

Director General of Anti-Profiteering v. Vimal 70MM, Hyderabad

Case number: NAPA/6/PB/2025

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

Decision date: 13 August 2026

Cinema GST rate reduction: pricing permissions, verified transaction exclusions and Consumer Welfare Fund deposit

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 substantive judgment directing Rs. 4,72,038 with 18% interest from respective collection dates until deposit, split equally between the Central and Telangana Consumer Welfare Funds; no penalty for the pre-1 January 2020 investigation period.

01 Facts of case and issues

A complaint dated 30 April 2019 by the Principal Commissioner, Medchal Commissionerate, alleged that Vimal 70MM Theatre had not passed on the reduction in combined GST from 18% to 12%, effective 1 January 2019, for cinema admission tickets priced at Rs. 100 or less. The Standing Committee referred the matter to DGAP, whose report dated 31 January 2020 covered 1 January–31 July 2019. GSTAT's final decision is dated 13 August 2026; the report date is not the judgment date.

DGAP found that the Balcony, Second Class and Third Class cum-tax prices remained Rs. 100, Rs. 60 and Rs. 30. The source records corresponding pre-reduction base prices of Rs. 84.74, Rs. 50.84 and Rs. 25.42, and post-reduction base prices of Rs. 89.28, Rs. 53.57 and Rs. 26.78. It prints commensurate cum-tax prices of Rs. 94.91, Rs. 56.94 and Rs. 28.47. Its quantification table uses unit excesses, including tax, of Rs. 5.08, Rs. 3.06 and Rs. 1.52 across 46,999, 45,751 and 61,372 tickets respectively, and adopts Rs. 4,72,038 as total profiteering. The relationship between these displayed values requires the arithmetic qualification below.

The computation did not cover every ticket sold. Paragraph 5.4 records separately verified documentary evidence for brief-period sales at Rs. 80, Rs. 110 and Rs. 125 under interim High Court permission duly intimated to the Commissioner of Police. DGAP excluded those transactions. GSTAT expressly preserves that exclusion in paragraphs 21 and 37. It cannot be erased by the later finding that other representations lacked approval and sample-ticket evidence.

The respondent relied on the setting aside of G.O. Ms. No. 100 dated 26 April 2013 through a stated common High Court order of 31 October 2016, and on the fare directions it attributed to orders of 12 June and 2 August 2019. It contended that proposed fares had been intimated to the authorities, that ticket prices were within permissible limits, and that maintaining the cum-tax prices did not breach Section 171. These are the respondent's submissions and reproduced materials, not an independent verification of those underlying instruments. DGAP disputed that defence. Paragraph 11 frames three contested issues: the pass-through duty, the effect of the High Court fare directions, and the sustainability of the quantified amount.

Pinpoint: Complaint, report and period: paragraphs 1–5.2, physical pp. 2–3. Prices, exclusions and tables: paragraphs 5.3–5.9, pp. 4–6. Respondent's defence: paragraphs 8.1–8.9, pp. 7–11. DGAP clarification: paragraph 9, pp. 11–13. Issues: paragraph 11, p. 14.

02 Discussion by Hon'ble Tribunal

GSTAT's own reasoning in paragraphs 12–23 applies Section 171(1) to the actual ticket prices. It distinguishes charging GST at the lower rate from ensuring that the resulting benefit reaches the buyer. Retaining the same cum-tax price through an increased base price failed that requirement on the facts found. Paragraphs 16–18 approve the pre-reduction base-price comparison. Paragraphs 19–20 rely on the Tribunal's cited Mallikarjuna Cinema Hall and Vishwanath Cinema decisions for the proposition that a regulated maximum fare does not displace the independent pass-through obligation. The Rs. 3 maintenance-charge discussion appears in that reproduced precedent passage; it is not a separately quantified new levy in Vimal's operative relief.

On the fare defence, paragraph 24 reasons that even an assumed permission to collect proposed fares would not itself permit retention of a GST-reduction benefit. Paragraphs 30–34 apply the proposition attributed to Sudarshan Theatre 35MM v. Union of India, W.P. No. 4760 of 2021, paragraph 17: the fare regime supplies no exemption from the Section 171 duty. This note reports GSTAT's use of that authority; it does not claim an independent reading of the original Telangana High Court judgment.

