

High Court of Karnataka- Principal Bench at Bengaluru

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Daily Status

Principal Bench at Bengaluru

In The Court Of :Others

Case Number :WA/0001623/2025

THE KARNATAKA STATE FILM CHAMBER OF COMMERCE **Versus** MULTIPLEX ASSOCIATION OF INDIA

Date : 30-09-2025

Business

: 1. Learned AGA accepts notice for respondent No.3. 2. Sri. Nikhilesh Rao M., learned counsel who has filed a caveat for respondent No.1, accepts notice for respondent No.1, as also for respondent No.2. 3. Heard, Sri.V.Lakshminaraya., learned senior counsel for the petitioner, Sri.Udaya Holla., learned Senior counsel for respondents No.1 and 2 and learned AGA for respondent No.3. 4. The submission of Sri.V.Lakshminaraya, learned senior counsel for the petitioner, is that there is a presumption of validity of the constitutionality of any amendment at the time of challenge, and as such, on that ground, there cannot be a stay made of an amendment without considering the validity thereof in detail. 5. Having perused the interim order, it is seen that what has probably played on the mind of the Learned Single Judge is the fact that, if the amendment was not stayed and the petitioner ultimately succeeded in the writ petition, the petitioner would stand to lose earnings permanently. If the amendment is stayed and the petitioners ultimately lose, appropriate orders could be passed about the money collected by the petitioners. 6. Having heard the Learned Counsel for the Petitioners and the Respondents, and after considering the potential harm to the consumers as also members of Respondent No.1, this Court finds that an interim arrangement is required to be made to protect the financial interests of all concerned, pending final adjudication of the writ appeal/petition. However, such protection must be accompanied by safeguards to ensure accountability and transparency, particularly in relation to consumer rights and public interest. 7. Maintenance of Records: 7.1. Respondent No. 1, and all multiplexes operating under its umbrella, are hereby directed to maintain comprehensive and auditable records for every ticket sold. The records must include: 7.1.1. Date and time of sale 7.1.2. Mode of booking (online or at physical counters) 7.1.3. Mode of payment (Credit/Debit Card, UPI, Net Banking, or Cash) 7.1.4. Amount collected 7.1.5. GST component. 7.2. Digitally traceable receipts must be issued for all cash transactions, and daily cash registers must be countersigned by the manager-in-charge of the multiplex. 8. Electronic Transactions: 8.1. In the event that the Petitioners fail in the final adjudication of this writ Appeal/Petition, all amounts collected through electronic means (excluding applicable GST) during the pendency of this litigation must be refunded to the individual consumers who booked the tickets, via the same payment method used for booking. 8.2. Respondent No. 1 shall submit a refund processing plan to the Licensing Authority for approval within 45 days from today, detailing the mechanism for refunds to be made to consumers. The same on approval by licencing authority would have to be placed before this Court for final approval. 9. Cash Transactions: 9.1. For cash-based ticket sales, multiplexes must issue numbered, timestamped receipts to consumers. 9.2. Respondent No. 1 shall propose a mechanism to facilitate voluntary refund claims for consumers who paid in cash, subject to Court approval upon final adjudication. The matter regarding cash transactions will be reviewed after the final hearing. 10. Monthly Compliance Reports: 10.1. Respondent No. 1 shall submit monthly consolidated reports of ticket sales and amounts collected (both electronic and cash), along with a summary of GST remitted, to the Licensing Authority by the 15th of each succeeding month. 10.2. These reports shall be digitally signed and maintained for audit purposes. 11. External Oversight: 11.1. To ensure compliance, an independent Chartered Accountant (CA), jointly nominated by Respondent No. 1 and the State, shall be appointed to audit the monthly compliance reports submitted by Respondent No. 1. 11.2. The appointed CA shall file quarterly audit reports with the Licensing Authority and this Court. 12. Consequences of Non-Compliance: 12.1. In the event that any multiplex fails to comply with the directions set out in this order, particularly with respect to record maintenance or timely reporting, such multiplexes shall lose the benefit of the interim arrangement granted by this Court. 12.2. The impugned Notification shall automatically apply to any multiplex failing to comply with the Court&rsquos directions. 12.3. In cases of persistent or wilful non-compliance, Respondent No.

1 shall report the same to the Licensing Authority, which may take appropriate action, including suspension of the multiplex’s license or imposition of penalties. 13. Public Interest Appropriation: 13.1. In the event that Respondent No. 1 fails in the writ petition/Appeal, any unrefunded or unclaimed amounts (collected via electronic means) shall be deposited into a designated State Welfare Fund and shall be used for public welfare purposes. 13.2. Such funds shall be subject to an audit conducted by the Comptroller and Auditor General (CAG) to ensure transparency and accountability. 14. Public Notice and Display 14.1. Respondent No. 1 shall, within 2 days from the date of this order, publish a summary of this interim order in two widely circulated newspapers (one in English and one in the regional language). 14.2. The summary of this order shall be: 14.2.1. Displayed on the ticket booking portal (both online and physical counters) 14.2.2. Exhibited on-screen before each movie screening in all multiplexes operated by members of Respondent No. 1 for a duration of at least 30 seconds, in English and the regional language 14.2.3. Printed and posted at conspicuous locations in each multiplex foyer and ticket counter area. 14.3. The directions above are issued to balance the interests of the Petitioners, members of Respondent No.1, the State, and the consumers, while ensuring that the Petitioners do not suffer irreparable harm during the pendency of this matter. These interim safeguards are meant to promote transparency, accountability, and public interest, and will be subject to review as the case progresses. 14.4. This order shall be communicated to the concerned Licensing Authorities for immediate compliance. 15. Learned Additional Advocate General at this stage would seek permission to make the present order known to the general public. His request is granted. 16. Objections, if any, to be filed on or before 7.11.2025. Rejoinder, if any, to be filed on or before 21.11.2025. 17. In the meantime, office objections must be complied with. 18. Re-list on 25.11.2025.

Short Order

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Reason for Adjournment

: ADJOURNED

Next Purpose

: NON-COMPLIANCE OF OFFICE-OBJNS FOR 1ST TIME

Honorable Judge