

## Director General of Anti-Profiteering v. Bhavya Construction Pvt. Ltd. (Brahmaramba Cinema), Hyderabad

**Case number:** NAPA/44/PB/2025

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

**Decision date:** 7 January 2026

Cinema-ticket tax benefits, State price ceilings, rejected film-wise exclusions and a case-specific interest waiver

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

**Bench:** Sh. Anil Kumar Gupta, Member (Technical), Single Bench, Court No. 3

**Decision stage:** Final substantive determination of Rs. 11,88,482 inclusive of GST, payable equally to Central and Telangana Consumer Welfare Funds within 30 days from the order; interest waived and no Section 171(3A) penalty imposed.

### 01 Facts of case and issues

Bhavya Construction operated Brahmaramba Cinema in Hyderabad. The order describes GST on cinema tickets being reduced from 28% to 18% for prices of Rs. 101 or more, and from 18% to 12% for prices of Rs. 100 or less, with effect from 1 January 2019. The DGAP investigated 1 January–30 June 2019 and reported retained tax benefits of Rs. 11,88,482, inclusive of GST. The Principal Commissioner, Medchal, initiated the complaint received on 29 March 2019; the Standing Committee referred it on 28 June 2019. The DGAP report was dated 18 December 2019, received by NAA on 20 December, and followed by notice on 24 December 2019.

The source records pre-reduction Maharaja Circle gross tickets of Rs. 118 or Rs. 100, Dress Circle Rs. 70 and First Class Rs. 30; post-reduction gross prices included Rs. 130, Rs. 120 or Rs. 100, Rs. 80 or Rs. 70, and Rs. 40 or Rs. 30. Tables A and B use amounts Rs. 3 below those gross figures. For example, the blockbuster row starts from Rs. 115 and a printed base of Rs. 89.84; later Rs. 127 and Rs. 117 give bases Rs. 107.63 and Rs. 99.15. Table A prints a commensurate tax-inclusive figure of Rs. 106.02 for those rows. Table B's seven rupee totals add to Rs. 11,88,482. These are source-adopted figures, not an independent reconstruction of underlying ticket sales.

The cinema relied on State cinema regulation and High Court orders, argued for film-by-film treatment analogous to separate real-estate projects, and claimed exclusion of Rs. 5,44,389 for enhanced Katha and Maharshi prices. It relied on letters dated 7 January and 25 April 2019 to the Commissioner of Police, Cyberabad. It also challenged the absence of a fixed statutory computation formula, sought exclusion of a stated Rs. 69,455 excess-GST component because tax had been remitted, and sought a three-month rather than six-month investigation period. Its interest defence relied on prospective commencement of Rule 133(3)(c)'s amendment.

## 01 Facts of case and issues

Paragraph 6 narrates Telangana W.P. 3041/2020 challenging the NAA notice and vacation of interim orders on 3 June 2021. Paragraph 13 records hearings on 24 September, 14 October, 11 November and 15 December 2025, with advocate Venkata Prasad assisted by Ashish Chowdhary. The administrative form also lists 7 January 2026. Those recitals do not establish a current stay or independently verified writ disposition.

**Pinpoint:** Identity/form: physical pp. 1–2. Complaint, investigation and tables: paragraphs 1–5, pp. 2–5. Writ and respondent's arguments: paragraphs 6–14, pp. 5–8; hearings in paragraph 13 and form p. 2.

## 02 Discussion by Hon'ble Tribunal

The Tribunal holds that the State tariff framework fixes a ceiling and leaves scope to charge less. Following Mallikarjuna on that issue, it rejects State regulatory compliance as a sufficient reason to retain the benefit of a Central GST-rate reduction. It finds no contemporaneous quantified evidence of genuine commercial compulsions justifying complete non-passing. This is a case-specific rejection of the defence, not independent authentication of every State instrument or a finding that all commercial price rises are prohibited.

It finds the letters relied on for Katha and Maharshi were intimations or acknowledgments rather than proved permissions. No actual approval was produced before the Bench. The film-wise real-estate analogy is rejected because the Tribunal treats these cinema sales as an ongoing supply rather than distinct projects for this computation. It distinguishes Miraj Entertainment as described in the record, where regular prices were reduced from February 2019. The expression ongoing supply here does not add a separate ruling on the technical statutory definition of continuous supply of services.

On methodology, paragraphs 15.3–15.3.3 invoke Reckitt Benckiser: genuine commercial factors may justify base-price changes, but require cogent evidence and cannot be a device for retaining tax benefits. The Tribunal accepts category-based pre/post comparison on these facts and records that the figures and method in Tables A and B were not disputed before it. This finding must be read alongside the cinema's general methodology objections and sought exclusions, not converted into an assertion that no objection was ever raised. Paragraph 16 also says there is no single fixed formula for every cinema case.

