the money circulation scheme; or

(b) sells or distributes or offers or advertises for sale or distribution, or has in his possession for the purpose of sale or distribution any ticket, coupon or other document for use in the money circulation scheme, or

(c) prints, publishes or distributes, or has in his possession for the purpose of publication or distribution,

- (i) any advertisement of the money circulation scheme; or
- (ii) any list, whether complete or not, of members in the money circulation scheme; or
- (iii) any such matter descriptive of, or otherwise relating to, the money circulation schemes as is circulated to act as an inducement to persons to participate in that money circulation scheme or any other money circulation scheme; or
- (d) brings, or invites any person to send, for the purpose of sale or distribution, any ticket, coupon or other document for use in, or any advertisement of, the money circulation scheme; or
- (e) uses any premises, or causes or knowingly permits any premises to be used , for purposes connected with the promotion or conduct of the money circulation scheme; or
- (f) causes or procures or attempts to procure any person to do any of the above mentioned acts, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

## **6. Offences by companies :-**

(1) If the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing in this sub section shall render any such person liable to any punishment 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 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 that the commission of the offence 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 liable to be proceeded against and punished accordingly.

Explanation:- For the purposes of this section,

(a) "company" means any 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.

## **7. Power to enter, search and seize :-**

(1) It shall be lawful for any police officer not below the rank of an officer in charge of a police station,

(a) to enter if necessary by force, whether by day or night, with such assistants as he considers necessary, any premises which he has reason to suspect, are being used for purposes connected with the promotion or conduct of any money circulation scheme in contravention of the provisions of this Act;

(b) to search the premises and the persons whom he may find therein;

(c) to take into custody and produce before a magistrate all such persons as are concerned or against whom a reasonable complaint has been made or credible information has been received or a reasonable suspicion exists of their having been concerned with the user of such premises for purposes connected with, or with the promotion or conduct of, any money circulation scheme; and

(d) to seize such things found therein which are intended to be used or reasonably suspected to have been used in connection with such money circulation scheme.

(2) All searches under this section shall be made in accordance with the provisions of the Code of Criminal Procedure, 1898.

## **8. Forfeiture of newspapers and publication containing money circulation schemes :-**

Where any newspaper or other publication contains any money circulation scheme promoted or conducted in contravention of the provisions of this Act or any advertisement in relation thereto, the Government may by notification in the Andhra Pradesh Gazette, declare every copy of the newspaper and every copy of the publication containing the money circulation scheme or the advertisement, to be forfeited to the Government.

## **9. Power to try offences :-**

No court inferior to that of the magistrate of the first class shall try

any offence punishable under this Act.

**10. Offences under this Act to be cognizable :-**

Any offence punishable under this Act shall be a cognizable offence within the meaning of the Code of Criminal Procedure, 18,98.