



* IN THE HIGH COURT OF DELHI AT NEW DELHI

% *Reserved on: 12th February, 2026*
Pronounced on: 23rd March, 2026

+ RFA-294/2023

M/S L-COMPS & IMPEX PVT. LTD.

809-A International Trade Tower,
Nehru Place, New Delhi- 110019,
And Registered office at:
182/63 Industrial Area Phase-I,
Chandigarh

.....Appellant

Through: Mr. Anunaya Mehta, Mr. Inder
Adhikari, Mr. Vidhan Malik and Ms.
Anandita Tayal, Advocates.

versus

M/S UNITED INDIA INSURANCE CO. LTD.

Through its Manager/Secretary/MD,
24, Whites Road, Chennai-00014,
And Regional Office at:
K-31, Connaught Place,
New Delhi-110001

.....Respondent

Through: Mr. Ravi Bakshi, Advocate.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. This Regular First Appeal is directed against the Judgment and Decree dated 22.11.2022 whereby the Ld. Additional District Judge **dismissed the suit for Recovery** filed by the Appellant/Plaintiff, *M/s L-Comps & Impex Pvt. Ltd.*



2. ***Briefly Stated***, the Appellant is a Private Limited Company, engaged in manufacture and trading of FMCG products, including food items, with its registered office at Chandigarh and its corporate office at Nehru Place, New Delhi. The Respondent is a Public Sector Insurance Company, carrying on general insurance business, with its head office at Chennai and regional office at Connaught Place, New Delhi.
3. On 18.02.2014 the Respondent issued in favour of the Appellant, a composite “*Standard Fire and Special Perils / Burglary*” Policy bearing No. 110200/11/13/11/00000287 for the period 18.02.2014 to 17.02.2015, for a total sum insured of ₹6,95,00,000/-, upon payment of premium of ₹52,125/-. Consequently, the stock lying in the Appellant’s godown at C-20, Okhla Phase-I, New Delhi *was insured for ₹2,00,00,000/-* under this Policy.
4. On the morning of 12.03.2014, when the Appellant’s employees opened the Okhla godown, they found that the *net/jali* on the roof of the cold storage facility/godown had been broken and a part of the stock was missing. Police were immediately informed and FIR No. 180/2014 under Section 380 IPC was registered at PS Okhla Industrial Area, *on the same day*.
5. The Appellant handed over an approximate list of missing goods valued at ₹5,70,585/- to the police, with a clear remark that only about 50% of the stock had been counted and the balance was yet to be checked. Subsequently, after full verification with the computerized Stock Register, a detailed list of stolen items valuing ₹13,92,223.25 was supplied to the Investigating Officer which forms part of the final untraced *report accepted by the Ld. Trial Court*.



6. The Appellant lodged a claim with the Respondent under the Insurance Policy, enclosing the requisite Claim Form and supporting documents. The Respondent appointed a surveyor, *M/s Alka Gupta & Associates*, to investigate and assess the loss. Ultimately, by Letter dated 16.07.2015, Ex PW1/7, the Respondent repudiated the claim, broadly on three grounds:

“(i) that the net on the roof was “already cut” and the Appellant had failed to take reasonable care of the property;

(ii) that there was a delay of about 40 days in intimation, contrary to the condition requiring immediate notice and submission of claim within 15 days; and

(iii) that there was no forcible and violent entry or exit at the main entry/exit point and, therefore, the loss was not covered under the “Burglary BP Policy”.”

7. Aggrieved by the same, the *Plaintiff/Appellant* filed a Suit on 28.08.2015 seeking **Recovery of ₹16,28,901.15** (being ₹13,92,223.25 as value of stolen goods and ₹2,36,677.90 as pre-suit interest at 12% per annum up to 15.07.2015), together with pendente lite and future interest.

8. The *Defendant/Respondent*, filed their **Written Statement** in which they submitted that that the Appellant had intimated the theft to the insurer, only after about forty days and had not lodged the Claim within the stipulated period, and such delay, by itself, made the claim non-maintainable.

