

Director General of Anti-Profiteering v. Devi 70MM

Case number: NAPA/10/PB/2025

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

Decision date: 19 September 2026

Cinema-ticket rate reduction: evidence of pass-through, commercial pricing defences and a confined liability period

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

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

Decision stage: Final reasoned Section 171 liability judgment directing Rs. 81,722 inclusive of GST, with 18% interest for the expressly stated period, divided equally between the Central and Telangana State Consumer Welfare Funds; no penalty.

01 Facts of case and issues

The Principal Commissioner, Central Tax and Central Excise, Hyderabad, filed the original complaint on 28 June 2019 alleging that Devi 70MM did not pass on the cinema-admission GST reduction from 18% to 12% effective 1 January 2019. The formal case title names DGAP as appellant. December 2018 ticket prices were Rs. 118 for Upper and Lower Balcony, Rs. 80 for First Class and Rs. 50 for Second Class. Table B shows the balcony base price remaining Rs. 100 and its gross price falling to Rs. 112; the disputed First and Second Class gross prices remained Rs. 80 and Rs. 50 while their base prices increased. No balcony profiteering was computed.

The original DGAP report dated 27 December 2019 examined 1 January–30 June 2019 and proposed Rs. 1,29,242.85, comprising Rs. 39,066.46 for First Class and Rs. 90,176.39 for Second Class. The NAA internal order dated 7 October 2020, as reproduced, found commensurate reduction from 11 March 2019 and confined reinvestigation to 10 March. It treated the later May price increase as unconnected to Section 171 in this case and acknowledged that the authority was not a price regulator. The revised DGAP report dated 26 November 2020 computed Rs. 81,722 for 1 January–10 March 2019.

Devi argued that it had charged the correct reduced tax, that cinema admission was a service involving no stock of goods or retained ITC benefit, and that different films and commercial conditions justified varying fares within the State-permitted range. It supplied film names and exhibition dates. DGAP answered that documentary evidence did not establish the claimed governmental or producer/distributor control over the actual prices. The issues were whether those defences displaced the duty to pass on the rate reduction and whether the revised computation was established.

Pinpoint: Original sequence: complaint, rates and tickets, paragraphs 1–6, physical pp. 2–3; first investigation and NAA direction, paragraphs 7–10, pp. 4–5; revised report and Tables B/C, paragraphs 12–16, pp. 5–6; respondent submissions, paragraph 19, pp. 7–8. Restarted sequence: DGAP clarification, paragraph 11, p. 8; oral submissions, paragraphs 13–18, p. 9.

02 Discussion by Hon'ble Tribunal

The Tribunal made its own findings on the rate-reduction obligation, service argument and evidence. It found no cogent proof that Devi had reduced the First and Second Class fares from 1 January 2019 or had otherwise passed the tax benefit to viewers. Correctly accounting for tax at the reduced rate was not accepted as proving a commensurate reduction in the price paid by the consumer. The absence of stock or an accumulated ITC benefit did not answer the rate-reduction issue: the registered theatre supplied services and filed GST returns. Although the reasons also use ITC language, no separate ITC benefit is quantified in this decision.

For First Class, Table B displays a base increase from Rs. 67.80 to Rs. 71.43, or Rs. 3.63 per ticket. Table C adds Rs. 0.44 tax, producing Rs. 4.07 per ticket for 6,254 tickets and Rs. 25,453.78. For Second Class, the displayed base rises from Rs. 42.37 to Rs. 44.64, an increase of Rs. 2.27; Rs. 0.27 tax produces Rs. 2.54 per ticket for 22,153 tickets and Rs. 56,268.62. The 28,407 tickets and displayed class totals yield Rs. 81,722.40, while the table total, narrative and order state Rs. 81,722. These are the source's rounded per-ticket figures, not a new computation from the underlying sales records. Paragraph 13 on physical page 6 first prints Rs. 24,453.78 for First Class, then Rs. 25,453.78; Table C uses the latter. The discrepancy is retained.

