

Director General of Anti-Profiteering v. Kumar 70 MM

Case number: NAPA/22/PB/2025

Citation: No neutral or reporter citation printed in the identified official order.

Decision date: 30 January 2026

Cinema-ticket tax reduction: Rs. 2,50,148.39 and 18% interest directed to Consumer Welfare Funds

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

Bench: Justice Shri Mayank Kumar Jain, Member (Judicial), Court No. 2

Decision stage: Final reasoned ex parte tax-rate-reduction liability determination, directing Consumer Welfare Fund deposits with 18% annual interest; fallback allocation wording remains qualified.

01 Facts of case and issues

The Principal Commissioner, Medchal Commissionerate, Hyderabad complained that the cinema had not passed on a GST-rate reduction for admission tickets. The investigation covered 1 January to 30 September 2019. The order records combined GST reductions from 18% to 12% for tickets priced at Rs. 100 or less and from 28% to 18% for higher-priced tickets, effective 1 January 2019. Notification 27/2018-Central Tax (Rate), dated 31 December 2018, amended the corresponding CGST components to 6% and 9%.

The source records unchanged tax-inclusive Rs. 80, Rs. 60 and Rs. 30 ticket prices and a 10 June 2019 letter confirming non-reduction. The respondent had supplied documents during investigation, but did not appear before GSTAT despite notices. The Tribunal proceeded ex parte; it did not rely on nonappearance alone.

Pinpoint: Paragraphs 2–11, physical pp. 2–4; paragraph 19, physical p. 7.

02 Discussion by Hon'ble Tribunal

DGAP examined the ticket categories and recorded increased base prices while the tax-inclusive prices stayed unchanged. It calculated Rs. 2,50,148.39 using outward-supply information from 1 December 2018 to 30 September 2019. December supplies serve the pre-reduction comparison and are not an added contravention month. The order also mentions some Rs. 110 and Rs. 125 tickets but supplies no complete transaction schedule from which this note could recreate the assessment.

GSTAT considered the investigation documents and the respondent's written admission, then accepted the report dated 24 April 2024. The respondent's investigation-stage claim that a leased theatre was outside the rate reduction was not accepted as an exemption.

Paragraph 16's phrase above Rs. 100 or less is internally inconsistent; paragraphs 4, 10 and 19 state the relevant categories. Paragraphs 16 and 20 refer to ITC although the case concerns a tax-rate reduction. Those source descriptions are not converted into an ITC finding. Paragraph 9 recites a Telangana High Court interim stay dated 12 February 2020 in W.P. 2905/2020 and a later disposal allowing the authority to proceed; that history requires the separately stated primary-verification qualification.

Pinpoint: Investigation comparison and misdescriptions: paragraphs 12–16, physical pp. 4–5. High Court recital: paragraph 9, physical pp. 3–4. Tribunal findings: paragraphs 18–22, physical pp. 7–8.

03 Judicial decision and operative relief

GSTAT confirmed profiteering of Rs. 2,50,148.39 and accepted DGAP's 24 April 2024 report. Paragraph 23 directs 50% of the amount with interest at 18% per annum, as applicable, to the Central Consumer Welfare Fund and the remaining 50% with interest to the Telangana fund within one month. It adds that, if the Telangana fund has not been created, half of the portion is to be deposited in the Central fund instead. That fallback wording is ambiguous and is retained without inventing a fractional allocation or assuming whether the State fund exists.

The order supplies no case-specific interest accrual dates, interest total, deposit receipt or independently verified later compliance. Section 171(3A) and its 30-day deposit exception are reproduced in paragraph 17, but the operative paragraphs impose no separate quantified penalty and grant no express penalty immunity. The Closure Report form label does not remove the deposit and interest obligations.

Pinpoint: Section quotation: paragraph 17, physical pp. 5–7. Finding and operative order: paragraphs 20–25 and date/signature, physical pp. 7–8; form summary, physical p. 2.

04 In favour of

The anti-profiteering authority and public Consumer Welfare Fund remedy on the confirmed amount and interest; not an individually quantified ticket-buyer refund. The State-fund fallback and actual deposit compliance remain unverified.

Final adverse liability determination for the cinema, reached ex parte after consideration of the documents and admission. The Rs. 2,50,148.39 principal and 18% annual interest are operative; no new penalty figure or rounded fund split is calculated.

Pinpoint: Paragraphs 19–23, physical pp. 7–8.

05 AKHB REVIEW POINT

AKHB analysis: Preserve pre-reduction comparator sales separately from the investigation period and reconcile tax-inclusive ticket prices to the underlying base prices. Do not infer transaction counts or a new assessment from the abbreviated examples.

