

Director General of Anti-Profiteering v. Arjun Theatre 70MM

Case number: NAPA/8/PB/2025

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

Decision date: 13 August 2026

Cinema rate-reduction liability: limited pricing evidence, full collection-to-deposit interest and an unreconciled Rs. 10 total

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 reasoned judgment ordering Rs. 14,26,344 and 18% interest from respective collection dates until Fund deposit; no penalty for the investigated pre-2020 period. Printed category totals are Rs. 10 below the ordered principal.

01 Facts of case and issues

A complaint alleged that Arjun Theatre 70MM, described in the body as M/s Arjun Theatres 70MM Theatres (M/s RK Builders), did not pass on the cinema GST reduction effective 1 January 2019. The Standing Committee referred the matter to DGAP. Its report dated 21 January 2020 covered 1 January–31 August 2019 and proposed Rs. 14,26,344. The investigation, former NAA process and respondent's representations precede the selected GSTAT final.

DGAP used December 2018 weighted-average base prices for Balcony, Dress Circle and First Class. The familiar pre-reduction prices were Rs. 100, Rs. 60 and Rs. 30, with printed post-reduction commensurate prices of Rs. 94.92, Rs. 56.95 and Rs. 28.47. Table B also assesses actual higher-price rows: Balcony Rs. 110, Rs. 125 and Rs. 150; Dress Circle Rs. 70, Rs. 90 and Rs. 100; and First Class Rs. 40. It would therefore be inaccurate to describe all assessed tickets as sold only at the three benchmark prices.

The theatre relied on the State cinema-pricing framework, Government Order Ms. No. 100 dated 26 April 2013, a 31 October 2016 High Court order, and interim directions dated 12 June 2019 in W.P. 11338/2019 and 2 August 2019 in W.P. 18232/2019. It contended that it could enhance rates subject to intimation and payment of tax. These are its legal and factual submissions as reproduced in the final, not independently authenticated findings about every permission. DGAP maintained that regulatory ceilings did not replace Section 171 compliance and distinguished genuinely evidenced commercial reasons.

Pinpoint: Complaint, report and period: paragraphs 1–5, physical pp. 2–5. Table B: p. 4. Respondent's arguments and court materials: paragraph 8, pp. 6–11; DGAP submissions: paragraph 9, pp. 11–14.

02 Discussion by Hon'ble Tribunal

The Tribunal frames the issues in paragraph 11 and develops its own findings from paragraph 12. Paragraphs 14–23 hold that keeping a tax-inclusive price unchanged by increasing its base defeats the required commensurate reduction. A State pricing ceiling is not an immunity from that duty. The quoted Rs. 3 maintenance-charge discussion from other cinema decisions is supporting reasoning; this order does not separately quantify a new Rs. 3 assessment. This case does not establish that genuine commercial price changes can never be justified.

02 Discussion by Hon'ble Tribunal

Paragraphs 24–32 then address the claimed pricing permissions. Even assuming the High Court orders permitted enhancement on stated conditions, GSTAT holds that they did not dispense with the separate tax-benefit obligation. It also examines the actual evidence: the reproduced 6 October 2018 representation sought increased rates for 11–25 October 2018, and no reply, approval, sanction or corresponding sample tickets were produced to establish the proposed rates' acceptance and application. This is a case-specific failure of proof, not this note's declaration of a universal State-law approval procedure. The quoted daily order of 20 May 2026 sought material through 31 July 2019, while the finally adjudicated investigation ends on 31 August 2019; both dates are preserved.

GSTAT quotes paragraph 17 of Sudarshan Theatre 35MM and repeats its Sections 171/172 formulation. Sudarshan's original was not independently authenticated in this review, so the proposition is attributed to GSTAT's use of that decision. Section 172 is not treated as an independent assessment provision or separate relief. The note likewise does not turn every recital of a High Court order into an independently verified ratio or an exemption applicable to all cinema transactions.

Paragraphs 33–39 approve DGAP's ticket-wise comparison and record that the respondent did not identify a specific discrepancy or demonstrate that the adopted prices/computation were wrong. That adjudicated conclusion must be distinguished from this note's arithmetic check of the printed figures. The category amounts Rs. 9,48,026, Rs. 3,70,939 and Rs. 1,07,369 sum to Rs. 14,26,334, which is Rs. 10 below the repeatedly ordered Rs. 14,26,344. The four Balcony row amounts sum to Rs. 9,48,027, one rupee above the displayed Balcony subtotal. No correction or complete underlying working is supplied. The operative amount is retained, with both discrepancies expressly disclosed.

