

Director General of Anti-Profitteering v. Mallikarjuna Cinema Hall, 70MM, Hyderabad

Case number: NAPA/3/PB/2025

Citation: No neutral or reporter citation printed for this judgment in the identified official PDF.

Decision date: 12 September 2025

Cinema-ticket rate cuts, State price ceilings and prospective Fund interest with conflicting operative accrual wording

Court: Goods and Services Tax Appellate Tribunal, Principal Bench, New Delhi, Anti-Profitteering Division

Bench: Justice (Retd.) Dr. Sanjaya Kumar Mishra, President, Single Bench, Court I

Decision stage: Final reasoned principal liability of Rs. 16,50,166 with interest confined to a printed pro-rata base of Rs. 27,350; the operative 1 January 2019 start and annual rests remain in tension with the reasons limiting relevant profiteering to 28–30 June 2019.

01 Facts of case and issues

Mallikarjuna operated a Hyderabad cinema with Maharaja Circle, Dress Circle and First Class tickets. The judgment describes the combined GST reduction from 28% to 18% for tickets priced Rs. 101 or more, and from 18% to 12% for tickets priced Rs. 100 or less, with effect from 1 January 2019. The DGAP investigation covered 1 January–30 June 2019 and alleged Rs. 16,50,166 of benefit retained through increased base prices rather than commensurate customer-price reduction.

The cinema relied on the Telangana cinema-regulation framework, Government Order Ms. No. 100 of 26 April 2013, a High Court order of 31 October 2016 in W.P. 19046/2014 and subsequent Government Order No. 75 dated 23 June 2017. It argued that its fares were permitted within State limits, that costs, demand and competition justified prices, and that a Rs. 3 maintenance charge had not used the claimed higher Rs. 7 allowance. Those are the respondent's arguments and source-recited history, not a finding that every stated State-law permission exempted GST obligations.

Table A compares December 2018 prices with January–June 2019. For one Maharaja blockbuster category, the earlier Rs. 118 gross price yields the printed Rs. 92.19 base; later gross prices of Rs. 130 or Rs. 120 yield printed bases of Rs. 110.17 or Rs. 101.69. The table's commensurate gross figure is Rs. 108.78, and the excess bases are printed as Rs. 17.98 and Rs. 9.51. Other categories cover Rs. 100, Rs. 70 and Rs. 30 prior prices and later higher or unchanged gross prices. Table B applies the category differences, excess GST and ticket counts to the aggregate Rs. 16,50,166. These are adopted report figures, not an independent reconstruction of all underlying ticket sales.

Paragraphs 24–25 state that the numerical method and tables were not disputed; the contested questions concerned legal justification and interest. Paragraph 17 reproduces the cinema's submission that the rate cut offered an opportunity to recover costs while keeping customer prices constant. The Tribunal raised the prospective-interest question and afforded further argument in August and September 2025. The administrative form lists hearings in 2025, while paragraph 18 prints a 2028 hearing date.

Pinpoint: Identity and summary: physical pp. 1–2. Background and defences: paragraphs 3–20, pp. 3–12. Issues and price tables: paragraphs 21–26, pp. 12–17. Interest re-hearing: paragraphs 18–20, pp. 11–12.

02 Discussion by Hon'ble Tribunal

The Tribunal separately addresses the defences rather than merely accepting a report. It finds that the State cinema framework fixes maximum ticket prices while leaving discretion to charge less within those ceilings. In paragraph 28 it holds that the State enactment, Government orders and cited High Court history do not authorise retention of GST-rate reductions. It also holds that the Rs. 3 maintenance amount forms part of the relevant ticket value for GST and pass-through analysis. This is the Tribunal's case-specific legal response, not independent verification of every State instrument or of every cinema's actual tariff permission.

On genuine commercial price changes, the judgment relies on Reckitt Benckiser and explains that the presumption of corresponding price reduction is rebuttable with cogent evidence. A supplier may change base prices for real commercial reasons, but cannot use an unsupported justification merely to cancel the tax benefit. The Tribunal treats the quoted written submission and undisputed price data as supporting non-passing. Paragraph 27 discusses judicial and evidentiary admissions and the absence of evidence explaining away the statement. The note does not turn every assertion about profit or every without-prejudice alternative into a conclusive admission in other proceedings.