Obtain authoritative clarification of the State-fund fallback before treating half of the portion as a precise remittance fraction. Verify the proper funds, applicable interest dates and actual deposits; neither a deposit nor a continuing High Court stay can be assumed from this order alone.

Separate the tax-rate-reduction holding from the source's ITC wording. Reproduction of Section 171(3A) is not itself an operative penalty quantification or immunity. The distinct history of Rule 133(3)(c) and its 2019 interest amendment should be assessed without importing a different case's pre-amendment interest outcome.

Pinpoint: AKHB commentary based on paragraphs 7–23, physical pp. 3–8, and the separately identified historical rule amendment. Recommendations are distinct from GSTAT's holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171, including subsection (3A) reproduced without a separate quantified penalty direction; Central Tax (Rate) Notification 27/2018, historical cinema-admission rate reduction; CGST Rules 2017: Rule 133(3)(c), Consumer Welfare Fund statutory context, not expressly cited in the order; CGST Act 2017: Sections 109 and 171(2), institutional/current-law context; Central Tax Notifications 18/2024 and 19/2024, empowerment and new-request-cutoff context.

Statutory note

Checked 13 October 2026. Section 171(1) requires the benefit of a tax-rate reduction or ITC to be passed to recipients through commensurate price reduction. Notification 18/2024-Central Tax, issued under Section 171(2) read with Section 109(1) and the second proviso to Section 109(5), empowers the Principal Bench constituted under Section 109(3) from 1 October 2024. Notification 19/2024-Central Tax fixes 1 April 2025 as the date from which the authority shall not accept new examination requests. Its text does not repeal Section 171 or direct automatic termination of pending matters. This anti-profiteering jurisdiction must be distinguished from ordinary GST appellate jurisdiction; earlier NAA/CCI investigations are historical steps. Rule 133(3)(c) is additional statutory context for the Consumer Welfare Fund remedy, not an express citation in this order. Notification 31/2019-Central Tax dated 28 June 2019 inserted interest wording into that clause. Kumar's investigated period spans that amendment; this order nevertheless directs 18% annual interest without a temporal apportionment. No separate pre-amendment exemption is inferred. Section 171(3A) became effective on 1 January 2020; reproduction of its text does not establish a quantified penalty for this 2019 period.

Treatment note

Checked 13 October 2026. No later order staying, recalling, reversing or modifying this identified GSTAT decision was located in the bounded official-domain searches and final-order index pages 1–8. This is not certification that no appeal, stay or later proceeding exists; the complete current docket and actual compliance were not verified. The interim stay dated 12 February 2020 and subsequent disposal of Telangana High Court W.P. 2905/2020 are reported only from GSTAT paragraph 9. The official High Court case-status portal timed out before a usable CAPTCHA/result; no independent official disposal copy or current case-specific docket result was obtained. No continuing stay, primary-verified disposal date or present writ status is asserted.

Scope of source review

One final order of the GSTAT Principal Bench exercising anti-profiteering jurisdiction. DGAP reports and earlier NAA/CCI or High Court steps are history as recorded in this order unless a separate source is expressly identified. The administrative form is read with the signed reasons. Ordinary GST appeals, all State Benches and corpus-wide completeness are not covered.

Identity note

NAPA/22/PB/2025; order reference ZA070010126000184H; 30 January 2026. The GSTAT caption is Kumar 70 MM. Rs. 2,50,148.39 and 18% per annum interest are retained exactly. The one-month wording, unclear State-fund fallback, erroneous category/ITC phrasing and qualified W.P. 2905/2020 history are not silently corrected.

Primary source

Source description: Complete 8-page official PDF, including Form GST APL-04A and the final reasoned order. Every original page read and individually viewed; source bytes preserved.

Official source: [Open source document](#)

Source pages: 8

Outcome type: final

Additional source

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Paragraphs 1–2, physical p. 1: statutory power and commencement on 1 October 2024.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Operative paragraph, physical p. 1: 1 April 2025 cutoff for accepting examination requests.

CGST Act 2017, India Code compilation marked as at 11 June 2026

Source document: [Open source document](#)

Pinpoint: Sections 109 and 171; relevant statutory passages reviewed, not a complete legislative-update audit.

Central Tax Notification 31/2019 dated 28 June 2019, historical Rule 133 amendment

Source document: [Open source document](#)

Pinpoint: Amending rule 17(c), physical p. 5: interest wording inserted into Rule 133(3)(c). Historical context, not an express citation or temporal-interest ruling in Kumar.

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

Source document: [Open source document](#)

Pinpoint: Paragraph 1(i)(h)(A)–(D), physical p. 2: changes cinema-admission entries to CGST 6% and 9%; paragraph 2, physical p. 3: effective 1 January 2019. These central components are distinct from the combined 12% and 18% GST rates recited in Kumar.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the identified sources. No human legal review is claimed.

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