



2026:DHC:6294



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
% *Date of decision: 4th August, 2026*

CNR No. DLHC010171332023+ **RFA 366/2023, CM APPL. 23409/2023 (stay)****M/S NATIONAL INSURANCE CO LTD**

Divisional Office at

D.O. 18, 1st Floor, Sector-13,

R.K. Puram

New Delhi-110066.

Authorised Representative at

National Legal Vertical

National Insurance Company Ltd.

2 E/9, Jhandewalan Extension

New Delhi-110055

.....Appellant

Through: Mr. Lalit Chauhan, Ms. Laxmi
Chauhan, Mr. Manish Yadav, Ms.
Jasmine Chauhan, Mr. Anith Johnson
and Ms. Ankita Niranjani, Advocates.

versus

M/S KANPUR DELHI GOODS CARRIERS LTD

Admn. Office at:

4110, Navya Bazar,

Delhi-110006

.....Respondent

Through: Mr Rajan Sabharwal and Mr. Mohd.
Saqib, Advocates.

CORAM:**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA****J U D G M E N T (oral)**

1. *The present Appeal* under Section 96 read with Order XLI Rule 1 read with Section 151 of the Code of Civil Procedure, 1908 (*hereinafter referred to as 'CPC'*) has been filed by the Appellant/M/s National



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Insurance Company Ltd., *against the Judgment and decree dated 21.01.2023* of the learned Additional District Judge, Patiala House Courts, New Delhi.

2. The Plaintiff/Respondent *filed a Civil Suit bearing CS(OS) No. 58009/2016* for claiming Rs.18,00,000/- along with *pendente lite* and future interest @15% p.a., on account of repudiation of the Insurance Claim for the truck of the Appellant that was stolen in the night of **7th and 8th March, 2012**. An **FIR No. 96/2012** under Section 379 of the Indian Penal Code, 1860, *dated 09.03.2012*, at Police Station Tilak Marg, was registered.

3. The Insurance Company had appointed *M/s Lakshman Dass Arora & Associates* as their *Surveyor*, who recorded the statement of the driver of the Plaintiff and concluded that there was negligence on the part of the driver of the Plaintiff.

4. The Surveyor submitted his Report on 04.06.2012. Thereafter, on 15.01.2013, the Defendant sent a Letter seeking the comments from the Plaintiff. However, even before the Plaintiff could give his response *vide* Letter dated 31.01.2023, the claim of the Plaintiff was repudiated on 30.01.2013 itself. The Plaintiff thus, claimed Recovery of Rs.18,00,000/- along with 15% interest.

5. **The Defendant** in its **Written Statement**, took the defence that after the theft of the truck was reported, it had appointed its Surveyor, who had recorded the statement of the driver and had conducted the survey and found that the negligence was on behalf of the Plaintiff and consequently, repudiated the claim of the Defendant on 30.01.2013.



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6. The Plaintiff in his **Replication**, reaffirmed and reiterated the contents of the **Plaint**.

7. **Issues were framed by the learned Additional District Judge**, which are as under:-

- (i) *Whether the Respondent (Original Plaintiff) has not come with clean hands and suppressed material facts? OPD*
- (ii) *Whether the Respondent (Original Plaintiff) has violated the Condition No.5 of the Policy as averred by the Appellant (Original Defendant) in the Written Statement? OPD*
- (iii) *Whether the written stated is filed by the authorized person, signed and verified by the department? OPD*
- (iv) *Whether the Respondent (Original Plaintiff) is entitled for the recovery of Rs. 24,75,000/? OPD*
- (iv) *Whether the Respondent (Original Plaintiff) is entitled for interest on the aforesaid amount. If so, for what period and at what rate? OPP*
- (v) *Relief*

8. The Plaintiff in support of his case, examined **PW-1, Mr. Ranbir Singh, Managing Director**, who deposed about the contents of the **Plaint**, by way of his Affidavit, Ex.PW-1/A. He proved the documents **Ex.PW-1/1 to Ex.PW-1/39**, in support of his assertions.

9. **PW-2, Mr. Livleen Singh, Director of the Plaintiff Company**, corroborated the testimony of PW-1. The Defendant/Insurance Company examined

10. **DW-1, Mr. Raghunath Panwar, Authorized Representative of the Insurance Company**, who tendered his evidence by way of Affidavit and



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also proved the *Insurance Policy Survey Report, Repudiation Letter and the various other Letters as Ex.DW-1/1 to Ex.DW-1/12.*

11. The **learned Additional District Judge**, on appreciation of the evidence, concluded that the Insurance Company has not examined either the Surveyor or the driver on whose statement, the Surveyor had concluded that there was negligence on the part of the driver of the Plaintiff.

12. Though, Survey Report had been placed on record but it was held that the same had not been proved by its author and therefore, no value could be attached to such report.

