

Director General of Anti-Profiteering v. ASR Cinema LLP

Case number: NAPA/23/PB/2025

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

Decision date: 2026-05-27

Cinema-ticket GST rate reduction; conditional State fare permission; ex parte determination; Consumer Welfare Fund deposit, prospective interest and no retrospective penalty

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

Bench: Shri A. Venu Prasad, Member (Technical), Single Bench Court IV

Decision stage: Final ex parte substantive determination of Rs. 9,67,589 profiteering with Consumer Welfare Fund deposit and 18% interest from 28 June 2019; no penalty under Section 171(3A). Later docket status not completely verified.

01 Facts of case and issues

The Principal Commissioner, Hyderabad Commissionerate, complained that ASR had not passed on the benefit of the reduction in GST on cinema admission tickets priced at Rs. 100 or less from 18% to 12% with effect from 1 January 2019. The Standing Committee referred the complaint to DGAP; a notice was issued on 23 October 2019. DGAP's report dated 30 April 2024 went to the Competition Commission of India, the then authority. The investigation period was 1 January to 30 September 2019. The source records use of GSTR-1 and GSTR-3B returns because complete information was not furnished; its later procedural discussion also mentions sample invoices.

Table A compares December 2018 with the investigation period. Four displayed ticket rows retained tax-inclusive prices of Rs. 100, Rs. 90, Rs. 70 and Rs. 30. The old base amounts were Rs. 84.75, Rs. 76.27, Rs. 59.32 and Rs. 25.42, while the new base amounts were Rs. 89.29, Rs. 80.36, Rs. 62.50 and Rs. 26.79. The table's commensurate tax-inclusive benchmarks are Rs. 94.92, Rs. 85.42, Rs. 66.44 and Rs. 28.47. It prints percentage increases of 5.36%, 5.36%, 5.36% and 5.39%, averaging to 5.37% after rounding.

Table B applies 5.37% to stated turnover of Rs. 1,60,87,867 and prints base profiteering of Rs. 8,63,919, GST of Rs. 1,03,670 and total profiteering of Rs. 9,67,589. These are DGAP's adopted figures, subject to the arithmetic and method limitations explained below. DGAP's observation that actual profiteering might be higher because information was incomplete did not become an additional quantified award.

ASR did not appear or file submissions despite the notices and opportunities described by the Tribunal. The Tribunal nevertheless examined whether the 8 February 2019 Telangana High Court order in W.P. 2482/2019 concerning proposed ticket fares could justify retaining the tax benefit. The questions also concerned computation, inclusion of GST, ex parte adjudication, interest and penalty. A contemporaneous defended argument by ASR before GSTAT is not asserted: the judgment expressly records its nonappearance.

Pinpoint: Complaint, reference and report: paragraphs 4–7.4, physical pp. 3–4. Table A: pp. 4–5; Table B and report qualification: paragraphs 8–9, p. 5. Nonappearance and issues: paragraphs 10–17, pp. 5–9. Sample invoices: paragraph 34, p. 15.

02 Discussion by Hon'ble Tribunal

The Tribunal treats Section 171(1) as imposing an independent obligation to pass the rate reduction to consumers through commensurate price reduction. It finds that higher base prices preserved the same tax-inclusive ticket prices and absorbed the benefit. It discusses earlier High Court fare-permission orders of 31 October 2016, 28 June 2018 and 8 February 2019. On the quoted terms, the liberty to collect proposed fares was conditional, required communication to the authorities and did not displace Section 171. The Tribunal says compliance with those conditions was not demonstrated and relies on Sudarshan Theatre 35MM for the pass-through obligation. Those earlier rulings are described here as cited by GSTAT; their complete records were not independently reviewed.

The Tribunal accepts inclusion of the GST collected on the excess realisation. It reasons that the consumer paid an amount inclusive of GST and that the corresponding excess tax component is part of the benefit to be returned. It cites paragraph 157 of the Delhi High Court's Reckitt Benckiser judgment. This is the basis for adding Rs. 1,03,670 to the printed Rs. 8,63,919 base amount, rather than an independently verified new tax assessment.

