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2026 INSC 1246

NON-REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 1889 OF 2015

THE GEM AND JEWELLERY EXPORT PROMOTION COUNCIL **...APPELLANT(S)**

VERSUS

THE STATE OF MAHARASHTRA AND OTHERS **...RESPONDENT(S)**

J U D G M E N T

S.V.N. BHATTI, J.

1. The Appellant is a Company incorporated under Section 25 of the Companies Act, 1956 ("Act, 1956") under the aegis of the Ministry of Commerce, Government of India. The Appellant was constituted with the main objectives of supporting, protecting, maintaining, increasing, and promoting the export of gems and jewellery, including pearls, coloured gemstones, diamonds, synthetic stones, fashion jewellery, gold and other precious metal jewellery and articles thereof, by such methods as may be necessary or expedient for the export of articles.

2. As part of its objectives, the Appellant organises annual exhibitions titled India International Jewellery Show ("IIJS") and "IIJS Signature", which provide a platform for interaction among exporters, other jewellers of the country, and foreign buyers visiting the show. The Appellant claims that these

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exhibitions, through IIJS and IIJS Signature, are major steps towards making India, especially Mumbai, a major international trading centre for diamonds and other gems and jewellery.

3. In the subject Appeal, the Appellant challenges the Judgment and Order dated 04.03.2013 of the High Court of Judicature at Bombay, which upheld the Order dated 30.11.2012 of the Divisional Commissioner, Konkan Division, Mumbai/Respondent No. 2, and modified the Order dated 31.07.2012 of the Additional Collector, Mumbai Suburban District/Respondent No. 3. The background to the above Orders can be summarised as follows:

3.1 The Appellant, an entity under Section 25 of the Act, 1956, organises trade promotion exhibitions of gems, etc., in Mumbai. Under the Rules for Licensing and Controlling Places of Public Amusement (excluding Cinemas) and Performances of Public Amusement, including Melas and Tamashas, 1960 (as it stood then), framed under the Bombay Police Act, 1951, organisers of large gatherings in Mumbai must obtain a Police Licence/NOC. Respondent No. 4 incorporated a mandatory requirement in its Application Form, requiring applicants to furnish an NOC from Respondent No. 3. Ahead of the August IIJS 2011 show, the Appellant tendered Rs. 38,91,250/- under protest on 19.07.2011 to obtain the NOC from Respondent No. 3 under the Bombay Entertainments Duty Act, 1923 ("Act, 1923"). The Entertainment Duty Officer subsequently demanded additional payments, bringing the total amount deposited under protest to Rs. 62,76,875/-.

3.2 On 13.10.2011, the Appellant applied to Respondent No. 3 for an NOC for IIJS Signature 2012, on the ground that the event was a trade exhibition outside the ambit of the Act, 1923. Respondent No. 3 replied on 28.11.2011,

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stating that the Appellant either pay tax or apply to the Revenue Department for an exemption from the payment of Entertainment Duty. On 07.12.2011, the Appellant clarified that it was seeking non-taxability/lack of jurisdiction under Section 2(a) and not seeking an exemption under Section 6(3) of the Act, 1923. On 24.12.2011, the Police insisted that the Appellant obtain an NOC from Respondent No. 3. The Appellant deposited Rs. 11,96,938/- under protest, with a cover letter dated 03.01.2012. After the exhibition, the Appellant demanded a refund on 24.01.2012.

3.3 In response to the Appellant's demand for a refund, Respondent No. 3 issued an Assessment Order demanding an additional Rs. 1,32,47,750/- for IIJS 2011. On 10.05.2012, the High Court of Bombay, in W.P. No. 4527 of 2012, quashed the Assessment Order dated 17.03.2012. On 27.06.2012, Respondent No. 3 passed an Order reiterating the demand of Rs. 1,32,47,750/-. The Appellant filed W.P. No. 6544 of 2012 before the High Court of Bombay, and on 20.07.2012, the High Court again quashed the Assessment Order and remanded the matter.

4. On 31.07.2012, Respondent No. 3 passed a fresh Order holding the Appellant liable for Rs. 97,09,500/- in respect of IIJS 2011, adjusting Rs. 62,76,875/- and demanding the balance of Rs. 34,32,625/-. The findings are as follows:

A. Section 2(a) of the 1923 Act is inclusive and explicitly includes the term "any exhibition". Therefore, any display of articles where admission is conditioned on payment falls within the statutory net.

