

Director General of Anti-Profitteering v. AMB Cinemas LLP, Hyderabad

Case number: NAPA/4/PB/2025

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

Decision date: 16 April 2026

Cinema GST reduction: pricing permission, evidential defences and conflicting interest endpoints

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

Bench: Justice (Retd.) Mayank Kumar Jain, Member (Judicial), Single Bench, Court II

Decision stage: Final reasoned Fund-liability judgment adopting the Rs. 1,16,35,128 remaining calculation; 18% interest is directed with inconsistent endpoints in paragraphs 61 and 67, and Section 171(3A) penalty is excluded.

01 Facts of case and issues

AMB charged gross ticket prices of Rs. 300 for platinum seats and Rs. 200 for gold seats. DGAP alleged failure to pass the reduction from 28% to 18% effective 1 January 2019. For 1 January–5 February 2019, the theatre had deposited Rs. 35,66,308.28 principal and Rs. 60,049 interest in the Consumer Welfare Fund, as recorded by the Tribunal. DGAP calculated the first-period principal at Rs. 35,85,787, leaving a rounded Rs. 19,479 difference.

For 6–21 February 2019, prices fell to Rs. 277 and Rs. 185, but DGAP compared them with Rs. 276.56 and Rs. 184.38 and calculated Rs. 44,380. For 22 February–30 June 2019, restored gross prices of Rs. 300/Rs. 200 produced a stated Rs. 1,15,71,269. Paragraph 5 adds those three principal amounts and deducts Rs. 35,66,308 already credited, leaving Rs. 1,16,35,128. The recorded Rs. 60,049 interest is not deducted from principal a second time.

The theatre relied on the Telangana cinema-pricing framework and W.P. 2482/2019, saying its 6 February 2019 application and the 8 February 2019 High Court order permitted the increase. It also relied on operating losses, film-specific pricing and the absence of identifiable recipients. The investigation report was dated 29 January 2020. Paragraph 7 records an interim stay dated 19 February 2020 in W.P. 3454/2020 and later disposal on 12 December 2023 through connected W.P. 2905/2020, before the matter passed through CCI to GSTAT.

Pinpoint: DGAP tables and recorded payment: paragraphs 4–6, physical pp. 3–6. High Court and authority history: paragraphs 7–11, pp. 6–7. Respondent's objections, DGAP response and oral arguments: paragraphs 12–23, pp. 7–12.

02 Discussion by Hon'ble Tribunal

GSTAT's observations begin at paragraph 25 and its five issues at paragraph 30. It distinguished the State licensing authority's functions from GST authorities' anti-profitteering powers. The State pricing framework did not, in its view, deprive GST authorities of jurisdiction to enforce Section 171. It treated the earlier deposit and temporary reduction as showing awareness of the tax change. This is a determination on the stated record, not an independent conclusion that every State pricing requirement is displaced.

02 Discussion by Hon'ble Tribunal

The Tribunal examined the application, pleadings and the chain of High Court orders: W.P. 2482/2019, W.P. 21782/2018 and the 31 October 2016 batch headed by W.P. 19046/2014. It found no produced licensing rejection order, observed that the writ was filed the day after the application, and found omissions and contradictory positions in the pleadings. It considered DGAP a necessary and proper party in those circumstances. These adverse observations are attributed to GSTAT; the note does not make a separate misconduct finding or purport to invalidate the High Court orders.

On the pricing-order condition, paragraphs 48–53 required information to the authority about the intended rates after the High Court order. Counsel relied on the earlier application, but acknowledged no subsequent intimation. GSTAT regarded that as insufficient and denied equitable relief. The source quotations and interpretation do not independently establish the full underlying writ record. Paragraphs 55–56 then rejected the unsupported first-period difference objection, retained the Rs. 44,380 intermediate-period amount, rejected the justification for restoring prices and accepted DGAP's computation. General loss and film-specific pricing submissions are not turned into a judicially approved perpetual price freeze or a quantified cost-offset rule.

