

## State Of Andhra Pradesh vs K. Satyanarayana & Ors on 22 November, 1967

**Equivalent citations:** 1968 AIR 825, 1968 SCR (2) 387, AIR 1968 SUPREME COURT 825, 1968 (1) SCWR 225, 1968 MADLW (CRI) 109, 1968 2 SCR 387, 1968 MADLJ(CRI) 516, 1968 2 SCJ 325

**Author:** M. Hidayatullah

**Bench:** M. Hidayatullah, C.A. Vaidyalingam

PETITIONER:  
STATE OF ANDHRA PRADESH

Vs.

RESPONDENT:  
K. SATYANARAYANA & ORS.

DATE OF JUDGMENT:  
22/11/1967

BENCH:  
HIDAYATULLAH, M.  
BENCH:  
HIDAYATULLAH, M.  
VAIDYIALINGAM, C.A.

CITATION:  
1968 AIR 825                      1968 SCR (2) 387

ACT:  
Hyderabad Gambling Act (2 of 1305F), ss. 3, 7 and 14--Extra charges levied by club for playing cards, and playing beyond prescribed hour--Common gambling house if constituted--Rummy, if a game of chance.

**HEADNOTE:**

The police raided the premises of a club and found respondents 1--5 playing "Rummy" for stakes, counters and money on the table and playing-cards with the players. Respondent 6 the Treasurer of the Club, was holding the stake money. Respondent 7---the Secretary of the club was not present then. All the respondents were convicted by the Trial Court, but the conviction was set aside by the High Court. In appeal to this Court, the appellant-State

contended that this club was a common gambling house as. a fee of 5 points per game was charged by the club, the playing-cards. were supplied at an extra charge of Rs. 3. there was a sitting fee of Re. 1 per person who joined the game, and if the game continued beyond a certain time a late fee was levied; and further that. the presumption under s. 7 of the Gambling Act had not been repelled;but on the other hand it had been confirmed by the making of this charge by the club. Dismissing the appeal

HELD: This club was not a common gambling house. The presumption under s. 7 even if it arises in this case, was successfully repelled by the evidence which had been led. [392 D]

Just as some fee is charged for the games of billiards, ping-pong, tennis etc. an extra charge for playing cards (unless it is extravagant) would not show that the club was making profit or gain so as to render the club into a common gambling house. Similarly, a late fee is generally charged from members who use the club premises beyond the scheduled time This is necessary because the servants of the club who attend on the members have to be paid extra remuneration by way of overtime, and expenditure on light and other amenities has to be incurred beyond club house. The accounts showed that the sitting fee of 50 paise was charged per person. This was not such a heavy charge in a Members' Club as to be described as an attempt to make a profit or gain for club. Of course, if it had been proved that 5 points per game was charged, that might have been considered as an illegal charge sufficient to bring the club within the definition. [392 G--393 C]

The protection of s. 14 was not available in this case. Rummy is not a game entirely of chance like the 'three-card' game. It requires certain amount of skill because the fall of the cards has to be memories and the building up of Rummy requires considerable skill in holding and discarding cards. It is mainly and preponderantly a game of skill. The chance in Rummy is of the same character as the chance in a deal at a game of bridge. In fact in all games in which cards are shuffled and dealt out, there is an element of chance, because the distribution of the cards is not according to any set pattern but is dependent upon how the cards find their place in the shuffled pack. From this alone it cannot be said that Rummy is a game of chance and there is no skill involved in it of course, if there is evidence of gambling in some other way or 387

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the owner of the house or club is making a profit or gain from the game of Rummy or any other game played for stakes, the offence may be brought home. [393 F--394 B]

JUDGMENT:

CRIMINAL APPELLATE JURISDICTION: Criminal Appeal No. 40 of 1965.

Appeal by special leave from the judgment and order dated August 4, 1964 of the Andhra Pradesh High Court in Criminal Revision Case No- 479 of 1964.