The Tribunal rejected the unsupported reliance on movie-specific demand, age, performance, weekends and holidays, invoking the passages from Reckitt Benckiser on the pass-through inquiry. Its conclusion must be read with paragraph 30, which expressly preserves lawful, fair and transparent price-setting freedom but denies using that freedom to defeat the statutory benefit. The NAA's earlier limitation of the investigation also prevents treating this judgment as an indefinite price freeze. GSTAT relied on the Sudarshan Theatre passage reproduced in paragraph 21 and treated the DGAP methodology and calculations as unchallenged in paragraph 28. It supported the latter inference with Thangam's specific-denial principles under Order VIII Rules 3 and 5 CPC; that Supreme Court civil case is not itself a decision on this GST liability.

Several source tensions remain material. Paragraphs 6 and 8 call Rs. 75 and Rs. 45 the later reduced base prices for 11 March–8 May 2019, and oral-submission paragraph 13 repeats the 8 May endpoint; finding paragraph 24 instead states 11 March–30 June 2019. This note does not harmonise those descriptions. Original-sequence paragraph 18 names a report dated 27 November 2020, whereas paragraphs 12 and 34–35 identify 26 November 2020; finding paragraph 28 refers back to the original 27 December 2019 report despite discussing the shorter period. Finally, paragraph 31 prints Section 170(1) for a rebuttable presumption. Section 170 actually concerns rounding off and has no subsection (1). The presumption remains the Tribunal's evidential reasoning; the finding of contravention is under Section 171.

Pinpoint: Tables B and C and inconsistent First Class recital: original-sequence paragraphs 12–14, physical pp. 5–6. Later-price recitals: original paragraphs 6 and 8, pp. 3–4; restarted oral paragraph 13, p. 9; finding paragraph 24, pp. 13–14. Cited authorities: finding paragraphs 21–22, pp. 11–13, paragraph 25, p. 14, and paragraph 29, pp. 15–16. Tribunal's own evidence/service/pricing findings: paragraphs 23–32, pp. 13–17. Report dates: original paragraph 18, p. 7; findings paragraphs 28 and 34–35, pp. 15 and 17. Erroneous provision: paragraph 31, p. 17.

03 Judicial decision and operative relief

GSTAT found a contravention of Section 171, rejected Devi's objections and accepted the DGAP report dated 26 November 2020. Paragraph 37 directs deposit of Rs. 81,722, inclusive of the applicable GST component, with interest at 18% from 1 January 2019 to 10 March 2019, as applicable. It allocates 50% of the profiteered amount together with interest to the Central Consumer Welfare Fund and the remaining 50% together with interest to the Telangana State Consumer Welfare Fund. The earlier recital records that the individual consumers were not identifiable and that all ticket sales occurred in Telangana.

The exact operative interest dates are retained. The order does not say that interest runs until payment, nor does it substitute a 28 June 2019 commencement. No numerical deposit deadline is stated in the operative directions. The thirty-day wording in the reproduced Section 171(3A) proviso is not converted into a deadline or a condition attached to this order's relief.

Paragraph 37 expressly provides that no penalty shall be leviable. This judgment supplies no separate commencement-based explanation for that ruling; a rationale from another cinema case is not imported. The Tribunal directs communication to the relevant CGST/SGST Commissionerate, pronouncement in open court and upload to the official portal. The source establishes directions to deposit, not completed payment or compliance.

Pinpoint: Unidentifiable recipients and State scope: original-sequence paragraph 15, physical p. 6. Statutory quotation: restarted finding paragraph 19, pp. 10–11. Liability and report acceptance: paragraphs 31–36, p. 17. Amount, exact interest period, equal fund allocation and no penalty: paragraph 37, p. 17. Communication, pronouncement and upload: paragraphs 38–40, pp. 17–18.

04 In favour of

DGAP and the consumer-protection claim on the adjudicated liability, implemented by equal Central and Telangana Consumer Welfare Fund deposits. Devi received no merits exoneration for 1 January–10 March 2019; the confined investigation period, zero balcony amount and express no-penalty direction qualify the result.

A final substantive determination of Section 171 liability for Rs. 81,722 inclusive of GST, with the expressly stated 18% interest and equal Consumer Welfare Fund allocation. The Tribunal resolved the contested service, pricing and evidential defences rather than merely recording administrative acceptance or closure after compliance. No penalty was imposed. Later appellate treatment and actual deposits are not established by this source.