For Fund interest, paragraphs 60–61 apply Notification 31/2019-Central Tax and the coordinate Proctor & Gamble reasoning to exclude periods before 28 June 2019. Paragraph 61 says interest runs from that date until the profiteered amount is deposited. However, operative paragraph 67 instead states 18% from 28 June 2019 to 30 June 2019, as applicable. Both formulations are retained. The note neither selects one endpoint nor calculates a two- or three-day liability as if the conflict had been resolved.

Paragraph 63 excludes Section 171(3A) penalty because the entire 1 January–30 June 2019 contravention predates commencement on 1 January 2020. The respondent's different 1 April 2020 assertion is a submission, not the Tribunal's date. Other source anomalies include 8 February 2029 in paragraph 31, 8 September 2018 for the 2019 writ in paragraph 45, 6 February 22019 in paragraph 51, and 30 rather than 31 October 2016 in paragraph 52. Paragraph 17 links a 2018 writ number to a 2016 disposal. Paragraph 12.8 describes the claimed permitted prices as Rs. 277/Rs. 185, while later submissions concern Rs. 300/Rs. 200. These tensions are disclosed without invented corrections.

Pinpoint: Actual findings and issues: paragraphs 25–44, physical pp. 13–21. High Court extracts and condition: paragraphs 45–53, pp. 21–25. Computation: paragraphs 55–56, pp. 25–26. Interest conflict: paragraphs 60–61, pp. 26–27, versus paragraph 67, p. 28. Penalty: paragraphs 62–63, p. 27. Date/price variants: paragraphs 12.8, 17, 31, 45, 51–52, pp. 8, 11, 16, 21, 24.

03 Judicial decision and operative relief

The Tribunal accepted DGAP's report dated 29 January 2020, rejected the theatre's objections and ordered deposit of the profiteered amount with 18% interest. Read with the adopted paragraph 5 table and paragraphs 55–56, the remaining principal is Rs. 1,16,35,128, already reflecting credit for the earlier principal deposit. Paragraph 67 does not repeat that rupee figure. It directs 50% of principal with interest to the Central Consumer Welfare Fund and 50% to the Telangana State Consumer Welfare Fund. No additional GST layer is imposed over the tax-inclusive computation.

The operative paragraph specifies interest from 28 June 2019 to 30 June 2019, as applicable, whereas paragraph 61 specifies 28 June 2019 until deposit. The inconsistency is material to execution and remains unresolved in this note. No exact interest sum is awarded here or editorially calculated.

03 Judicial decision and operative relief

No Section 171(3A) penalty is leviable on the stated pre-2020 period. The judgment directs communication to the jurisdictional CGST/SGST Commissioner for necessary action and is pronounced in open court. It states no numerical deposit deadline or separate compliance-report period, and no contingency shifting the State share to the Central Fund. The typed date and visible digital signature are 16 April 2026. Later payment or compliance is unverified.

Pinpoint: Adopted remaining principal: paragraph 5, physical p. 6, with paragraphs 55–56, pp. 25–26. Conflicting interest endpoint: paragraph 61, p. 27, and operative paragraph 67, p. 28. Acceptance, equal Fund division, no penalty, circulation and pronouncement: paragraphs 64–69, p. 28.

04 In favour of

Mixed. The anti-profiteering authority and consumer-welfare interests prevailed on the remaining Fund principal and rejection of the pricing/equity defences. AMB obtained exclusion of pre-28 June 2019 interest in the reasoning and of Section 171(3A) penalty. The two printed interest endpoints prevent an unqualified interest-period summary; identified individual refunds are not awarded.

Final substantive liability judgment after developed consideration of five live issues. It is not a mere report recital or procedural disposal. Partial temporal-interest and penalty relief coexist with the remaining Fund liability, while the internal interest inconsistency requires authoritative clarification.

Pinpoint: Issues at paragraph 30, physical pp. 15–16; developed findings at paragraphs 31–63, pp. 16–27; final order at paragraphs 64–69, p. 28.

05 AKHB REVIEW POINT

AKHB analysis: Distinguish a pricing permission from compliance with its conditions and from the separate statutory duty to transmit a GST reduction. Keep the actual application, rejection if any, writ pleadings and post-order intimation together; do not infer permission or compliance from correspondence alone. Treat adverse observations as findings of the deciding Tribunal, with the underlying record and later treatment checked before reliance.