Paragraphs 29–33 consider the amendment to Rule 133(3)(c). Applying prospective-construction principles and the earlier Proctor & Gamble decision, GSTAT concludes that the new Fund-interest burden applies from 28 June 2019, not retrospectively to the whole investigated period and not only from 1 April 2020. It distinguishes the latter date as the separate QR-code amendment's commencement. The extended quotation from Proctor & Gamble includes that different case's no-interest conclusion; it is not Mallikarjuna's ultimate disposition.

For Mallikarjuna, paragraphs 32–33 identify only 28, 29 and 30 June 2019 as the relevant post-amendment days. Paragraph 35 then apports the six-month principal over 181 days and multiplies by three, prints Rs. 27,350.817 and rounds that down to Rs. 27,350 as the interest-bearing base. It nevertheless orders calculation from 1 January 2019 with annual rests. That starting date conflicts with the stated prospective rationale. The note preserves both; it does not silently substitute 28 June, impose interest on the entire principal, calculate a revised compound-interest amount or certify the pro-rata approach as a universal formula.

Other source inconsistencies also remain visible. Paragraph 24's category narrative gives Rs. 11,11,212, Rs. 3,55,141 and Rs. 1,83,812, adding to Rs. 16,50,165; the table's three Maharaja rows instead add to Rs. 11,11,213 and its overall total is Rs. 16,50,166. Some printed per-ticket rounding does not permit exact reproduction of each row from the displayed decimals alone. Paragraph 26 contains Rs. 90.19 alongside Rs. 92.19 and an impossible September-to-June period; paragraph 11 prints June 2025 instead of the investigated 2019 endpoint. Paragraph 18 prints 23 July 2028, paragraph 33 contains 28 September and 18 June date variants, and the quoted QR-code passage includes inconsistent 2017/2022 dates. Paragraph 26 also prints does not require just before quoting Section 171's mandatory duty; that phrase is not adopted as a legal exemption. None is repaired into a new demand or chronology.

Pinpoint: Own merits reasoning: paragraphs 24–28, physical pp. 15–21. Interest reasons and embedded earlier-case quotation: paragraphs 29–33, pp. 21–33. Table B and narrative: pp. 15–16. Operative pro-rata formula: paragraph 35, p. 33. Date and number variants: paragraphs 11, 18, 24, 26, 31 and 33.

03 Judicial decision and operative relief

Paragraphs 34–35 accept the DGAP report and direct deposit of principal Rs. 16,50,166. Interest is ordered at 18% only on the separately printed Rs. 27,350 base, derived in the judgment from Rs. 16,50,166 divided by 181 and multiplied by three. The source prints Rs. 27,350.817 and rounds it to Rs. 27,350. It then specifies calculation from 1 January 2019 with annual rests. These are the operative words as written, despite the reasons identifying 28–30 June 2019. No substitute start, end date, rupee-interest total or mathematically revised rounded base is inserted.

The amount with the stated interest is divided equally between the Central and Telangana Consumer Welfare Funds. Paragraph 35 states a one-month deposit period without an express starting trigger; no receipt-based trigger is inserted. If the Telangana Fund has not been created, its half is to go instead to the Central Fund. The final does not specify individual customer refunds or a new separate penalty award. Absence of a penalty direction is not described as an expressly adjudicated Section 171(3A) exemption.

Paragraph 36 requires the concerned Commissioner to report compliance to the Tribunal within four months of receipt of the order. Paragraph 37 requires copies to the cinema and concerned CGST/SGST Commissioner, followed by pronouncement in open court. The order date is 12 September 2025; the visible digital-signature annotation also bears that date at 18:22:37. Visual observation does not validate the cryptographic signature. Actual deposit, interest satisfaction and subsequent enforcement remain unverified.

Pinpoint: Operative paragraphs 34–37, physical pp. 33–34; qualified interest rationale paragraphs 32–33, pp. 32–33. Cover and summary pp. 1–2.

04 In favour of

Mixed. Revenue and the consumer Funds prevail on Rs. 16,50,166 principal and the rejected tariff/cost defences. The cinema succeeds on limiting the interest-bearing portion to the printed three-day pro-rata base, but not on its claimed 1 April 2020 commencement. The inconsistent operative start date and annual rests require clarification before a reliable interest computation; they are not erased by the favourable prospective reasoning.

Final substantive adjudication with partial interest relief, not a remand or mere closure. The principal remains payable under the source; no appellate exhaustion, current absence of stay, completed payment or reliable recomputed interest demand is certified. Later coordinate citations do not amend the operative text.