13. Furthermore, it had emerged from the testimony of the Plaintiff as well as, that of the Defendant that there was only one key to the truck, which had been issued by the dealer and that the said key had been handed over to the Insurance Company, thereby proving that the driver had locked the truck properly and that there was no negligence on the part of the driver.

14. Furthermore, the claim that it was the truck, which was not attended by some person to ensure his safety, ***was rejected*** by saying that the driver had duly locked the truck and had parked it near his house and no negligence was proved on the part of the Insurance.

15. The Suit of the Plaintiff for recovery of Rs. 18,00,000/- was decreed. It was further held that interest of ***15% was justified considering that the inordinate delay in clearing the claim of the Plaintiff***, has prevented him from use of his own money, which could have been utilised by him to buy a truck. Consequently, interest @15% p.a. was granted.

16. The Appellant/Insurance Company has filed the First Regular Appeal wherein the grievance is only in respect of ***the interest being granted @15% p.a.***



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17. It is asserted that as per **Section 34 of CPC**, only the prevailing market rate of the interest, would have been granted. **In terms of the proviso to Section 34, the prevailing interest rate was @9% p.a. to @12% p.a. and the grant of 15% interest, was not justified.**

18. It was further contended that the interest component payable over the last more than 10 years, is coming out to be *more* than the principal amount of Rs.18,00,000/-. It is thus contended that the interest amount be modified and reduced.

19. Learned counsel for the Appellant has vehemently contended that the interest rate of 15%, be reduced between 9% to 12%, considering the duration of this long trial.

20. **Learned counsel for the Respondent** has submitted that from the initial report itself, it was evident that there was only one car key, which had been submitted to the Surveyor and therefore, from the record itself, it was evident that there was no negligence on the part of the Plaintiff and that the Insurance Claim had been repudiated, without any basis.

21. The learned Trial Court has not only rightly granted the Insurance claim, but has also given detailed reasons for granting the interest @15%. It is submitted that there is no merit in the present Appeal, which may be dismissed.

Submissions heard and the record perused.

22. **The only challenge in the present Appeal, is in respect of the payment of the interest under Section 34 of CPC.**

23. The power to award pendente lite and future interest flows from Section 34 of the CPC and is based on the principle that a party deprived of the use of money rightfully due to it ought to be compensated for the period



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during which such money remained withheld.

24. The law on the subject is well settled. In Clariant International Limited v. Securities and Exchange Board of India, (2004) 8 SCC 524, the Supreme Court held that interest can be awarded in terms of an agreement or statutory provisions, or by reason of usage or trade having the force of law, or on equitable considerations. In the absence of any agreement or statutory provision or a mercantile usage interest payable can be only at the market rate, upon establishment of the totality of circumstances justifying the exercise of such equitable jurisdiction.

25. This was endorsed in Rampur Fertiliser Limited v. Vigyan Chemicals Industries, (2009) 12 SCC 324.

26. In M/s Tomorrowland Limited v. Housing and Urban Development Corporation Limited, 2025 4 SCC 19, it was further endorsed that the award of interest is a discretionary exercise, steeped in equitable considerations.

27. Therefore, it is evident that grant of interest is the discretion of the learned Trial Court. If there are cogent reasons and explanation given for grant of particular rate of interest, the same cannot be interfered with, in the Appeal unless shown to be an arbitrary exercise of discretion.

28. From the Judgment, it is evident that firstly, the Insurance Claim of the Plaintiff, had been repudiated without any basis, despite there being an admission on the part of the Insurance Company that the single key of the vehicle, had been handed over to the surveyor; thereby, confirming that the vehicle had been locked and due care and caution as mandated in the given circumstances, were duly exercised by the driver.



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29. Despite being aware of all these facts, the Insurance Company without making an independent assessment of whether there was any negligence, chose to rely upon its own Surveyor's Report, to conclude that there was negligence on the part of the Plaintiff and therefore, denied the assertions.

30. The second aspect is that the learned District Judge, had rightly noted that the Plaintiff is a business organization involved in transportation of goods and had the money come in the hands of the Plaintiff, it could have been used profitably for the purpose of business or for the purpose of buying the truck for replacing the stolen truck. However, by not paying the Insurance Claim timely, the Plaintiff has been deprived of his legally entitled money.

31. Considering the entire circumstances, the interest of 15% on the claim amount, was given, considering that the interest is in the nature of compensation payable on the liquidated amount under the Agreement or Statute.

32. The learned District Judge has rightly exercised his discretion in granting interest @15%. There is no ground for modifying the rate of interest.

33. **There is no merit in the Appeal, which is hereby, dismissed.** The pending Application(s) are also disposed of, accordingly.

(NEENA BANSAL KRISHNA)
JUDGE

AUGUST 4, 2026/RS