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B. Relied on the State Government's communication dated 30.05.2011 to conclude that the event was treated as taxable by the State Administration, thereby precluding any jurisdictional defence.

C. That 7,000 exhibitor badges were issued, and 919 surplus passes were treated as unauthorised, non-duty-paid admissions, thereby imposing entertainment duty and a one-and-a-half-times statutory penalty.

D. Fixed the gross liability for IIJS 2011 at Rs. 97,09,500/-, adjusted Rs. 62,76,875/- paid under protest, and directed the recovery of the balance of Rs. 34,32,625/- as arrears of land revenue.

5. On 17.08.2012, while disposing of W.P. No. 7807 of 2012 by Consent Minutes, the High Court directed the Police Authorities to grant an NOC for IIJS 2012 without insisting on a Collector's NOC, permitted the Appellant to file a Statutory Appeal, and directed the Appellant to deposit Rs. 94,32,625/- (Rs. 34,32,625/- arrears and Rs. 60,00,000/- advance for IIJS 2012).

6. The Appellant filed Entertainment Appeal No. 685 of 2012 before Respondent No. 2 and deposited Rs. 94,32,625/-. On 30.11.2012, Respondent No. 2 held that the trade show was taxable under Section 2(a), reduced the Assessment for IIJS 2011 to Rs. 45,40,125/- by deleting the levy and the one-and-a-half-times statutory penalty on 919 exhibitor passes, and ordered a refund of the excess amount. The findings are as follows:

A. The events constitute "entertainment" under Section 2(a), and the presence of delegate fees constitutes "payment for admission" under Section 2(b) of the Act, 1923.

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B. Since the events charge high entry fees and exhibitors derive commercial and monetary benefits from trade interactions, they meet the requirements of an entertainment exhibition.

C. The Appellant paid Entertainment Duty without objection between 2006 and 2009 and obtained a State Tax exemption in 2005, suggesting that the Council historically recognised the show as taxable.

D. It accepted the Appellant's audited evidence showing that only 6,081 exhibitor passes had been distributed, not 7,000. Consequently, it quashed the duty and the one-and-a-half-times statutory penalty imposed on the 919 passes, recalculated the net duty for IIJS 2011 at Rs. 45,40,125/-, ordered a refund of Rs. 51,69,250/- for IIJS 2011, and directed the adjustment of the IIJS 2012 duty against the Rs. 60,00,000/- advance deposit.

7. The Appellant filed W.P. No. 653 of 2013 before the High Court of Judicature at Bombay. The prayers include a declaration that the annual IIJS and IIJS Signature events organised by the Appellant do not constitute "entertainment" under the Act, 1923, and that these exhibition events are not exigible to Entertainment duty under the Act, 1923. The Appellant also prayed for *certiorari* to quash the Orders dated 31.07.2012 and 30.11.2012 of Respondent Nos. 3 and 2. Subject to the outcome of the above two principal prayers, the Appellant prayed for a refund of the Entertainment Duty levied and collected from the Appellant.

8. In the above background, the issue for consideration in the present Appeal is whether the pure and simple business-to-business trade exhibitions organised by the Appellant under the banners of IIJS and IIJS Signature fall

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within the definition of "entertainment" under Section 2(a) and are exigible under Section 3 of the Act, 1923.

9. The Appellant's case on these exhibitions is that they are purely business-to-business platforms, with exhibitors and visitors being traders/manufacturers of gems, jewellery, etc. The Appellant collects a high registration charge to encourage interested business visitors to attend the exhibitions. The general public and individual consumers are barred from registering and entering the said exhibition. To ensure participation by interested buyers, the Appellant has put in place a stringent, scrutinising procedure. Visitors have to fill out an Application Form, and upon scrutiny of all credentials furnished by the Applicant, entry is facilitated, however, upon payment of the Entry Fee. Undeniably, the event is a business-to-business facilitation platform, resulting in a high volume of business in the trade of gems, pearls, fashion jewellery, etc. As part of our narrative, we have preferred to substantially adopt the Appellant's view for claiming relief against the levy of Entertainment Duty under the Act, 1923. The Respondents' case is set out in Orders dated 31.07.2012 and 30.11.2012. Hence, it is not reiterated for brevity. Through the impugned Judgment, W.P. No. 653 of 2013 is dismissed, and hence the Civil Appeal.