For proceeding ex parte, it invokes Order XVII Rule 2 and Order IX Rule 6 of the Code of Civil Procedure. Its factual basis is repeated service by email, speed post and the jurisdictional Commissionerate, provision of the DGAP report and further opportunities. Paragraph 35 records the Assistant Commissioner's statement on 24 April 2026 that service was complete and a partner's acknowledgment dated 13 February 2026 had been received. It finds adequate opportunity and un rebutted evidence. Nonappearance alone is not described in this note as proof of profiteering independent of that record.

On interest, the Tribunal relies on Rule 133(3)(c), the express interest amendment by Notification 31/2019-Central Tax dated 28 June 2019 and the coordinate-bench Proctor & Gamble ruling. It treats that amendment prospectively and orders 18% interest only from 28 June 2019 until actual refund/deposit. This differs from the initial issue's reference to Rule 133(3)(b). The reasoning and operative clause concern unidentified recipients and Fund deposit under clause (c), and do not abolish recipient-return interest under clause (b).

The operative text expressly applies interest to the total profiteered amount from 28 June 2019 although the investigation extends to 30 September 2019. The source does not provide collection-date tranches or a separate calculation for receipts after 28 June. The wording is preserved, without inventing an adjusted interest schedule or a quantified interest amount.

The penalty analysis is separate. Section 171(3A) took effect on 1 January 2020, after the whole investigated period. Applying the rule against retrospective penal liability, the Tribunal holds that this penalty is not leviable. It is not a general exemption from every penalty provision or a finding that a later deposit met the separate statutory 30-day proviso.

Numerical limitations matter. The four printed percentage increases average 5.3675%, rounded to 5.37%. But Rs. 1,60,87,867 multiplied by 5.37% equals Rs. 8,63,918.4579, rather than the printed Rs. 8,63,919; the source gives no reconciliation. Twelve per cent of the printed base is Rs. 1,03,670.28, consistent with the displayed whole-rupee tax amount after rounding, and the two printed components sum exactly to Rs. 9,67,589. Table B refers to three categories although Table A has four price rows, the fourth combining two classes. No ticket counts, category weights or full transaction annexures are supplied. These are limits on reproducing the adopted method, not an editorial alteration of the award.

Pinpoint: Pass-through and fare permissions: paragraphs 18–25, physical pp. 9–13. GST component: paragraphs 26–29, pp. 13–14. Ex parte reasoning: paragraphs 30–36, pp. 14–16. Interest: paragraphs 37–41, pp. 16–17; operative paragraph 46(iii), p. 19. Penalty: paragraphs 42–44, pp. 17–18. Arithmetic: Table A, pp. 4–5, and Table B, p. 5.

03 Judicial decision and operative relief

The Tribunal determines profiteering at Rs. 9,67,589, comprising Rs. 8,63,919 base profiteering and Rs. 1,03,670 GST. It directs return of that amount and, because recipients are not identifiable, deposit of 50% in the Central Consumer Welfare Fund and 50% in the Telangana State Consumer Welfare Fund. This is Fund relief, not a direct payment award to the Principal Commissioner or named individual consumers.

The respondent must also pay 18% annual interest on the total profited amount from 28 June 2019. Paragraphs 40–41 give the endpoint as actual refund/deposit. Principal and interest are to be deposited within 60 days from the date of the order. The jurisdictional CGST/SGST Commissioner is to ensure compliance and submit a report within three months; this separate report direction does not expressly state a receipt-based trigger. Neither deadline is changed here into a different calendar date or a present finding of default.

Penalty under Section 171(3A) is expressly held not leviable for this pre-1 January 2020 period. The order directs copies to the respondent, applicant, DGAP and jurisdictional Commissioners, disposes of the matter and records pronouncement in open court on 27 May 2026. The visible digital-signature display is dated 27 May 2026; no cryptographic signature verification is claimed.

The source does not establish actual payment, allocation rounding, compliance reporting, a later recall or present enforceability. An exact half of the printed principal is Rs. 4,83,794.50; the operative order states percentages and does not specify a whole-rupee split, so no new split is substituted.

Pinpoint: No Section 171(3A) penalty: paragraphs 42–44, physical pp. 17–18. Exact determination and operative directions: paragraphs 45–46(i), p. 18, and paragraph 46(ii)–(viii), p. 19. Interest endpoint: paragraphs 40–41, p. 17. Dated signature display: p. 19.

