HC-KAR

NC: 2026:KHC-K:12169
WP No. 202979 of 2023

CNR: KAHC030101852023

IN THE HIGH COURT OF KARNATAKA

KALABURAGI BENCH

DATED THIS THE 11TH DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE ASHOK S. KINAGI

WRIT PETITION NO. 202979 OF 2023 (GM-CPC)

BETWEEN:

THE ORIENTAL INSURANCE COMPANY LTD.,
ORIENTAL HOUSE P. B.NO. 7037,
ASIF ALI ROAD, NEW DELHI,
REPRESENTED BY ITS DIVISIONAL MANAGER,
THE ORIENTAL INS. CO. LTD., N. G. COMPLEX,
1ST FLOOR OPPOSITE MINI VIDHANA SOUDHA,
KALABURAGI,
(NOW REPRESENTED BY DIVISIONAL MANAGER)

...PETITIONER

(BY SMT. PREETI PATIL MELKUNDI, ADVOCATE)

Digitally signed by B NAGAVENI
Location: HIGH COURT OF KARNATAKA

AND:

PRASHANT S/O VAIJINATH RAO,
AGE: 42 YEARS,
OCC: PIECE WORK (CONTRACTOR) NOW NIL,
R/O. KOLAR –K, TQ. AND DIST. BIDAR-585401.

...RESPONDENT

(RESPONDENT SERVED)

THIS WRIT PETITION IS FILED UNDER ARTICLE 227 OF THE CONSTITUTION OF INDIA, PRAYING TO

I) QUASH THE ORDER DTD- 20-07-2023 PASSED BY THE PRINCIPAL DISTRICT AND

SESSIONS JUDGE, BIDAR IN E. P. No.345/2018, THE COPY OF WHICH IS AT ANNEXURE-A.

II) ISSUE ANY OTHER APPROPRIATE WRIT, ORDER OF DIRECTION AS THIS HON'BLE COURT MAY DEEM FIT TO GRANT IN THE FACTS AND CIRCUMSTANCES OF THE CASE.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING IN 'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE ASHOK S. KINAGI

ORAL ORDER

1. The petitioner-insurer, aggrieved by the order dated 20.07.2023 passed in Execution Petition No.345 of 2018 by the learned Principal District and Sessions Judge, Bidar (for short, '***the Executing Court***'), has filed this writ petition.

2. Heard the learned counsel for the petitioner.

3. Learned counsel for the petitioner submits that the insurance company is liable to deduct the Tax Deducted at Source ("***TDS***") as per Section 194A(1) of the Income Tax Act, 1961. However, the Executing

Court committed an error in not deducting the TDS as per Section 194A of the Income Tax Act. Hence, on this ground, she prays to allow the writ petition.

4. Perused the records and considered the submissions of the learned counsel for the parties.

5. The point involved in this case is squarely covered by the orders passed by this Court in the cases of (i) ***United India Insurance Co. Ltd v. Seema Begum***[1] (ii) Co-ordinate Bench in the case of ***M/s.Oriental Insurance Co. Ltd v. Smt.Laxmavva alias Laxmi and another***[2]; (iii) the decisions by a Co-ordinate Bench in the case of ***M/s.Balaji Corporate Services and another v. Union of India, Ministry of Finance, Department of Revenue and others***[3].

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[1] W.P. No.202297 of 2022 decided on 16.09.2026 (Kalaburagi Bench)

[2] W.P. No.105599 of 2015, decided on 02.07.2026 (Dharwad Bench)

[3] W.P. No.43206 of 2018 c/w. W.P. No.53718 of 2017 decided on 21.04.2022 (Bengaluru Bench)

6. This Court has already taken a view that the interest awarded in a motor accident claim cases, from the date of presentation of the claim petition till the date of award, is merely an incident to the compensation and does not constitute "***income***" liable to tax.

7. The Bombay High Court in the case of ***Sri. Rupesh Rashmikant Shah v. Union of India and others***[4] has observed that the provisions relating to the deduction of a tax at source under Section 194A of the Act do not determine the taxability of a receipt and deduction of tax at the sources can arise only if the payment itself is in the nature of ***taxable income***. The Court concluded that, interest awarded by the Claims Tribunal for the delayed determination of compensation cannot be treated as an *income* attracting TDS.

[4] (2019) 417 ITR 169

8. Though an amendment was made to Section 194 of the Income Tax Act, including the *enhancement of monetary threshold* by Finance Act, 2026, that does not alter the fundamental position. The charging provision remains unaltered and therefore, the amendment has no bearing on the present controversy.

9. In view of the above discussion, I do not find any grounds to entertain the writ petition.

10. Accordingly, the writ petition is ***dismissed***.

Sd/-
(ASHOK S. KINAGI)
JUDGE

RK
List No.: 1 Sl No.: 14
Ct:pk