10. We have heard Mr. Aman Raj Gandhi and Mr. Bharat Bagla, learned Counsel for the parties.

11. Advocate Aman Raj Gandhi, appearing for the Appellant, argues that the IIJS and IIJS Signature exhibitions do not fall within the definition of Section 2(a) of the Act, 1923. The Orders dated 31.07.2012 and 30.11.2012 are based on an erroneous understanding of the IIJS and IIJS Signature

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exhibitions, and the levy of Entertainment Duty on the Appellant is *per se* illegal. Entry to the exhibition is not free and may be subject to an Entry fee. The general public is not allowed as a matter of right. An interested business visitor must fill out an application supported by trade and business credentials, and upon scrutiny, entry to the event is allowed. The exhibitions are a pure and simple business-to-business proposition, without attracting any of the fastenings of the exhibition, namely shows of diversion, providing food, display of skill, art, etc. The decisive factor in attracting the definition of entertainment under the Act, 1923 ought not to be the mode of entry, i.e., payment of an Entry Fee to the exhibition. The exhibition conducted by the Appellant does not satisfy the four crucial tests laid down by this Court in *M/s Geeta Enterprises & Ors. v. State of U.P. & Ors.*[1] The impugned Judgment has placed undue emphasis on the turnover from the exhibition and relied on inapplicable parameters.

12. Advocate Bharat Bagla, appearing for the Respondents, argues that the controversy in the Appeal is not about the interpretation of Section 2(a) of the Act, 1923, i.e., the definition of "entertainment". The controversy is whether the exhibition organised by the Appellant falls within the definition of entertainment under Section 2(a) of the Act, 1923. He relies on the averments in the Writ Petition filed before the High Court and argues that the exhibition falls within the definition of entertainment under Section 2(a) of the Act, 1923. The screening procedure for entry cannot be understood as restricting entry that is not open to the general public. From the admitted circumstances, it is

[1] (1983) 4 SCC 202.

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argued that the nature of the activity at the exhibition may not be a decisive factor. The threshold question is whether the employment of the words "includes" and "any exhibition to which persons are admitted for payment" in Section 2(a) of the Act, 1923, brings within its scope the features with which the Appellant organises the exhibition. The first limb of the definition is attracted to the circumstances of the case, and no exception can be taken to the findings recorded in the impugned Judgment.

13. We have taken note of the submissions and perused the record.

14. Let us, at the outset, summarise the consideration and conclusion of the impugned Judgment. The findings of the High Court are as follows:

A. Section 2(a) of the Act, 1923, defines "entertainment" using the word "includes," which, by Statute, extends the ordinary lexical meaning to encompass "any exhibition… to which persons are admitted for payment". The duty of the Court while interpreting the taxing Statutes is to give effect to the plain meaning of the words used in the Statute.

B. Relying on *Geeta Enterprises (supra),* it was held that entertainment includes displays of any kind, even if purely educational or commercial, provided admission to the premises is charged.

C. The requirement of "public colour" does not mandate open access to the indiscriminate public. It is satisfied when an event is open to a defined segment of the public, such as domestic and international trade buyers.

D. Entertainment inherently involves gratification. Since IIJS generated over Rs. 5,000 crore in trade orders, the commercial exposure and financial returns exhibitors derived constituted "monetary gratification," thereby satisfying the legal threshold for entertainment.

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E. The scale of the exhibition, with an event budget exceeding Rs. 20 crore, 1,600 stalls set up at a cost of Rs. 150–200 crore, marketing across 110 cities globally, and delegate fees up to Rs. 9,000 (US $100 for some participants), together with the luxury character of gems and jewellery, constitutes material evidence that the exhibition constitutes taxable entertainment under the Act, 1923.

F. The absence of ramp walks, musical performances, or fashion shows does not affect taxability as entertainment. The distinction from the India International Jewellery Week (IIJW), where duty was paid under Section 2(b)(viii) on sponsorships, did not exempt IIJS from being an exhibition under Section 2(a) of the Act, 1923.

G. The impugned Judgment distinguished the Madhya Pradesh High Court ruling in *Calico Mills Ltd. v. State of M.P.*[2] on the facts, holding that in *Calico Mills (supra)*, the nominal Rs. 2 entry coupon was set off against cloth purchases, meaning there was no real admission charge, whereas the Appellant levied a standalone, non-refundable admission fee.