The GST-element objection fails because the consumer paid the excess all-inclusive price; remitting the tax to Government does not itself deliver the benefit to that consumer. The Tribunal refers to Section 34 credit notes as an available pass-through mechanism and accepts the full Rs. 11,88,482 inclusive amount. It also rejects the requested three-month limit for want of evidence of increased costs, finding six months reasonable here rather than imposing a universal investigation horizon.

For interest, paragraph 15.5 follows prospective-construction reasoning attributed to Mallikarjuna, Proctor & Gamble and Vatika Township. It limits the relevant period to 28–30 June 2019 and states that 3/181 of Rs. 11,88,482 yields approximately Rs. 19,723 of principal, with 18% annual interest producing approximately Rs. 92. It describes the sum as negligible and waives it in its discretion. The printed principal approximation does not equal the stated fraction, and the duration or complete arithmetic yielding Rs. 92 is not explained. No replacement principal or interest demand is supplied by this note. The source describes its waiver as in line with Mallikarjuna, but that earlier original actually orders restricted-base interest; Bhavya's waiver is its own disposition.

## 02 Discussion by Hon'ble Tribunal

Other source inconsistencies should remain visible. Paragraph 3's base-price examples divide the full Rs. 100, Rs. 70 and Rs. 30 amounts despite describing a Rs. 3 tax-free maintenance component, while Tables A and B use Rs. 97, Rs. 67 and Rs. 27 and corresponding lower bases. No independent maintenance-charge exemption is certified. Paragraph 15.3.3 describes applying the reduced rate to the earlier all-inclusive price, whereas Table A's printed original-base formula uses the earlier rate and carries that base forward; the prose is not adopted as a verified new algorithm. Displayed rounded per-ticket numbers do not exactly reproduce every row amount. Paragraph 9's six proposed-exclusion row amounts add to Rs. 5,44,390, although its printed total and claimed exclusion are Rs. 5,44,389. Paragraph 14 dates a rejoinder to 26 June 2024 while attributing reliance on a 10 September 2025 order to it. These are not silently repaired into a new chronology or demand.

**Pinpoint:** Own merits reasoning: paragraphs 15–16, physical pp. 8–13. State ceiling: 15.1, pp. 8–9. Film-wise claim: 15.2, pp. 9–10. Reckitt/methodology: 15.3–15.3.3, pp. 10–11. GST and period: 15.4–15.4.3, pp. 11–12. Interest: 15.5, pp. 12–13. Source discrepancies: paragraphs 3–4, 9, 14 and 15.3.3.

## 03 Judicial decision and operative relief

Paragraphs 16–17 confirm profiteering of Rs. 11,88,482, already inclusive of GST, and direct deposit within 30 days from the date of the 7 January 2026 order. Rs. 5,94,241 is payable to the Central Consumer Welfare Fund and Rs. 5,94,241 to the Telangana State Consumer Welfare Fund. If the State Fund is unavailable, its share is also to be deposited in the Central Fund. The recipients were not identifiable, so the operative remedy is Fund deposit rather than an order for individually quantified customer refunds.

Paragraph 18 expressly says there is no interest to pay. Its no-penalty holding under Section 171(3A) rests on the provision post-dating the January–June 2019 violation period; it does not depend on proof of later payment within 30 days. The source says the provision came into force after 1 January 2020; the official commencement is 1 January 2020. No separate penalty amount is ordered and no prior penalty order is identified as being quashed.

The jurisdictional CGST and SGST Commissioners and DGAP are to monitor compliance. Paragraph 19 separately requires the concerned Commissioner to submit a compliance report within four months from receipt of the order. That receipt trigger must not be substituted for the respondent's 30-day period from the order date. Paragraph 20 directs supply of copies, followed by pronouncement in open court. The last page is dated 7 January 2026 and displays an Anil Kumar Gupta digital-signature annotation for that date at 16:46:44 PM; visual inspection is not cryptographic signature validation. Actual deposit, service dates and compliance reporting remain unverified.

**Pinpoint:** Operative paragraphs 16–20, physical pp. 13–14; interest reasons paragraph 15.5, pp. 12–13; unidentifiable recipients paragraph 5, p. 5; administrative summary p. 2.

## 04 In favour of

**Mixed, with Revenue and the consumer Funds prevailing on the full Rs. 11,88,482 principal and all claimed principal exclusions. The cinema obtains a complete interest waiver and a no-penalty ruling under Section 171(3A) for this earlier period. Those limited successes neither cancel the principal nor create a universal cinema-interest exemption.**

#### 04 In favour of

Final substantive adjudication with full principal liability and interest/penalty relief. No remand, fresh recomputation or closure on proof of payment is ordered. The result is distinct from Mallikarjuna's restricted-base interest direction. Present enforceability, appellate exhaustion and actual compliance are not certified by this note.