P. Ram Reddy and B. Parthasarathy, for the appellant. A.S.R. Chari, K. Rajendra Chaudhuri and K.R. Chaudhuri, for the respondents.

The Judgment of the Court was delivered by Hidayatullah, J. The State of Andhra Pradesh appeals by special leave against the judgment of the High Court of Andhra Pradesh in which, accepting a reference by the Sessions Judge, the conviction of the respondents under ss. 4 and 5 of the Hyderabad Gambling Act (2 of 1305F) ordered by the 5th City Magistrate at Secunderabad has been set aside.

The short question in this case is whether the premises of a Club known as the "Crescent Recreation Club" situated in Secunderabad were being used as a common gambling house and whether the several respondents who were present at the time of the raid by the police could be said to be gambling therein. The facts of the case are as follows :--

On May 4, 1963, the police headed by Circle Inspector Krishnaswami raided the premises of the club. They found respondents 1-5 playing a card game known as "Rummy" for stakes. At the time of the raid, there were some counters on the table as also money and of course the playing-cards with the players. Respondent No. 6, the Treasurer of the Club, was also present and was holding the stake money which is popularly known as "kitty". The 7th respondent is the Secretary of the Club and he has been joined as an accused, because he was in charge of the management of the club. The kitty which the sixth respondent held was Rs. 74.62nP and a further sum of Rs. 218/- was recovered from the table of the 6th respondent. 66 counters were on the table and some more money was found with the persons who were indulging in the game. The evidence of the Circle Inspector is that he had received credible information that the premises of the club were being used as a common gambling house and he raided it and found evidence, because instruments of gambling were found and the persons present were actually gambling. The Magistrate convicted all the seven respondents and sentenced them to various fines, with imprisonment in default. The respondents then filed an. application for revision before the Sessions Judge, Secunderabad who made a reference to the High Court under s. 438 of the Code of Criminal Procedure, recommending the quashing of the conviction and the setting aside of the sentences. This recommendation was accepted by the learned single Judge in the High Court and the present appeal is brought against his judgment by special leave granted by this Court.

The Hyderabad Act follows in outline the provisions of the Public Gambling Act, 1867 in force in India. Section 3 of the Act defines a "common gambling house". The translation of the Urdu text placed before us was found to be inaccurate but we have

compared the Urdu definition with the definition of "common gaming house" in the Public Gambling Act, and we are of opinion that represents a truer translation than the one included in the official publication. We accordingly quote. the definition from the Indian Act, adding thereto the explanation which is not to be found in the Indian Act. "Common gambling-house"

according to the definition means:

"any house, walled enclosure, room or place in which cards, dice, tables or other instruments of gaming are kept or used for the profit or gain of the person owning, occupying, using or keeping such house, enclosure; room or place, whether by way of charge for the use of the instruments of gaming, or of the house enclosure, room or place, or otherwise howsoever?" Explanation : "The word 'house' includes a tent and all enclosed space."

The contention in regard to this definition is that the evidence clearly disclosed that the club was being used as a common gambling house and therefore the penal provisions of the Act were clearly attracted. We are concerned additionally with several sections from the Gambling Act which need to be seen. Section 4, which follows in outline the corresponding section in the Public Gambling Act, provides for penalty for an owner, occupier or person using common gambling house and includes within the reach of the section persons who have the care or the management of or in any manner assist in conducting, the business of. any such house, enclosure or open space. The members of the club which is a ("Members' Club") would prima facie be liable but as they are not before us, we need not consider the question whether they should also have been arraigned in the case or not. The Secretary and the Treasurer, who were respectively accused Nos. 7 and 6 were so arraigned as it was thought they came within the reach of s. 4 because they were in the care and management of the club itself. Then there is s. 6 which again is similar but not entirely similar to s. 5 of the Public Gambling Act. This provides for entry for search and entry by police. It lays down as follows :--