For execution, obtain authoritative clarification of the paragraph 61/67 interest conflict and the treatment of earlier deposits. Preserve the remaining principal rather than demanding the already-credited amount again. Do not import another cinema order's thirty-day deposit deadline, reporting period or State-Fund contingency into this judgment.

Pinpoint: AKHB commentary based on paragraphs 5, 31–67, physical pp. 6, 16–28; recommended verification is distinct from the actual directions.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), cinema rate-reduction liability; CGST Act 2017: Section 171(2), Section 171(3) and Section 171(3A), reproduced statutory context and pre-2020 penalty exclusion; CGST Act 2017: Section 109(3), Principal Bench constitution; CGST Rules 2017: Rule 128 and Rules 129(1) and 129(6), complaint and investigation history; CGST Rules 2017: Rule 133(3)(c), operative Fund deposit and disputed interest commencement; Central Tax (Rate) Notification 27/2018 dated 31 December 2018, cinema rate reduction; Central Tax Notification 31/2019 dated 28 June 2019, Fund-interest amendment; Central Tax Notifications 23/2022 dated 23 November 2022 and 18/2024 dated 30 September 2024, authority succession; Telangana Cinema (Regulation) Act 1955: Section 9(A), State-law punishment argument; Government Order 100 dated 26 April 2013, quoted High Court pricing history.

Statutory note

Targeted official statutory and cited-primary checks were completed on 13 October 2026. Official India Code web text marked as on 11 June 2026 was checked for the relevant Act provisions; local retrieval timed out, so no fresh saved-byte or visual certification of that compilation is claimed. Fresh Notifications 18/2024 and 19/2024 establish Principal Bench empowerment and the separate new-request cutoff, without expressly terminating pending cases. These supplementary instruments are not silently added to the judgment's express merits citations. Reckitt was checked only at the declared passages, not through a complete current citator or full appellate-status review. Notification 27/2018 takes effect on 1 January 2019; its above-Rs. 100 cinema central rate falls from 14% to 9%. The source's combined 28%-to-18% rate includes SGST, whose corresponding Telangana instrument was not separately retrieved. Historical Rule 133(3)(c) and Notification 31/2019 confirm the express Fund-interest amendment from 28 June 2019. Targeted Proctor paragraphs 20–24 support the cited prospective approach, but do not resolve AMB paragraph 61 versus operative paragraph 67. Section 171(3A) began on 1 January 2020, not the respondent's proposed April date. The quoted Rule 133(3)(c) passage is incomplete; statutory context does not rewrite either interest endpoint. State cinema provisions and pricing Government Orders remain primary-unverified.

Treatment note

On 13 October 2026 the independent reviewer freshly retrieved the official original and matched its selected hash, checked the official detail page and bounded final/interim listings, and searched exact case/party terms on relevant official court domains. No later order altering this final was identified in those limited materials; this does not certify that no appeal, stay, review or correction exists. The Supreme Court's 31 July 2024 connected order concerns pleadings and listing; a 13 May 2026 cause list records Reckitt SLP(C) 12705/2024. Neither is a final merits affirmation or proof of present pendency. The Telangana High Court writ originals were not retrieved. Their stay/disposal and pricing chronology therefore remain as recorded by GSTAT, including the source's inconsistencies. The 2020 stay followed by the recited 2023 disposal is not represented as a current stay of this 2026 judgment. The 2018/2019 pricing orders are not themselves pre-GST merely because their quoted lineage reaches a 2016 order. No final deposit, interest computation or compliance record is certified.

Scope of source review

One Principal Bench anti-profiteering judgment concerning AMB Cinemas' January–June 2019 ticket pricing. GSTAT resolves five stated issues, including reliance on High Court pricing orders, equitable relief, computation, interest and penalty. Earlier High Court/interim proceedings and DGAP assertions remain separate from GSTAT's own findings. No general ban on commercial price changes, complete GSTAT coverage or ordinary appellate coverage is asserted.