H. The impugned Judgement dismissed the Appellant's reliance on the Constitution Bench ruling in *Godfrey Phillips India Ltd. v. State of U.P.*[3], which held that Entry 62 of List II, i.e., Taxes on luxuries, entertainments, amusements, betting and gambling, is restricted to activities of luxury, leisure, and pleasure. It was held that *Godfrey Phillips (supra)* addressed the constitutional validity of a Statute, whereas the Appellant had not formally

[2] AIR 1961 MP 257.
[3] (2005) 2 SCC 515.

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challenged the constitutional vires of Section 2(a) of the Act, 1923, in its writ petition.

I. Having found the exhibitions taxable under the 1923 Act, the challenge to the Police condition requiring a Collector's NOC failed.

15. The Appellant relies heavily on the ratio of Geeta Enterprises (*supra*). It is, hence, contextual to summarise the ratio as under:

A. When interpreting non-technical and non-scientific statutory expressions, courts must interpret terms according to their plain, natural, and popular sense as understood in common parlance, rather than searching for technical or scientific definitions. "Entertainment" denotes anything that provides amusement, diversion, recreation, pleasure, sport, or agreeable occupation of time.

B. The use of the word "includes" in a statutory definition indicates that the Legislature did not intend to restrict or confine the term to narrow limits, but rather to enlarge its scope. Section 2(3) of the U.P. Entertainment and Betting Tax Act, 1937 ("Act, 1937") states that "entertainment includes any exhibition, performance, amusement, game or sport to which persons are admitted for payment". This inclusive language deliberately accommodates diverse and evolving forms of amusement and games, precluding any restrictive interpretation.

C. In Paragraph 12, this Court laid down criteria for determining whether an activity qualifies as "entertainment" under Section 2(3) of the Act, 1937:

1. The show, performance, game, or sport must have a public character, meaning it is open to the public in a hall, parlour, theatre, or other public premises where people are invited or attend.

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2. The activity must provide amusement or diversion, whether or not it requires some degree of skill. For example, tombola or club games that require skill remain taxable entertainment.
3. Even if entry through the building or hall's threshold is free, the activity qualifies as entertainment if the exhibitor derives pecuniary gain from providing the facility.
4. The brevity of the show, the fact that the person who pays operates the machine and derives the amusement directly, or the sharing of revenue between parlour owners and console manufacturers does not alter the character of "entertainment".

D. The timing, stage, and mechanical method of levying a charge do not alter its legal character as "payment for admission to an entertainment". Section 3 of the Act, 1937 levies tax on all payments for admission to any entertainment. Allowing individuals to enter a physical parlour free of cost while conditioning the activation of the video show on inserting a 50-paise coin is merely a deferred collection mechanism. The coin insertion directly pays for admission to the visual and interactive performance of that specific game.

E. The degree of skill required to participate in an activity is legally immaterial when determining whether the activity provides entertainment.

F. The presence of an educational or informative element does not dilute, negate, or exclude the recreational character of an entertainment under a fiscal statute.

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16. Before we discuss the applicability of the ratio in *Geeta Enterprises* (*supra*), let us examine the definition of "entertainment" under Section 2(a) of the Act, 1923, as follows:

> *"[(a) "entertainment" includes any exhibition, performance, amusement, game or sport to which persons are admitted for payment, or, in the case of television exhibition with the aid of any type of antenna with a cable network attached to it or cable television or Direct-to-Home (DTH) Broadcasting Service, for which persons are required to make payment by way of contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever but does not include magic show and temporary amusement including games and rides."*

17. Section 2(a) of the Act, 1923 defines entertainment, and the word "includes" appears in the Definition Clause. The Definition Clause is to be interpreted in light of the principles laid down in the following precedents:

A. *Commissioner of Sales Tax, State of Gujarat v. Union Medical Agency*[4]: When a word or phrase is defined in the interpretation clause, that definition prima facie governs whenever the word or phrase is used in the body of the statute. But where the context makes the definition clause inapplicable, a defined word, when used in the body of the statute, may have to be given a meaning different from that contained in the interpretation clause; all definitions given in an interpretation clause are, therefore, normally enacted subject to the usual qualification "unless there is anything repugnant in the subject or context", or "unless the context otherwise requires". Even in the absence of an express qualification to that effect, such a qualification is always implied.

[4] (1981) 1 SCC 51.