Pinpoint: Own issues and reasons, paragraphs 21–35, pp. 12–33; directions 35–37, pp. 33–34.

05 AKHB REVIEW POINT

AKHB analysis: Keep separate the statutory price ceiling, the actual fare charged, the tax-exclusive base, GST and any maintenance component. A maximum-price permission is not itself evidence that the tax benefit reached the consumer. Preserve contemporary cost records and the exact wording and context of submissions rather than relying on generalized inflation or competition.

05 AKHB REVIEW POINT

For an interest demand, identify the recipient or Fund route, the amendment commencement, the liable transactions and the operative calculation. Here the reasoning, start date, annual rests and displayed pro-rata rounding do not fit neatly together. Obtain authoritative clarification and current case status before calculating or recovering an amount; do not present an editorial arithmetic correction as the Tribunal's order.

Read later decisions issue by issue. A subsequent bench can cite the State-ceiling reasoning while making a differently worded interest order. Such citation is not proof that this case was affirmed on appeal or that every inconsistency has been resolved.

Pinpoint: AKHB commentary based on paragraphs 22–37, physical pp. 13–34, and identified later coordinate citations; not additional judicial directions.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), operative cinema-rate benefit pass-through; CGST Act 2017: Section 170, erroneous reference in paragraph 24, not the operative anti-profiteering duty; CGST Act 2017: Section 164, delegated-rule power in reproduced Proctor & Gamble reasoning; CGST Rules 2017: Rule 129(3), notice history; CGST Rules 2017: Rule 133(3)(c), prospective Fund interest and operative remedy; CGST Rules 2017: Rule 46, QR-code distinction in quoted earlier reasoning; CGST Rules 2017: Rules 113(1) and 115, administrative Form GST APL-04A heading only; Central Tax (Rate) Notification 27/2018 dated 31 December 2018, historical cinema-rate reduction from 1 January 2019; Central Tax Notification 31/2019 dated 28 June 2019 and CGST Fourth Amendment Rules 2019, rules 1(2), 5 and 17(c), commencement and distinction between Fund interest and QR codes; Central Tax Notification 71/2019 dated 13 December 2019, separately deferred QR-code commencement, with erroneous dates in the source and quotation qualified; Telangana Cinemas (Regulation) Act 1955: Section 9A, State-price defence history; Government Order Ms. No. 100 dated 26 April 2013 and Government Order No. 75 dated 23 June 2017, source-recited State-price framework; Indian Evidence Act 1872: Section 58 and Bharatiya Sakshya Adhinyam 2023: Section 53, admission discussion; Income-tax Act 1961: Section 113 and Finance Act 2002, quoted Vatika prospectivity context; Mines and Minerals (Development and Regulation) Act 1957: Section 17A and 1987 amendment, quoted Monnet prospectivity example.

Statutory note

The operative duty is Section 171(1). Rule 133(3)(c) concerns Consumer Welfare Fund relief; Notification 31/2019–Central Tax dated 28 June 2019 inserts express Fund interest through clause 17(c). The Tribunal treats that amendment prospectively, distinguishing the separate 1 April 2020 QR-code commencement under Notification 71/2019 and amendment rule 5 concerning Rule 46. This is not a holding that all recipient-return interest first arose in June 2019. Notification 27/2018–Central Tax (Rate) supplies the historical Central cinema-rate component; the combined 28%/18% and 18%/12% rates are those narrated by GSTAT. State cinema instruments, quoted evidence/admission authorities and the Income-tax/Mining-law examples retain their stated historical or interpretive roles; no independent decision under all those laws is created. Source paragraph 24 prints Section 170 in this anti-profiteering account; the operative duty is Section 171. Targeted original statutory, Reckitt, Proctor & Gamble and Vatika passages were independently checked; the whole quoted authorities and State-law originals were not re-audited. Notification 71/2019 is actually dated 13 December 2019, unlike the source’s 30 December 2019 and quoted 2017 dates. Current India Code Sections 109 and 171 were checked in official text; these limited checks are not a complete current-law certification. Evidence-law admission provisions also preserve judicial discretion to require proof; no independent transitional application of the Bharatiya Sakshya Adhiniyam is decided here.