"If the District Magistrate or the Magistrate of the First Class or the District Superintendent of Police or the Inspector of Police in the city and the suburbs of Hyderabad, on credible information and after such enquiries as he may deem necessary, has reason to believe that any house or premises or enclosure or an open space is used as a common gambling house he shall be empowered to enter or authorise any police officer, not below the rank of a Sub-Inspector to enter with such assistance as may be found necessary, by night or by day, and by force, if necessary, any such house or premises or enclosure or open space, and it shall be proper to arrest all persons whom the said Magistrate or the Superintendent or Inspector of Police finds therein or to allow the Police Officer so authorised to arrest such persons whether or not they are actually gambling. and Seize or authorise the said Officer to seize all instruments of gambling and all moneys and securities for money and valuable articles, reasonably suspected to have been used or intended to be used for the purpose of gambling and which are found therein, and search or authorise such Police Officers to search all parts of the house or premises or enclosure or open space,

which he or such officer shall have so entered when he or such officer has reason to believe that any instruments of gambling are concealed therein and also the persons whom he or such officer had so arrested and seize and keep in his possession all such instruments of gambling as are found in the search.

Explanation: ....."

Here the Circle Inspector was an officer authorised to enter upon and search the premises of the club and therefore his action was fully covered by the section. He effected the arrest of all the persons who were present (respondents 1-6) and added to the number the Secretary who although not present on the premises at the time was, according to him, responsible for the offence under s. 4 of the Oct. Session 7 of the Act then provides for a presumption which the law allows to be drawn from the finding of cards, etc. in a house in which a search according to the terms of s. 6 of the Act as taken place. That section reads as follows :--

"When any cards or dice or table or other instruments or means of gambling have been found in any house or premises or enclosure or open space entered or searched, in accordance with the provision of s. 6 or have been found with any of the persons therein, it shall be evidence, until the contrary is proved, that such house, premises or enclosure or open space is used as a common gambling house and the persons found therein were present for the purpose of gambling although no play was actually witnessed by the Magistrate or the police officer or any of his assistants."

This section gives rise to a presumption from the fact of a search under s. 6 after credible information that persons present in the house are there for the purpose of gambling even though no play may be actually witnessed by the raiding party. In the present case on the appearance of the police, it is admitted, the players stopped their play and the arrests were promptly made of all the persons present round the table who had cards, counters and the money with them.

The learned Magistrate who tried the case was of the opinion that the offence was proved, 'because of the presumption since it was not successfully repelled on behalf of the present respondents. In the order making the reference the learned Sessions Judge made two points: He first referred to s. 14 of the Act which provides that nothing done under the Act shall apply to any game of mere skill wherever played and he was of opinion on the authority of two cases decided by the Madras High Court and one of the Andhra High Court that the, game of Rummy was a game of skill and therefore the Act did not apply to the case. He also held that there was no profit made by the members of the club from the charge for the use of cards and the, furniture and the room in the club by the players and therefore the definition of common gambling house' did not apply to the case. In accepting the reference, the learned single Judge in the High Court did not express any opinion upon the question whether the game of Rummy can be described as a game of skill. \_ He relied upon 'the second part of the proposition which the Sessions Judge had suggested as the ground for acquitting the accused. namely, that the club was not making a profit but was only charging something as a service charge and to this we shall now refer.

Mr. Ram Reddy relies, firstly, upon the definition of 'common gambling house' in the Hyderabad Act and contends that in this case there is ample evidence to prove that the club was making a profit or gain from the persons who play Rummy on its premises, pointing out at the same time that the charge was But upon strangers to 'the club as well as members. He also submits that the presumption which arises under s. 7 of the Gambling Act has not been successfully repelled and on the other hand it has been confirmed by the making of this charge by the club.