**Pinpoint:** Paragraphs 15–20, physical pp. 8–14; form no-remand field p. 1.

#### 05 AKHB REVIEW POINT

AKHB analysis: Preserve the distinction between the State maximum tariff, an actual approval for an enhanced fare, an acknowledgment of an intimation, the gross fare and its tax-exclusive components. A permitted ceiling does not by itself prove that a tax benefit reached the customer. Contemporary quantified commercial evidence matters more than broad claims about film popularity, competition or rising costs.

When checking a computation, reconcile each ticket category, the maintenance-charge treatment, applicable rate, unrounded base, ticket count and excess tax. This judgment adopts a stated total but contains mismatched explanations and rounded figures; do not turn a source inconsistency into an editorially revised liability. Keep objections to the legal method separate from the Tribunal's finding that its displayed tables were not disputed before it.

Distinguish prospective liability, the interest-bearing principal, accrual duration and discretionary waiver. Here the waiver is express, but the approximately Rs. 19,723/Rs. 92 calculation is not a safe reusable formula. Read the earlier original rather than inferring its result from this judgment's characterization. Record the Fund-deposit and compliance-report deadlines separately and verify current case status and proof of compliance before advising or acting.

**Pinpoint:** AKHB commentary based on paragraphs 3–20, physical pp. 3–14, targeted earlier Mallikarjuna and primary-law checks, and identified later Jyothi reliance; not additional judicial directions.

## Sources and limitations

### Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), operative benefit-pass-through duty; CGST Act 2017: Section 171(3A), no-penalty conclusion for the pre-commencement period; CGST Act 2017: Section 34, credit-note observation subject to statutory conditions; CGST Rules 2017: Rule 129(3), notice recital; CGST Rules 2017: Rule 129, methodology/investigation account; CGST Rules 2017: Rule 133(3)(c), Fund-interest amendment and relief; 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, cinema-rate reduction effective 1 January 2019; Central Tax Notification 31/2019 dated 28 June 2019: Fourth Amendment Rules, rules 1(2), 5 and 17(c), commencement, separate QR-code provision and Fund interest; Telangana Cinemas (Regulation) Act 1955 and State Government/High Court orders, tariff-defence history as narrated, not a fresh independent State-law adjudication; Constitution of India: Article 14 and natural-justice principles, respondent's methodology challenge; Malaysia Net Profit Margin Regulations 2014, comparative practice invoked by respondent, not governing law adopted by the Tribunal; Australia Net Dollar Margin Rule, comparative practice invoked by respondent, not governing law adopted by the Tribunal. Vatika Township is used for prospectivity by analogy, not as a Supreme Court decision on this cinema's GST liability.

### Statutory note

Section 171(1) supplies the benefit-pass-through duty. Rule 133(3)(c) concerns Consumer Welfare Fund relief where recipients are unidentifiable; Notification 31/2019–Central Tax, 28 June 2019, amendment rule 17(c), inserted express 18% Fund interest from collection to deposit. Bhavya interprets that amendment prospectively and then waives its own printed negligible interest. Historical Rule 133(3)(b) already dealt separately with recipient-return interest; this is not a holding that every GST interest power first arose in June 2019. Amendment rule 5 concerns a QR code on tax invoices under Rule 46, although paragraph 15.5 calls it a QRMP scheme. Supplementary primary cross-checks, not enactments cited by this judgment, include Notification 01/2020 and Finance (No. 2) Act 2019 Section 112. Section 171(3A) took effect on 1 January 2020; paragraph 18 says after 1 January 2020. Its no-penalty result concerns the earlier January–June 2019 period. Notification 27/2018–Central Tax (Rate) supplies the historical Central cinema-rate component; combined rates are reported as narrated by GSTAT, without separately verifying the corresponding State notification. Section 34 is mentioned as an available credit-note route, not as an unrestricted present-day right to revise 2019 tax liability. Historical and current credit-note provisions contain timing and other conditions. Targeted current India Code Sections 34, 109 and 171 were checked, including the Principal Bench's anti-profiteering role, without certifying every amendment or notification. State cinema law, High Court history and other cited case analogies remain attributed to this source unless specifically checked below.

## Treatment note

Later coordinate treatment is confirmed in Jyothi Theatre, 25 March 2026: paragraph 15 quotes Bhavya paragraph 15.1 and applies its State-tariff-ceiling reasoning. This is issue-specific Tribunal reliance, not an appellate affirmance or adoption of Bhavya's interest waiver or approximate arithmetic; Jyothi's own operative text directs deposits with interest. Bounded searches through 14 October 2026 using party and cinema-name variants, docket, amount, date and appellate/status terms, including official Tribunal and court domains, located the official final order and listing but no authenticated case-specific later appellate reversal, stay, recall or correction. Search silence is not proof that none exists, that an appeal was never filed, that payment occurred or that the order is presently enforceable. The earlier Telangana W.P. 3041/2020 and 3 June 2021 vacation of interim orders were not independently obtained; they remain the Tribunal's procedural recital. Earlier Mallikarjuna, 12 September 2025, is relied on for State-ceiling, consumer-benefit and prospective Fund-interest reasoning. Its original operative paragraph 35 nevertheless orders restricted-base interest. Bhavya's statement that its waiver is in line with Mallikarjuna must not be recast as a finding that Mallikarjuna waived interest. These are coordinate-Tribunal decisions, not appellate affirmances of one another.