Treatment note

Later coordinate-Tribunal treatment is issue-specific. Tata Play, 11 March 2026, paragraph 30 expressly endorses Mallikarjuna’s prospective Fund-interest reasoning. Jyothi Theatre, 25 March 2026, paragraph 15, and Arjun Theatre, 13 August 2026, paragraphs 19–20, apply its State-maximum-price reasoning. Their own interest wording differs, so these citations do not resolve this judgment’s start-date conflict or establish uniform cinema interest treatment. Bhavya Construction (Brahmaramba Cinema), 7 January 2026, follows the ceiling-price reasoning while declining interest on its own terms. These are not appellate affirmances. All 14 pages of the Bhavya original were independently read: its negligible-interest waiver is that case’s result, not proof that Mallikarjuna waived interest. Fresh normal-TLS Tata, Arjun and Jyothi originals match the previously reviewed hashes. Bounded party, docket, date and amount searches through 14 October 2026 found no authenticated case-specific appellate reversal, stay, recall or correction. That absence is not an exhaustive docket, absence-of-appeal, no-stay or payment certificate. Earlier Telangana W.P. 3087/2020 and the source’s 3 June 2021 vacation recital were not independently obtained and remain history as narrated.

Scope of source review

One final reasoned Principal Bench anti-profiteering judgment. Paragraphs 21–35 resolve disputed State-price-control and commercial-cost defences and prospective interest, then impose principal and qualified interest. This is substantive adjudication rather than a settlement, report-compliance closure or procedural direction. Its internally conflicting interest start date, pro-rata base and arithmetic are reported without an invented correction. The note does not establish a uniform rule for every cinema or certify present enforcement.

Identity note

NAPA/3/PB/2025; reference ZA070925000015H; President Sanjaya Kumar Mishra, Court I; order and visible signature dated 12 September 2025. Principal Rs. 16,50,166; only printed Rs. 27,350 attracts 18% interest, although operative 1 January 2019 start with annual rests conflicts with 28–30 June reasoning. One-month Fund deposit and four-month Commissioner report from receipt are distinct. Rs. 1 category-narrative difference, displayed rounding and multiple source-date errors remain unresolved; no editorial correction or separate penalty exemption is invented.

Primary source

Source description: Complete 34-page official PDF; all text pages read by the author and independent reviewer, with complete independent original-page visual review.

Official source: [Open source document](#)

Source pages: 34

Outcome type: mixed

Additional source

Central Tax Notification 31/2019, 28 June 2019

Source document: [Open source document](#)

Pinpoint: Targeted rules 1(2), 5 and 17(c), physical pp. 1–2 and 5: commencement and distinct QR-code/Fund-interest amendments.

Central Tax Notification 71/2019, 13 December 2019

Source document: [Open source document](#)

Pinpoint: Complete one-page original: 1 April 2020 commencement concerns amending rule 5, not rule 17(c).

Reckitt Benckiser, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 116–121, physical pp. 119–122: genuine commercial factors and cogent evidence; earlier amicus submissions are distinguished from holdings.

Proctor & Gamble, GSTAT, 10 September 2025

Source document: [Open source document](#)

Pinpoint: Targeted paragraph 23 and concluding directions, physical pp. 14–16: distinct earlier-period no-interest result quoted by Mallikarjuna.

Bhavya Construction (Brahmaramba Cinema), GSTAT, 7 January 2026

Source document: [Open source document](#)

Pinpoint: All 14 pages independently read; paragraphs 15.1, 15.4.1, 15.5 and 18: issue-specific following and that case's interest waiver, not appellate treatment.

Tata Play, GSTAT, 11 March 2026

Source document: [Open source document](#)

Pinpoint: Paragraph30, physical47; operative31–34,47–48; issue-specific later reliance, not appellate affirmation.

Arjun Theatre, GSTAT, 13 August 2026

Source document: [Open source document](#)

Pinpoint: DGAP9.6 at13; Tribunal19–20 at17–19; operative39–45 at26–27; issue-specific later reliance, not appellate affirmation.

Jyothi Theatre, GSTAT, 25 March 2026

Source document: [Open source document](#)

Pinpoint: DGAP12 at8–10; Tribunal15 at11–12 and15.4 at13–14; operative14–15; issue-specific later reliance, not appellate affirmation.

CGST Act, India Code compilation as on 11 June 2026

Source document: [Open source document](#)

Pinpoint: Targeted Sections 109 and 171; institutional/current text only, not a complete legislative audit.

Disclosures and source rights

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