04 In favour of

DGAP/consumer-protection side on the substantive profiteering finding, principal Fund deposit and post-28 June 2019 interest. ASR Cinema LLP receives limited favourable treatment on the exclusion of earlier interest and non-levy of Section 171(3A) penalty. This is not a general exoneration or verified appellate finality.

Final ex parte adverse principal determination with qualified interest and express temporal penalty relief. The Fund directions and no-penalty conclusion must be reported together. The administrative form's confirmed-order label is not a separate appellate holding, and the case is not described as a CESTAT dismissal.

Pinpoint: Form GST APL-04A, physical pp. 1–2; paragraphs 37–46, pp. 16–19.

05 AKHB REVIEW POINT

AKHB analysis: Keep pre- and post-rate-change ticket prices, tax-exclusive bases, transaction dates, class-wise quantities and the supporting GSTR reconciliations together. A State fare permission should be read with all its conditions and the independent GST pass-through obligation. Retaining an unchanged consumer price after a tax reduction can increase the underlying base, as the Tribunal found here.

Respond to DGAP and Tribunal notices with documentary calculations. The judgment's ex parte route rests on specific service findings and repeated opportunities; preserve the service and acknowledgment record before assessing any procedural challenge.

Reproduce the award faithfully while auditing the method separately. Obtain the underlying report and annexures to resolve the printed product discrepancy, category description and use of a rounded average on turnover. Do not silently replace the ordered principal with a recomputed figure or treat incomplete information as an adjudicated higher liability.

Distinguish the Fund-deposit rule, its interest amendment and the penalty commencement date. The source orders interest on the total from 28 June 2019 and supplies no receipt-level tranches. Seek the operative docket and appropriate clarification before assuming a different interest schedule. The 60-day deposit direction, three-month Commissioner-report direction and Section 171(3A)'s statutory 30-day proviso serve different purposes; the proviso is not the reason for the no-penalty result here.

Before reliance or enforcement, obtain a current GSTAT and relevant High Court docket check. The bounded checks described below did not establish a later matching order, but the unavailable CIS and CAPTCHA-gated Telangana registry prevent any no-stay, no-recall or complete current-status assurance.

Pinpoint: AKHB commentary based on Tables A–B, physical pp. 4–5; paragraphs 21–25, pp. 9–13; paragraphs 30–46, pp. 14–19. These practical recommendations are distinct from the Tribunal's holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171(1), tax-rate-benefit pass-through; Section 171(3A), temporal penalty determination; Section 57, Consumer Welfare Funds through the quoted Rule 133(3)(c); CGST Rules 2017: Rules 128 and 129(1), (6), complaint referral and investigation; Rule 133(3)(c), Fund deposit and interest; Rule 133(3)(b), initial issue reference distinguished from operative clause (c); CGST Rules 2017: Rule 133(2A), cited in paragraph 32 for report furnishing, subject to the statutory-text qualification below; Rules 113(1) and 115, administrative Form GST APL-04A heading only; Notification 27/2018-Central Tax (Rate), dated 31 December 2018, historical cinema-ticket rate reduction as described by GSTAT; Notification 31/2019-Central Tax, dated 28 June 2019, express Fund-interest amendment; Code of Civil Procedure 1908: Order XVII Rule 2 and Order IX Rule 6, invoked by GSTAT for ex parte adjudication; Telangana cinema-regulation legislation and Section 9A, introductory source recital, not an independently verified current State-law assessment

Statutory note

Section 171 supplies the operative pass-through obligation and the distinct penalty provision. The India Code CGST Act compilation was independently checked at Section 171, physical pp. 122–123: the Section 171(3A) footnote records commencement on 1 January 2020. The judgment's broad current Section 171 reproduction is not treated as the statutory text in force throughout 2019. The official GST Council copy of Notification 31/2019 was independently checked at clause 17(c), physical p. 5, for insertion of explicit 18% collection-to-deposit interest into Rule 133(3)(c); GSTAT supplies the case-specific prospective interpretation and common start-date award. Recipient-return interest under clause (b) and Fund interest under clause (c) are distinct. The Tribunal's report-furnishing reference to Rule 133(2A) is not the wording inserted by clause 17(b) of that notification: that provision concerns the Authority seeking clarification from DGAP on its report. The factual finding that ASR received a copy is distinguished from the source's statutory attribution. The underlying cinema-rate notification, complete cited cases and State cinema statute were not independently exhaustively checked; the historical rates stated here are not present-rate advice. No exhaustive legislative-update, jurisdictional or appellate-remedy certification is given.

