ITEM NO.105 COURT NO.12 SECTION XII-B

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Civil Appeal No(s). 10110-10111/2011

M/S NATIONAL TRADERS Appellant(s)

VERSUS

THE STATE OF KARNATAKA Respondent(s)

Date : 16-07-2026 These appeals were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE ARAVIND KUMAR
HON'BLE MR. JUSTICE VIPUL M. PANCHOLI

For Appellant(s) : Mr. Yashraj Singh Deora, Sr. Adv.
Ms. Anupama Dhurve, Adv.
Mr. Sriram Krishna, Adv.
Mr. Priyesh Mohan Srivastava, Adv.
M/s Mitter & Mitter Co., AOR

For Respondent(s) :Mr. Prateek Chadha, A.A.G.
Mr. Rajesh Gulab Inamdar, AOR
Mr. Sreekar Aechuri, Adv.
Mr. Aniket Chauhaan, Adv.
Ms. Surbhi Soni, Adv.
Mr. Shashwat Anand, Adv.
Ms. Sheena Taqui, Adv.
Ms. Akansha Saini, Adv.
Mr. B L N Sanjit, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. The issue in the present appeal relates to levy of sales tax on the sale of old newspapers under the Karnataka Sales Tax Act, 1957 and Central Sales Tax Act, 1956 relating to the assessment year 2000-2001 to 2002-2003.

2. The appellant claimed exemption based on the judgment of this Court in *Sait Rikhaji Furtarnal and another* v. *State of Andhra Pradesh*, (1992) 85 STC 1:(1991) Suppl. (1) SCC 202. The authorities rejected the exemption claimed and levied tax relying on the judgment of this Court rendered in the case of *Indian Express Private Limited* v. *State of Tamil Nadu*, (1987) 67 STC 474:(1986) SCC Online SC 3 and also the order of this Court in the case of *The Hindu* v. *State of Tamil Nadu*, (1987) SCC Online SC 13:(1987) 67 STC 477, which virtually followed the judgment rendered in *Indian Express* (supra).

3. However, in the instant case, the jurisdictional High Court has reversed the order of the tribunal and allowed the State's revision petition by referring to the judgment of this Court in *Indian Express* (supra) and holding that sale of old newspaper is exigible to sales tax which has led to filing of the present appeal.

4. Though, the learned counsel appearing for the State would submit that perusal of the two judgments and applying the principles laid thereunder to the facts on hand, it can be reconciled, we are of the considered view that the judgment rendered in *Sait Rikhaji* (supra) omitted to take note of the law laid down in *Indian Express* (supra) and thus divergent views have emerged, though it seems to be on two different facets, yet the conclusion that has been arrived at, seems to be relating to sale of 'old newspaper', which was the subject matter of scrutiny by the jurisdictional High Court in the instant case.

5. Hence, for an authoritative pronouncement of law on this issue, the matter requires to be examined by a three-Judge Bench inasmuch as both the judgments referred to hereinabove, namely, *Sait Rikhaji* and *Indian Express,* had been rendered by two Hon'ble Judges of this Court.

6. Hence, the Registry is directed to place this matter before Hon'ble the Chief Justice of India for constituting appropriate Bench or listing this matter before a three-Judge Bench so as to give quietus to the issue referred to hereinabove.

7. On receipt of the opinion that may be rendered by the larger Bench, the matter may be placed before this Court for passing further orders.

(RASHI GUPTA)	**(AVGV RAMU)**
COURT MASTER (SH)	**COURT MASTER (NSH)**