In support of his case that the club was making a profit or gain from the game of Rummy he draws attention to four matters which in his opinion bring this club within the said definition. The first was a charge of 5 points per game which according to him was being levied on each game of Rummy. He next points out that playing cards were supplied to the players by the club at an extra charge of Rs. 3/- and there was a sitting fee of Re. 1/- per person from those who joined the game. He points out further that if the game continued beyond a certain time in the night, a late fee was also levied. In addition, he says, that non-members were also required to pay and, therefore, this club must fall within the definition of a common gambling house. In support he relies upon a decision of the Madras High Court in *re Somasundaratn Chettiar*(1) In our opinion the points made by Mr. Ram Reddy do not prove this club to be a common gambling house. The presumption under s. 7, even if it arises in this case, is successfully repelled by the evidence which has been led, even on the side of the prosecution.

To begin with, there is nothing to show that a fee of 5 points per game was being charged. Only the Sub-Inspector (P.W. 6) deposes to it but there is nothing to show what his source of information was. At the time the game was going on, he was not present and when he arrived on the scene, the game had stopped. The account-books of the club do not show any such levy from the persons and in the absence of any entry, we cannot hold this fact to be sufficiently proved. As regards the extra.charge for playing cards we may say that clubs usually make an extra charge for anything they Supply to their members because it is with the extra payments that the management of the club is carried on and other amenities are provided. It is commonly known that accounts have to be kept, stocks have to be purchased and maintained for the use of the members and service is given. Money is thus collected and there is expenditure for running of each section of the establishment. Just as some fee is charged for the games of billiards, ping-pong, tennis, etc, an extra charge for playing cards (unless it is extravagant) would not show that the club was making a profit or gain so as to render the club into a common gambling house. Similarly, a late fee is generally charged from members who use the club premises beyond the scheduled time. This is necessary, because the servants of the (1) A I R. 1948 Mad. 264.

club who attend on the members have to be paid extra remuneration by way of overtime and expenditure on light and other amenities has to be incurred beyond the club hours. Such a charge is usual in most of the clubs and we can take judicial notice of the fact.

This leaves over for consideration only the sitting fee as it is called. In this connection, the account books of the club have been produced before us and they show that a fee of 50 paise is charged per person playing in the card room. This to our opinion is not such a heavy charge in a Members' Club as to be described as an attempt to make a profit or gain for the club. Of course, if it had been proved

that 5 points per game were charged, that might have been considered as an illegal charge sufficient to bring the club within the definition. As we have already pointed out, the levy of that charge has not been proved. The other charges which the club made do not establish that this was a common gambling house within the definition.

It is submitted by Mr. Ram Reddy that non-members also play and further that the club provides no other amenities besides making it possible for members and non-members to play the game of Rummy on the premises. We think that the evidence on this part is not quite satisfactory. No doubt one witness has stated that chess is also played, but that does not prove that amenities other than card games are catered for by the club. But on the other side also there is no definite evidence that there is no other amenity in this club but the playing of card games. In these circumstances, to hold that the club does not provide other amenities is tantamount to making a conjecture which is not permissible in a criminal case.

We are also not satisfied that the protection of s. 14 is not available in this case. The game of Rummy is not a game entirely of chance like the 'three-card' game mentioned in the Madras case to which we were referred. The 'three card' game which goes under different names such as 'flush', 'brag' etc. is a game of pure chance. Rummy, on the other hand, requires certain amount of skill because the fall of the cards has to be memorised and the building up of Rummy requires considerable skill in holding and discarding cards. We cannot, therefore, say that the game of Rummy is a game of entire chance. It is mainly and preponderantly a game of skill. The chance in Rummy is of the same character as the chance in a deal at a game of bridge. In fact in all games in which cards are shuffled and dealt out, there is an element of chance, because the distribution of the I cards is not according to any set pattern but is dependent upon how the cards find their place in the shuffled pack. From this alone it cannot be said that Rummy is a game of chance and there is, no skill involved in it. Of course, if there is evidence of gambling in some other way or that the owner of the house or the club is making a profit or gain from the game of Rummy or any other game played for stakes, the offence may be brought home. In this case, these elements are missing and therefore we think that the High Court was right in accepting the reference it did.

The appeal fails and is dismissed.

Y.P.

Appeal dismissed.