Displayed rounded unit prices also do not reproduce every row amount exactly. The full DGAP report, underlying transaction dataset and treatment of every higher-priced ticket band are not appended, so this note does not certify invoice-level recalculation or independently establish why each high-price row receives the displayed rate. Unlike Vimal's separate decision, this judgment does not adopt an expressly verified exclusion of those higher-price rows. It would be wrong to import that other case's exclusions or silently change this order's principal.

Pinpoint: Own findings: paragraphs 12–23, physical pp. 15–19. Permission/evidence findings and Sudarshan quotation: paragraphs 24–32, pp. 19–24. Computation findings: paragraphs 33–39, pp. 24–26. Printed discrepancies: Table B, p. 4, and paragraphs 5.4 and 35, pp. 5 and 25.

03 Judicial decision and operative relief

GSTAT accepts DGAP's report dated 21 January 2020 and rejects the respondent's objections. Operative paragraph 42 orders deposit of Rs. 14,26,344 with interest at 18% from the respective dates of collection of the excess amounts until deposit. Because recipients are not identifiable, fifty per cent of the principal with applicable interest goes to the Central Consumer Welfare Fund and the remaining fifty per cent with interest to the Telangana Fund. No further GST layer is added, and no rupee interest sum or assumed common collection date is supplied.

Paragraph 43 excludes penalty because 1 January–31 August 2019 precedes 1 January 2020. It refers to the applicable provisions without expressly numbering Section 171(3A). The source's full collection-to-deposit interest is not shortened to 28 June 2019 by borrowing reasoning from other orders. No numerical deposit deadline, compliance-report period or alternative Central-Fund contingency appears.

03 Judicial decision and operative relief

Copies are directed to the concerned CGST/SGST Commissionerate for information, record and necessary action. The judgment is pronounced in open court. Typed and visible digital-signature dates are 13 August 2026; this is visual metadata verification, not cryptographic signature validation. Actual deposit, a later correction of the Rs. 10 mismatch or subsequent judicial relief remains unverified.

Pinpoint: Report acceptance, objections, principal, Fund split, interest and penalty: paragraphs 40–43, physical p. 26, and administrative summary p. 2. Circulation, pronouncement and dates: paragraphs 44–45, p. 27.

04 In favour of

The authority and consumer-welfare interests prevail on the contested liability, Rs. 14,26,344 principal and 18% collection-to-deposit interest. The theatre benefits from the express exclusion of pre-2020 penalty. This qualified outcome does not resolve the Rs. 10 printed-total discrepancy, establish compliance or amount to unqualified success for either side.

Final substantive judgment with developed findings on pricing duties, the evidence and effect of alleged permissions, and computation, followed by operative Fund directions. The final label describes adjudicative stage; it does not imply that all ancillary issues favour one party or certify absence of an appeal or stay.

Pinpoint: Paragraphs 12–45, physical pp. 15–27.

05 AKHB REVIEW POINT

AKHB analysis: Separate a regulatory maximum, permission for a temporary increase and the actual price charged on each ticket. A representation alone does not prove its approval or implementation. Obtain the relevant-period replies and sample tickets and explain how the tax reduction reached the recipient even when commercial pricing changed.

Reconcile every category and row subtotal against the operative amount before execution or challenge. Preserve the ordered Rs. 14,26,344 and disclose the Rs. 10 discrepancy rather than replacing it with an editorial total. Obtain the full weighted-average calculations and ticket records to test rounding and rate-band treatment. Do not import another cinema's verified exclusions, prospective-interest limitation or compliance deadline.

Treat cited State orders and Sudarshan as attributed material until their originals and current treatment are checked. Distinguish the source's express citations from contextual statutory verification, particularly the unnumbered penalty exclusion.

Pinpoint: AKHB commentary based on Table B, physical p. 4, and paragraphs 24–45, pp. 19–27.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), rate-reduction pass-through duty and operative liability; CGST Act 2017: Section 172, within the cited Sudarshan formulation and GSTAT's discussion, not a separate assessment or relief; CGST Rules 2017: Rule 128, complaint history; CGST Rules 2017: Rules 129(1) and 129(6), investigation and report history; CGST Rules 2017: Rule 133(3)(c), Central/Telangana Fund deposit and interest; Central Tax (Rate) Notification 27/2018 dated 31 December 2018, cinema rate change effective 1 January 2019; Central Tax Notification 18/2024, source paragraph 6 erroneously prints 24 February 2024, official instrument dated 30 September 2024 and effective 1 October 2024; Government Order Ms. No. 100 dated 26 April 2013, respondent's cinema-pricing defence as recited, original not independently authenticated.