The Tribunal also examines the evidence rather than resting on that legal proposition alone. Its 20 May 2026 direction required an affidavit, authority replies and sample tickets for the investigated period. Paragraph 26 describes a representation dated 19 December 2019 seeking enhanced rates for 9–23 January 2020. Paragraph 27 describes another dated 4 January 2021 for 9–28 January 2021. Paragraph 28 finds that these later requests establish neither competent-authority acceptance nor actual prices in the investigated period, because matching approvals and sample tickets were not supplied. That finding concerns these representations; it does not negate the separately verified Rs. 80/110/125 exclusions. Paragraph 29 nevertheless refers to representations only from 23 April 2019 onwards. The stated chronology is internally inconsistent and is not silently harmonised or corrected here.

On quantification, paragraphs 35–42 explain that the retained pre-reduction base price is subjected to 12% GST, then compared with the actual price and multiplied by the relevant ticket quantities. The Tribunal specifically retains the verified exclusions, considers the method consistent with Section 171(1), and finds no specific demonstrated error requiring interference. Its resulting Rs. 4,72,038 determination is a substantive merits finding, rather than mere recital of the report.

A limited arithmetic check reproduces the table's three products: $\text{Rs. } 5.08 \times 46,999 = \text{Rs. } 2,38,754.92$; $\text{Rs. } 3.06 \times 45,751 = \text{Rs. } 1,39,998.06$; and $\text{Rs. } 1.52 \times 61,372 = \text{Rs. } 93,285.44$. Their sum is Rs. 4,72,038.42, consistent with the ordered whole-rupee total after rounding. However, subtracting the earlier printed commensurate prices gives $\text{Rs. } 100 - \text{Rs. } 94.91 = \text{Rs. } 5.09$ and $\text{Rs. } 30 - \text{Rs. } 28.47 = \text{Rs. } 1.53$, not the table's Rs. 5.08 and Rs. 1.52. The source therefore does not support describing every displayed unit figure as independently reconciled. No revised liability is substituted: the underlying transaction data and complete DGAP workings are not appended, and this check cannot authenticate them.

Pinpoint: Pass-through and precedent reasoning: paragraphs 12–23, physical pp. 14–19. Fare defence and evidence: paragraphs 24–34, pp. 19–25. Chronology discrepancy: paragraphs 26–29, pp. 20–22. Methodology and specific exclusions: paragraphs 35–42, pp. 25–27. Arithmetic: paragraphs 5.5–5.8 tables, pp. 5–6, and paragraph 17, p. 16.

03 Judicial decision and operative relief

Paragraphs 43–44 accept DGAP's report dated 31 January 2020 and reject the respondent's objections. Paragraph 45 directs deposit of Rs. 4,72,038 with interest at 18%, calculated from the respective dates on which the excess amounts were collected until the date of deposit, under Section 171(1) read with Rule 133(3)(c). The adopted table already includes the stated tax component; the order does not add another 12% layer to the principal.

Because the recipients were not identifiable, 50% of the principal with applicable interest must go to the Central Consumer Welfare Fund and the remaining 50% with applicable interest to the Telangana State Consumer Welfare Fund. Half the ordered principal is Rs. 2,36,019, a derived amount rather than a separately printed rupee direction. No rupee interest total, common collection date or assumed deposit date is supplied. The order does not confine interest to a 28 June 2019 start date.

Paragraph 46 directs that no penalty be levied, because the investigation period, 1 January–31 July 2019, precedes 1 January 2020. It refers to the applicable provisions without expressly citing Section 171(3A). Paragraph 47 sends a copy to the concerned CGST/SGST Commissionerate for information, record and necessary action, if any. No numerical deposit deadline, compliance-reporting deadline or fallback recovery direction is stated. Paragraph 48 records pronouncement in open court; the typed and visible signature-annotation dates are 13 August 2026. No cryptographic signature validation, payment or subsequent compliance is certified.

Pinpoint: Operative directions: paragraphs 43–48, physical pp. 27–28. Principal determination: paragraphs 38–42, pp. 26–27; GST-inclusive table, p. 6. Administrative summary: p. 2. Visible signature annotation: p. 28.