Identity note

NAPA/4/PB/2025; reference ZA070010426000062H; Mayank Kumar Jain, Court II; order and visible digital-signature date 16 April 2026. Paragraph 5's adopted remaining principal is Rs. 1,16,35,128; paragraph 67 does not repeat the number. Paragraph 61 runs interest to deposit, while paragraph 67 prints 28.06.2019 to 30.06.2019. Several writ/application dates and the claimed permitted prices vary internally. State-pricing and adverse-conduct findings are source-attributed, not independently reconstructed. No deposit deadline, reporting period, State-Fund contingency or verified later compliance is supplied.

Primary source

Source description: Complete 28-page official original, including administrative summary and substantive order; all pages read and individually viewed, with fresh official hash matched. Exact case-specific qualifications are preserved.

Official source: [Open source document](#)

Source pages: 28

Outcome type: mixed

Additional source

CGST Act 2017, official compilation marked as on 11 June 2026

Source document: [Open source document](#)

Pinpoint: Targeted official web text: Sections 109/171 at physical pp. 87–88 and 122–123; Section 17 and Schedules II/III at pp. 31–32 and 126–128 where relevant. Local PDF retrieval timed out; no fresh saved-byte or visual certification of this compilation.

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Complete p. 1: Principal Bench anti-profiteering empowerment from 1 October 2024.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Complete p. 1: new-request cutoff from 1 April 2025; no express termination of pending adjudication.

Historical CGST Rules compilation as at 13 September 2018

Source document: [Open source document](#)

Pinpoint: Targeted Rule 133(3)(b)/(c), physical pp. 106–107: existing recipient interest and separate Fund route. Not a complete current-rules certification.

Central Tax Notification 01/2020 dated 1 January 2020

Source document: [Open source document](#)

Pinpoint: Complete p. 1, read with the Act footnote: Finance (No. 2) Act 2019 Section 112 inserting Section 171(3A) commenced on 1 January 2020.

Central Tax Notification 31/2019 dated 28 June 2019

Source document: [Open source document](#)

Pinpoint: Targeted pp. 1 and 5: publication commencement and clause 17(c), adding express interest to Rule 133(3)(c). Recipient interest in clause (b) already existed.

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

Source document: [Open source document](#)

Pinpoint: Targeted p. 2 cinema amendments and p. 3 commencement on 1 January 2019. Central rates are 6% up to Rs. 100 and 9% above; corresponding Telangana SGST instrument not separately retrieved.

Official historical consolidation of Rate Notification 11/2017 as at 1 April 2019

Source document: [Open source document](#)

Pinpoint: Targeted p. 40: cinema categories and pre-amendment central rates 9%/14%, replaced by 6%/9%. Combined rates additionally involve SGST.

Reckitt Benckiser India Private Limited v. Union of India, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 117–119, 124–131, 153–157 and 163, physical pp. 120–127, 137–139 and 141–142: rebuttable offsets, methodology, construction conditions, recipient-specific benefit and statutory remedies. No full 142-page or final appellate-status certification.

DGAP v. Proctor & Gamble Group, GSTAT, 10 September 2025

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 20–24, physical pp. 10–16, and identity p. 1: prospective Fund-interest amendment. This does not resolve AMB's divergent interest endpoints.

Supreme Court connected anti-profiteering order, 31 July 2024

Source document: [Open source document](#)

Pinpoint: Five-page procedural order, including Reckitt SLP(C) 12705/2024 at p. 2 and scheduling/pleadings at p. 5. No merits affirmation or blanket stay is granted by this order.

Supreme Court daily cause list, 13 May 2026

Source document: [Open source document](#)

Pinpoint: Targeted p. 37, connected item 48.20: Reckitt SLP(C) 12705/2024. Listing only, not hearing outcome or present pendency.

Disclosures and source rights

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

General disclaimer: For professional information only; not legal advice. Read the judgment and applicable law in full and obtain case-specific advice before acting.

©AKHB & Associates. This copyright notice applies to the original AKHB research note, analysis and presentation. It does not assert ownership of the judicial orders, judgments, legislation, circulars or other third-party source material. Rights in those sources remain with their respective rights holders, as applicable.

Source checked: 13 October 2026