Statutory note

Official Notification 27/2018–Central Tax (Rate), dated 31 December 2018 and effective 1 January 2019, sets the CGST cinema component at 6% for tickets not exceeding Rs. 100 and 9% above it. The combined 18% to 12% change is the selected judgment's CGST-plus-SGST treatment; the Telangana counterpart was not separately retrieved. Notification 18/2024 is actually dated 30 September 2024 and effective 1 October 2024, expressly correcting paragraph 6's 24 February date. The historical Rule 133(3)(c) interest amendment and 1 January 2020 penalty commencement were checked in targeted official primaries. The selected order does not expressly cite Section 171(3A) in its penalty direction, and the note does not insert it as an express citation. Its collection-to-deposit interest period is retained rather than borrowing another order's prospective limitation.

Treatment note

Three fourteenth-batch originals, including this one, were freshly retrieved over normal TLS and exactly matched the collected hashes. Bounded official-domain/name/docket searches on 13 October 2026 identified no authenticated later order modifying, staying, reviewing or reversing this precise judgment. Search absence is not a no-appeal/no-stay or enforceability certificate; no complete Telangana court docket was audited. Government Order, earlier Telangana pricing orders and Sudarshan remain attributed recitals or quotations because their complete originals were not independently authenticated. The Reckitt-connected Supreme Court order of 31 July 2024 is procedural only; no merits affirmation is claimed. Deposit and compliance remain unverified.

Scope of source review

One Principal Bench anti-profiteering judgment concerning Arjun Theatre's 1 January–31 August 2019 ticket sales. The Tribunal supplies its own contested reasons on the tax-price obligation, the claimed licensing/High Court defence, the evidence of permissions and the computation. Finality is not inferred merely from acceptance of the DGAP report. The printed table discrepancy remains explicit; no complete GSTAT or industry-wide price-freeze conclusion is claimed.

Identity note

NAPA/8/PB/2025; reference ZA070010826000051H; A. Venu Prasad, Court IV; typed and visible signature date 13 August 2026. Caption Arjun Theatre 70MM, body Arjun Theatres 70MM Theatres (M/s RK Builders), without resolving corporate identity beyond the source. Ordered Rs. 14,26,344 versus category sum Rs. 14,26,334; Balcony rows sum one rupee above subtotal. Higher-price rows remain in the displayed assessment. Investigation ends 31 August 2019 while the quoted evidence direction ends 31 July. Notification 18/2024 date error is expressly corrected. No penalty, numerical compliance deadline, verified later correction or cryptographic signature assurance.

Primary source

Source description: Complete 27-page official PDF, including administrative summary and final reasoned judgment; all original pages read and individually viewed by the AI author.

Official source: [Open source document](#)

Source pages: 27

Outcome type: final

Additional source

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

Source document: [Open source document](#)

Pinpoint: Complete three-page instrument; cinema changes and 1 January 2019 commencement. Telangana SGST counterpart not independently retrieved.

Official cinema-rate consolidation as of 1 April 2019

Source document: [Open source document](#)

Pinpoint: Targeted physical p. 40: former and amended CGST cinema components; historical reference aid.

Central Tax Notification 31/2019, 28 June 2019

Source document: [Open source document](#)

Pinpoint: Targeted pp. 1 and 5, clause 17(c): express Fund-interest amendment; does not editorially change this order's full collection-to-deposit direction.

Central Tax Notification 01/2020, 1 January 2020

Source document: [Open source document](#)

Pinpoint: Complete one-page commencement instrument for Finance (No. 2) Act 2019 Section 112; contextual penalty check, not an express additional citation in this judgment.

Central Tax Notification 18/2024, 30 September 2024

Source document: [Open source document](#)

Pinpoint: Complete one-page institutional instrument effective 1 October 2024; corrects the printed notification date.

Reckitt Benckiser, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 117–119 and 163: substantiated commercial factors and preserved individual merits challenges; Reckitt appears in this case’s DGAP submissions.

Connected Supreme Court procedural order, 31 July 2024

Source document: [Open source document](#)

Pinpoint: All five pages checked; listing and pleadings directions, including the Reckitt docket, not merits affirmation or present-day status certification.

Disclosures and source rights

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

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Source checked: 13 October 2026