Pinpoint: Independent Tribunal reasoning: findings paragraphs 23–32, physical pp. 13–17. Final directions: paragraphs 35–40, pp. 17–18.

05 AKHB REVIEW POINT

AKHB analysis: Keep the two limbs of Section 171 separate. A service provider's absence of stock or fresh ITC does not, by itself, answer an allegation that a tax-rate reduction was retained through higher base prices. Test the consumer's actual pre- and post-change price, the corresponding tax and base amounts, the dates, ticket categories and volumes, and contemporaneous evidence of the benefit passed on. A claim that the correct tax rate was charged needs reconciliation with the gross price actually paid.

05 AKHB REVIEW POINT

Commercial repricing and statutory pass-through require distinct evidence. This judgment preserves lawful price-setting freedom and follows an earlier direction excluding the post-10 March period, including a later May increase. It should not be expanded into a permanent tariff freeze or a rule that every change attributable to a different film is unlawful. For a comparable dispute, retain the applicable State instruments, distributor arrangements, film schedules and price-change records, and explain how a genuine commercial change was separated from the tax benefit.

A general denial leaves the computation exposed. Identify each disputed baseline, ticket count, period, rounding assumption and tax-inclusive adjustment, and reconcile it to primary records. Here the displayed components total Rs. 81,722.40 but the amount ordered is Rs. 81,722; the inconsistent First Class recital and competing report dates should be raised against the actual reports, not silently corrected. Preserve the two later-price end dates and distinguish physical-page pinpoints because the original repeats paragraph numbers.

For advice on payment or challenge, start with the precise operative amount, the literal interest period and the express no-penalty direction. Verify any authoritative clarification, later judicial order and actual fund receipts before computing compliance. The absence of a stated operative deadline does not establish a right to defer payment indefinitely. The erroneous Section 170(1) reference supplies no independent statutory presumption, and the mere citation of a historical High Court case does not establish current appellate clearance.

Pinpoint: AKHB commentary based on original-sequence paragraphs 6–16, physical pp. 3–6; respondent paragraph 19 and restarted clarification paragraph 11, pp. 7–8; findings paragraphs 24–32, pp. 13–17; and operative paragraph 37, p. 17. 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 obligation; CGST Act 2017: Sections 171(2), 171(3) and 171(3A), as reproduced in the judgment, with the no-penalty direction separately identified; CGST Act 2017: Section 109(3), Principal Bench constitution as recorded; CGST Rules 2017: Rule 128, original application; CGST Rules 2017: Rules 129 and 129(1), investigation notice and referral; Central Tax (Rate) Notification 27/2018 dated 31 December 2018, historical cinema-rate amendment; Central Tax Notification 23/2022 dated 23 November 2022, historical CCI empowerment as recorded; Central Tax Notification 18/2024 dated 30 September 2024, Principal Bench empowerment; Code of Civil Procedure 1908: Order VIII Rules 3 and 5, in the Thangam passage applied by GSTAT; CGST Act 2017: Section 172, in the reproduced Sudarshan Theatre passage only; CGST Act 2017: Section 170(1), erroneous printed paragraph 31 reference, not an endorsed statutory presumption; CGST Act 2017: Section 170, targeted primary rounding-off check; Central Tax Notification 19/2024 dated 30 September 2024, separate new-request-cutoff context.

Statutory note

Checked 13 October 2026. Section 171(1) covers both tax-rate reductions and ITC benefits. This case adjudicates the former. Notification 18/2024-Central Tax empowers the Principal Bench from 1 October 2024 under Section 171(2) read with Section 109. Notification 19/2024-Central Tax fixes 1 April 2025 as the cutoff for new examination requests; its text does not repeal Section 171 or automatically terminate pending cases. Notification 27/2018-Central Tax (Rate) is the historical cinema-rate amendment effective 1 January 2019, not present-rate advice. India Code Section 170 addresses rounding off and contains no subsection (1); the rebuttable-presumption reference in paragraph 31 is therefore erroneous, and its evidential formulation is attributed to GSTAT rather than treated as statutory text. Its operative interest dates and unconditional no-penalty direction are reproduced without importing a different rule-based period, commencement rationale or payment condition.