## Scope of source review

One final reasoned Principal Bench anti-profiteering adjudication on a DGAP investigation covering 1 January–30 June 2019. The Tribunal decides disputed tariff, methodology, GST-component, investigation-period and interest issues, confirms principal and directs Consumer Welfare Fund deposits. It is not a Supreme Court judgment, a settlement, a remand or a mere compliance closure. The administrative form says the order under appeal is confirmed but leaves the appealed-order details blank; the body describes proceedings arising from a DGAP report, so no separate appellate affirmance is inferred. Source arithmetic and chronology discrepancies are preserved. This recovered historical posting is outside the original 79-file corpus and is tracked separately from that denominator.

## Identity note

NAPA/44/PB/2025; order reference ZA070126000020H; Technical Member Anil Kumar Gupta, Single Bench Court 3; order dated 7 January 2026, official posting dated 12 January 2026. Caption uses Brahmaramba, while the form/body also uses Bramaramba Cinema Hall 70 MM; these are source variants for the same identified respondent. Principal Rs. 11,88,482 inclusive of GST; two Fund shares of Rs. 5,94,241; 30 days from order; no interest and no Section 171(3A) penalty; Commissioner report four months from receipt. Printed approximate interest figures, proposed-exclusion Rs. 1 discrepancy, methodology/maintenance wording and chronology conflicts remain qualified. Recovered posting-gap case is separate from the original 79-file corpus.

## Primary source

**Source description:** Complete 14-page official PDF; the AI author read every original text page and personally inspected every page image.

**Official source:** [Open source document](#)

**Source pages:** 14

**Outcome type:** mixed

**Additional source**

Official Bhavya final-order listing

**Source document:** [Open source document](#)

**Pinpoint:** Listing identifies NAPA/44/PB/2025, decision 7 January 2026; posting date 12 January 2026 is distinct.

Mallikarjuna Cinema Hall, GSTAT, 12 September 2025

**Source document:** [Open source document](#)

**Pinpoint:** Author's targeted original-text check: paragraphs 28–29 and 32–37, physical pp. 20–21 and 32–34. State ceilings and prospective reasoning; paragraph 35 actually imposes restricted-base interest.

Central Tax Notification 31/2019, 28 June 2019

**Source document:** [Open source document](#)

**Pinpoint:** Targeted original text: amendment rules 1(2), 5 and 17(c), physical pp. 1–2 and 5. Publication commencement, QR-code provision and express Fund-interest wording.

Central Tax (Rate) Notification 27/2018, 31 December 2018

**Source document:** [Open source document](#)

**Pinpoint:** All three original text pages read; cinema Central-tax entries on p. 2 and 1 January 2019 commencement on p. 3.

Reckitt Benckiser, Delhi High Court, 29 January 2024

**Source document:** [Open source document](#)

**Pinpoint:** Targeted original text: paragraphs 116–123, physical pp. 119–122. Genuine commercial pricing and cogent evidence; no general base-price freeze.

Proctor & Gamble Group, GSTAT, 10 September 2025

**Source document:** [Open source document](#)

**Pinpoint:** Targeted original text: paragraphs 21–26, physical pp. 14–16. Prospective-interest reasoning and that case's distinct earlier-period no-interest result.

Central Tax Notification 01/2020, 1 January 2020

**Source document:** [Open source document](#)

**Pinpoint:** Supplementary cross-check, not a notification cited in the judgment: complete one-page original text read with Section 171(3A)'s official legislative footnote.

CGST Act, India Code compilation as on 11 June 2026

**Source document:** [Open source document](#)

**Pinpoint:** Supplementary current-law cross-check: targeted official web-extracted text of Sections 34, 109 and 171, physical pp. 44–45, 87–88 and 122–123; Section 109 is not cited in this judgment. Not a complete Act or current-law audit.

Jyothi Theatre, GSTAT, 25 March 2026

**Source document:** [Open source document](#)

**Pinpoint:** Targeted original text: identity p. 1 and pp. 11–15; targeted page images 11, 12 and 14. Paragraph 15 quotes Bhavya paragraph 15.1 on State tariff ceilings; operative p. 14 directs interest in Jyothi, so no adoption of Bhavya's waiver is inferred.

### Disclosures and source rights

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**Source checked:** 14 October 2026