04 In favour of

Principally in favour of the authority on Section 171 liability, rejection of the fare-permission defence, Rs. 4,72,038 deposit and 18% collection-to-deposit interest. Vimal benefits from the express exclusion of penalty for the pre-1 January 2020 investigation period and the retained verified transaction exclusions. This is a final substantive determination, not a remand or proof that deposit has been made.

Final substantive result with a penalty qualification: the authority succeeds on the contested liability and quantum issues, subject to the preserved transaction exclusions, while no penalty is imposed. This is not treated as an unqualified victory for either side. Final describes the form and substantive disposition of this judgment, not exhaustion of appellate remedies or absence of a stay.

Pinpoint: Own findings: paragraphs 12–42, physical pp. 14–27; operative deposit and penalty directions: paragraphs 43–46, p. 27.

05 AKHB REVIEW POINT

AKHB analysis: A cinema operator relying on a fare permission should show separately what the permission allowed, which transactions it covered, and how the tax-reduction benefit reached purchasers. A general right to charge up to a ceiling, or an unaccepted representation about future fares, does not answer the pass-through question addressed here. Yet Vimal also demonstrates why transaction-specific verification matters: DGAP's documented Rs. 80/110/125 exclusions survived the final decision. Neither a blanket exemption for approved fares nor a statement that all enhanced-price tickets were assessed accurately describes this judgment.

Prepare a date-linked schedule connecting the pre-reduction price, actual base and cum-tax price, applicable rate, quantity, authority evidence and any excluded sales. Preserve the exact representation periods and obtain the underlying record where the judgment's chronology conflicts. Treat the printed unit-price discrepancies as matters for reconciliation against the full workings, rather than silently adjusting the court-ordered principal or calling the entire computation audited.

For execution advice, retain the actual principal, fund split and collection-to-deposit interest wording, obtain the collection dates and any later direction, and separately check the relevant statutory timing question. The absence of a numerical deadline in this text is not an assurance that payment can be delayed. Verify later appellate or enforcement records before acting. The penalty exclusion is tied to the investigated pre-2020 period and is not a general immunity for future cinema pricing.

Pinpoint: AKHB commentary based on paragraphs 5.4–5.9, 12–42 and 45–47, physical pp. 4–6 and 14–27; read with the stated limits of the supporting-primary and bounded treatment checks.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), commensurate reduction in prices; CGST Rules 2017: Rule 133(3)(c), Consumer Welfare Fund deposit and the ordered interest; CGST Act 2017: Section 109(3), Principal Bench constitution context; CGST Act 2017: Section 172, only in the cited Sudarshan discussion, not an independent relaxation granted here; CGST Rules 2017: Rule 128, complaint history; CGST Rules 2017: Rules 129(1) and 129(6), investigation referral and report; 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 from 1 January 2019; Central Tax Notification 18/2024 dated 30 September 2024, expressly corrected from the source's 24 February 2024 date, Principal Bench empowerment from 1 October 2024; Telangana cinema legislation and G.O. Ms. No. 100 dated 26 April 2013, as described in respondent submissions and cited cinema decisions, not independently authenticated here. Paragraph 46 does not expressly cite a numbered penalty subsection.

Statutory note

The decision applies Section 171(1) and Rule 133(3)(c). Notification 27/2018–Central Tax (Rate), dated 31 December 2018 and effective 1 January 2019, was separately verified as setting the CGST component at 6% for cinema tickets not exceeding Rs. 100. The judgment's 18% to 12% change is combined GST, not the CGST component alone; the Telangana SGST counterpart was not independently retrieved. A targeted check of Notification 31/2019 confirms the express Fund-interest amendment from 28 June 2019, but this judgment actually orders interest from each collection until deposit without that cutoff. No independent ruling on the consistency or retrospectivity of that application is supplied. Paragraph 46 excludes penalty under the applicable provisions because the investigated period predates 1 January 2020; it does not expressly name Section 171(3A). The separate commencement check of that subsection is background and is not represented as an express citation in this order. Paragraph 6 misdates Notification 18/2024 as 24 February 2024; its verified date is 30 September 2024, with effect from 1 October 2024.