Treatment note

Checked 13 October 2026. The separately retrieved official PDF matches the preserved source bytes. Bounded exact-party/case searches and the available official final/interim listings located no later matching stay, recall, reversal or modification of this order. Some live index fetches timed out and were only partly supplemented by indexed pages; this is not a complete current-docket audit or confirmation that no appeal exists. Actual Consumer Welfare Fund deposits have not been verified. Paragraph 21 cites Sudarshan Theatre in W.P. 4760/2021 and W.P. 5351/2021. A discovery lead connects the latter proceeding with Devi, but no matching official historical High Court order text was retrieved in the bounded review; its identity and disposition are not certified here. The cited High Court reasoning remains attributed to GSTAT. The official Supreme Court cause list of 13 May 2026 lists Reckitt SLP(C) 12705/2024, which establishes historical listing only, not a stay, merits approval, final outcome or present pendency.

Scope of source review

One final reasoned anti-profiteering judgment of the GSTAT Principal Bench. The administrative form identifies DGAP as appellant, while paragraph 1 identifies the Principal Commissioner as the original applicant. Earlier NAA directions and DGAP reports are investigation history, distinguished from the Tribunal's own findings. Cited authorities are described as used by GSTAT unless a separate targeted primary check is expressly identified. Paragraph numbering restarts on physical page 8; pinpoints therefore identify the sequence and physical page. This is not ordinary GST appellate coverage or a claim of complete GSTAT coverage.

Identity note

NAPA/10/PB/2025; reference ZA070010926000166H; reserved 7 September 2026 and pronounced/digitally signed 19 September 2026. The formal title names DGAP; paragraph 1 names the Principal Commissioner as original applicant. Numbering restarts at paragraph 11 on physical p. 8 after original paragraph 19. The source distinguishes the original 27 December 2019 report from the revised report accepted as dated 26 November 2020, but paragraph 18 prints 27 November 2020 and paragraph 28 still names the original report. Table C uses Rs. 25,453.78 and Rs. 56,268.62, adding to Rs. 81,722.40; paragraph 13 also prints Rs. 24,453.78, while the ordered amount is Rs. 81,722. Later-price recitals conflict between 8 May and 30 June 2019. Paragraph 31 prints Section 170(1). Paragraph 37 expressly limits its interest dates to 1 January–10 March 2019, orders equal Central/Telangana fund shares and says no penalty.

Primary source

Source description: Complete 18-page official PDF, including Form GST APL-04A and the final reasoned order. Every original page read and individually viewed by the AI author and independent source reviewer; source bytes preserved.

Official source: [Open source document](#)

Source pages: 18

Outcome type: final

Additional source

CGST Act 2017, India Code compilation

Source document: [Open source document](#)

Pinpoint: Sections 170 and 171, physical pp. 122–123: rounding off, pass-through obligation and authority provisions. Targeted statutory check, not a complete legislative audit.

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Paragraphs 1–2, physical p. 1: Principal Bench empowerment and 1 October 2024 commencement.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

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

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

Source document: [Open source document](#)

Pinpoint: Paragraph 1(i)(h), physical p. 2, and paragraph 2, p. 3: historical cinema-entry central-tax amendment and 1 January 2019 commencement.

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

Source document: [Open source document](#)

Pinpoint: Targeted primary check: paragraphs 97 and 117–118. The authority does not establish that genuine commercial repricing is universally prohibited. No final Supreme Court approval is asserted.

Thangam and another v. Navamani Ammal, Supreme Court, 4 March 2024

Source document: [Open source document](#)

Pinpoint: 2024 INSC 164, Civil Appeal 8935/2011, paragraphs 15–16. Targeted primary check confirms civil-pleading observations; GSTAT applies them by analogy, not as a Supreme Court anti-profiteering holding.

Supreme Court daily cause list for 13 May 2026

Source document: [Open source document](#)

Pinpoint: Physical p. 37, connected item 48.20, Reckitt SLP(C) 12705/2024. Historical procedural listing only.

Disclosures and source rights

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