Treatment note

Checked 17 October 2026. The official final-order listing and full PDF identify the 27 May 2026 determination. The public NAA/GSTAT interim-order category retrieved with a 1,000-item page-size request displayed 77 linked entries; none identified ASR Cinema(s) or NAPA/23/PB/2025. That public category is not a complete case docket. Exact-party/case and official NAA, GSTAT CIS, Delhi High Court and Telangana High Court indexed searches did not establish a matching later recall, stay, reversal or modification. The CIS endpoint could not be read: both web and direct retrieval returned 502, with the direct response reporting certificate-verification failure. No security check was bypassed. Telangana High Court's official party-name registry required CAPTCHA, which was not completed; no full registry search result was obtained. These limitations prevent a no-appeal or no-stay conclusion. Secondary results identified an earlier ASR Cinemas writ in 2023, but no official matching later order was verified from it and it is not used to substantiate current treatment. Current enforceability and actual compliance remain unverified.

Scope of source review

One final GSTAT Principal Bench anti-profiteering determination concerning cinema-ticket rate-reduction benefit for 1 January–30 September 2019. Earlier fare orders and cited authorities are source-attributed unless separately identified. No independent audit of returns, invoice samples, service acknowledgments, full DGAP annexures, actual payments or complete appellate docket. Not an ordinary GST appeal or comprehensive GSTAT coverage.

Identity note

Caption and official listing use ASR Cinema LLP; the reasons also use ASR Cinemas LLP. NAPA/23/PB/2025, order reference ZA070010526000126H, Single Bench Court IV, Shri A. Venu Prasad, Member (Technical), dated 27 May 2026. The listing was posted 1 June 2026. Form case-reference date 2 May 2024 is not the judgment date. The caption, tables, interest, penalty and operative pages were visually checked. The heading above paragraph 30 labels the ex parte discussion point (v), although it corresponds to issue (iv). Paragraph 17(v) mentions Rule 133(3)(b), while the Fund-interest reasoning and result invoke clause (c). These source differences are preserved rather than silently repaired.

Primary source

Complete 19-page official GSTAT PDF, including Form GST APL-04A and final reasons. All extracted text pages read; physical pages 1, 4, 5, 12 and 16–19 visually checked. Original bytes and SHA-256 verified.

[Open original judgment](#)

Source pages: 19

Outcome type: mixed

Official GSTAT Anti-Profiteering final-order listing, posted 1 June 2026

[Open cited source](#)

Pinpoint: Identifies NAPA/23/PB/2025 and order date 27 May 2026; linked original supplies reasons and relief.

CGST Act 2017, official India Code compilation

[Open cited source](#)

Pinpoint: Section 171, physical pp. 122–123, especially Section 171(3A) and commencement footnote; limited targeted statutory check.

Official GSTAT Anti-Profiteering interim-order index

[Open cited source](#)

Pinpoint: Retrieved 17 October 2026; 77 linked entries checked for ASR Cinema(s) and NAPA/23/PB/2025, no matching entry. Index only, not a full docket.

Telangana High Court official case-status system

[Open cited source](#)

Pinpoint: Party-name search form requires CAPTCHA; no completed case-status result obtained in this pass.

Central Tax Notification 31/2019, dated 28 June 2019, official GST Council copy

[Open cited source](#)

Pinpoint: Physical p. 1, clause 1(2), and p. 5, clauses 17(b)–(c): Rule 133(2A) clarification power and express Fund-interest insertion. Targeted passages checked; no full notification or current-law audit claimed.

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 reliance. Subsequent treatment and compliance are unverified except to the expressly stated source scope.

©AKHB & Associates. This copyright notice applies to the original AKHB research note, analysis and presentation. It does not assert ownership of the reproduced official judgment or other source materials.

Source checked: 2026-10-17