Treatment note

A separate normal-TLS official retrieval on 13 October 2026 matched the complete original byte-for-byte. A bounded official-domain search through that date identified no authenticated later decision modifying, staying, reviewing or reversing this precise order. That limited negative result is not proof of no appeal, no stay, present enforceability or compliance. The underlying G.O. Ms. No. 100, the respondent's 2016 and 2019 High Court fare orders, Sudarshan Theatre and the cited cinema precedents are described through this GSTAT judgment unless independently identified otherwise. In particular, the original Sudarshan judgment was not authenticated in the separate primary-source search. Targeted verification of Reckitt Benckiser supports the general commercial-justification context appearing in the DGAP submissions. The connected Supreme Court order of 31 July 2024 is procedural, not merits affirmation. A Delhi High Court order of 9 September 2026 records constitutional appeals and no interim Supreme Court order as of that date; it is not shown to determine a challenge to Vimal or certify current no-stay status.

Scope of source review

One final contested Principal Bench judgment on Vimal 70MM Theatre, Balanagar, Hyderabad, for 1 January–31 July 2019. The Tribunal gives its own reasons on Section 171 pass-through, the legal and evidentiary effect of fare permissions and representations, and ticket-wise quantification. Its substantive character rests on those findings, not merely the administrative Confirmed label or acceptance of a DGAP report. The transaction-specific exclusions are retained; no general exemption for court-permitted ticket increases or all-GSTAT coverage is claimed.

Identity note

NAPA/6/PB/2025; reference ZA070010826000052H; Vimal 70MM, Hyderabad in the caption, Vimal 70MM Theatre, Balanagar in the body; A. Venu Prasad, Member (Technical), Court IV. Final order and visible signature-annotation date 13 August 2026. DGAP report 31 January 2020; investigation 1 January–31 July 2019. Paragraph 10 lists a 19 March 2024 hearing before the recorded October 2024 GSTAT empowerment and differs from the administrative hearing list; its forum and chronology are not independently resolved here. No repaired or exhaustive hearing chronology is supplied. Specific verified exclusions, unit-price mismatch, representation-date inconsistency and misdated notification are retained as qualified source matters.

Primary source

Source description: Complete 28-page official judgment, including administrative summary; all original text pages read and each existing page image individually viewed by the AI author. Separate source review records a fresh official hash match.

Official source: [Open source document](#)

Source pages: 28

Outcome type: final

Additional source

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

Source document: [Open source document](#)

Pinpoint: Separate primary check: complete three-page instrument, clause 1(i)(h) and commencement; cinema CGST component only. Telangana SGST counterpart not independently retrieved.

Official cinema-rate consolidation as of 1 April 2019

Source document: [Open source document](#)

Pinpoint: Separate targeted check of physical p. 40: historical CGST cinema-rate reference aid.

Central Tax Notification 31/2019, 28 June 2019

Source document: [Open source document](#)

Pinpoint: Separate targeted check of pp. 1 and 5, clause 17(c): express Fund-interest amendment. This does not rewrite the actual Vimal collection-to-deposit order.

Central Tax Notification 01/2020, 1 January 2020

Source document: [Open source document](#)

Pinpoint: Separate check of the one-page commencement instrument for Finance (No. 2) Act 2019 Section 112; penalty context, not an express additional citation in Vimal.

Central Tax Notification 18/2024, 30 September 2024

Source document: [Open source document](#)

Pinpoint: Separate check of the one-page institutional instrument, effective 1 October 2024; corrects the source's printed notification date.

Reckitt Benckiser, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Separate targeted check including paragraphs 117–119 and 163: substantiated commercial factors and preserved individual merits challenges. Cited in Vimal's DGAP submissions at paragraph 9.6; no full 142-page reread claimed.

Connected Supreme Court procedural order, 31 July 2024

Source document: [Open source document](#)

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

Delhi High Court connected procedural order, 9 September 2026

Source document: [Open source document](#)

Pinpoint: Separate targeted check of physical pp. 45–46, paragraphs 1–10: constitutional challenges and historical no-interim-order record; no demonstrated challenge to this Vimal judgment.

Disclosures and source rights

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

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