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B. *Bharat Coop. Bank (Mumbai) Ltd. v. Coop. Bank Employees Union*[5]: It is trite that when the word "means" is used in the definition clause of any statute, what follows is intended to be exhaustive. When the word "means" is used in a definition, it is a "hard-and-fast" definition, and no meaning other than that set out in the definition can be assigned to it.[6] On the other hand, when the word "includes" is used in a definition, the legislature does not intend to restrict the definition: it makes the definition enumerative but not exhaustive. That is to say, the term defined will retain its ordinary meaning, but its scope will be extended to include matters that, in their ordinary meaning, may or may not be included.

18. This Court in *Forest Range Officer*[7] held that in the interpretation of statutes, the word "includes" is generally used as a word of extension. When used in an interpretation clause, it seeks to enlarge the meaning of the words or phrases occurring in the body of the statute. The construction to be adopted to the meanings of the words and phrases is that the cardinal rule for the construction of Acts of Parliament is that they should be construed according to the intention expressed in the Acts themselves. If the words of the statute are themselves precise and unambiguous, then no more can be necessary than to expound those words in their ordinary and natural sense. The words themselves alone do in such a case best declare the intention of the lawgiver. An interpretation clause which extends the meaning of a word does not take away its ordinary meaning. An interpretation clause of the

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[5] (2007) 4 SCC 685.
[6] Lord Esher, M.R., in *Gough v. Gough*, (1891) 2 QB 665: 60 LJQB 726: 65 LT 110.
[7] Forest Range Officer & Ors. v. P. Mohammed Ali & Ors. 1993 Suppl (3) SCC 627.

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inclusive definition is not meant to prevent the word from receiving its ordinary, popular and natural sense whenever that word would be properly applicable, but to enable the word as used in the Act, when there is nothing in the context or the subject-matter to the contrary, to be applied to something to which it would not ordinarily be applicable. An interpretation clause should be used for the purpose of interpreting words which are ambiguous or equivocal, and not so as to disturb the meaning of those which are plain. Another important rule with regard to the effect of an interpretation clause is that an interpretation clause is not to be taken as substituting one set of words for another, or as strictly defining what the meaning of the term must be under all circumstances, but rather as declaring what may be comprehended within the term where the circumstances require that it should be so construed.

19. On the above Rules, literally read, Section 2(a) of the Act, 1923 can be captured as under:

(i) Entertainment includes any exhibition to which persons are admitted for payment.

(ii) Entertainment includes performance to which persons are admitted for payment.

(iii) Entertainment includes any amusements to which persons are admitted for payment.

(iv) Entertainment includes any game to which persons are admitted for payment.

(v) Entertainment includes any sport to which persons are admitted for payment.

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20. The literal construction of the Definition Clause, by giving due and permissible meaning to the word, includes that the first limb of the definition clause deals with the 5 events, i.e., exhibitions, performances, amusements, games, or sports. The words "*to which persons are admitted for payment*" would be the deciding factor in determining whether an event falls within, or in determining the scope of "entertainment" under Section 2(a) of the Act, 1923. The exhibitions to which persons are admitted for payment are a threshold verification of a person's entry into the event. *Geeta Enterprises* (*supra*) has examined the meaning available to the word "exhibition", and for brevity, we do not reiterate what has been well considered in *Geeta Enterprises* (*supra*). The facts of *Geeta Enterprises* (*supra*) are slightly better than those of the case on hand in the sense that, in *Geeta Enterprises* (*supra*), there is no Entry Fee at the threshold, but there is a Fee for availing entertainment. Notwithstanding the same, it has been held that there is gratification for availing entertainment. Examining the circumstances from this perspective, we notice that, in the case at hand, entry into the IIJS and IIJS Signature is on payment. Further, exhibitions showcase the merchandise of the participating traders. The entry is on payment, and upon entry, even if it is a business-to-business transaction, the same cannot be taken away from the definition of "entertainment" under the Act, 1923. The requirement of filling up the form for entry can be for more than one purpose, including security reasons, and cannot be taken advantage of to wriggle out of an otherwise plain and simple reading of "entertainment" in Section 2(a) of the Act, 1923. The Appellant's case is sufficient to hold that the exhibition falls within the definition of Section 2(a) of the Act, and the instance said in Section 3 is

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attracted. The impugned Judgment has considered the Appellant's activity, in the form of a course of exhibitions, in detail. We are in full agreement with the impugned Judgment.

21. For the above reasons, the Civil Appeal fails and is dismissed. Pending application(s), if any, stand disposed of accordingly.

.....J.
[S.V.N. BHATTI]

.....J.
[N. V. ANJARIA]

New Delhi;
November 19, 2026.