

Standard Games and Others

Vs

State of U.P. and Others

Civil Appeals No. 3323 of 1984 with Nos. 3322 of 1984

(K. Ramaswamy, S.P. Bharucha, K.S. Paripoornan JJ)

10.04.1996

ORDER

1. Leave granted in SLP (C) No. 5560 of 1984.
2. The admitted facts are that the appellant had installed the video game consisting of a machine with a display screen which is activated only by inserting a coin in the slot made in the machine. Immediately thereon, the screen is lit up and the game commences. The question is : whether it is an entertainment within the meaning of Section 2(g) of the U.P. Entertainment and Betting Tax Act, 1979 (28 of 1979) (for short, 'the Act')? The appellant's own case is that the operator gets nothing in return other than the pleasure he derives or enjoys from exercising or building up skill in operating the machine. The Act defines 'admission' under Section 2(a). Section 2(g) defines, 'entertainment'. Section 2(1)(iii), (iv) and (v) in particular defines "payment for admission" with wide language. Notification dated 24-7-1981 was issued by the State exercising the power under Sections 3(1) and 4(1) of the Act prescribing the rates of admission.
3. Admittedly, since there is no enumeration in this regard for the video game, clause (v) of the said notification imposes 30% of the admission fee as entertainment tax. The controversy raised in this case is squarely covered by the decision of this Court in Geeta Enterprises v. State of U.P. [(1983) 4 SCC 20 : 1983 SCC (Tax) 30 : (1983) 3 SCR 812]. This Court has considered the above provisions and had held that charge of inserting the coin was realised only from those who wanted to operate the video game at the rate of 50 paise for a slot lasting up to 30 seconds and it amounts to entertainment within the meaning of Section 2(g) of the Act. Therefore, video games are exigible to entertainment tax. We, therefore, hold that the appellant is liable to pay the entertainment tax. We do not find any illegality in the view taken by the High Court warranting interference.
4. The appeals are accordingly dismissed. No costs.