9. Further, the Respondent, relied on *FIR No. 180/2014 dated 12.3.2015, PS Okhla Industrial Area, Delhi*, to assert that *the roof net/jali was cut/broken prior to the incident of theft dated 12.03.2014*. The Appellant had acted in gross negligence and failed to take reasonable care to safeguard



the insured property, thereby taking the incident outside the scope of the Policy.

10. The Plaintiff in their **Replication**, vehemently denied any gross negligence and reaffirmed the assertions made in the Plaint.

11. The Ld. Trial Court *vide* Order dated 04.01.2019 framed the following issues:

“(1) Whether the Plaintiff is entitled for recovery of suit amount as claimed? OPP.

(2) Whether the Plaintiff is entitled for interest as claimed? OPP.

(3) Whether the claim of the Plaintiff is time barred in view of insurance policy or the other provisions of law? OPD.”

12. **The Appellant Company examined PW-1 Mr. Gautam Singh, its Authorised Representative**, who in his affidavit of evidence, Ex PW-1/A, stated that he was duly authorised *vide* Board Resolution Ex. PW-1/1 by the Board Resolution dated 09/03/2015 to depose on behalf of the plaintiff Company.

13. PW-1 reiterated the assertions made in the Plaint and proved the composite Insurance policy, Ex. PW-1/3, for the period 18/02/2014 to 17/02/2015 against a total insured value of goods of Rs. 6,95,00,000/-, at the godown at C-20, Okhla Phase-I, New Delhi, being specifically covered to the tune of Rs. 2,00,00,000/-. He also proved the *Untraced Report* Ex. PW-1/4, submitted by the Investigating Officer (*Hereinafter referred to as “I.O.”*). The Claim was rejected *vide* Repudiation letter dated 16.07.2015 Ex. PW-1/7.



14. The ***Respondent, despite opportunities, did not cross-examine PW-1 and did not lead any evidence.*** The Respondent was ultimately, proceeded *ex parte* on 10.11.2021.

15. Thereafter, on an Application by the Appellant, additional evidence was permitted. *PW-1 filed an additional affidavit* exhibiting the computerized Stock Register extract for the Okhla godown as on 12.03.2014 Ex. PW-1/9, showing stock worth about ₹2.78 crores, the initial chart PW-1/10 given to the police on 12.03.2014 valuing the partially counted missing goods at ₹5,70,585/-, with a remark that 50% stock remained to be counted.

16. **The Ld. Trial Court *vide* impugned Judgment dated 22.11.2022, held** that the *Appellant was grossly negligent in not maintaining the roof net*, thereby facilitating the theft and attracting the *General Exclusion (A) Clause 11* of the Insurance Policy. The Appellant had failed to substantiate the claimed loss of ₹13,92,223.25, as the additional affidavit only showed a figure of ₹5,70,585/-.

17. It was further observed that the delay of 40 days in intimation, was in breach of *General Conditions (B) Clause 6* of the Insurance Policy condition regarding immediate Notice and filing of claim within 15 days therefore, was fatal to the claim of the Plaintiff.

18. ***Thus, the Ld. Trial Court, consequently, dismissed the Suit of the Appellant/Plaintiff.***

19. Aggrieved, the present Appeal has been preferred by the Plaintiff/Appellant. The ***grounds of challenge*** are that the Ld. Trial Court has erred in its finding of gross negligence, by treating the FIR as substantive evidence. The theft was committed by breaking open the



jali/net of the godown and the statement of the first person who discovered the theft, only meant that when he reached the godown in the morning, he found the goods missing and the *jali/net* already broken. It does not mean and cannot reasonably be read to mean that the *jalli/net* had been lying broken even before the incident, especially in the absence of any evidence to the contrary.

20. Ld. Trial Court erred in holding that the Plaintiff had not promptly intimated the theft to the insurer, as FIR bearing No 180/14 was lodged with PS Okhla Industrial Area, Delhi on the same day and intimation was thereafter, given to the Insurer within a reasonable time of forty days, after the initial outcome of the police investigation.

21. It is submitted that the Ld. Trial Court has erred in observing the claim of the Plaintiff is valued at ₹.5,70,585/- and it remained unsubstantiated for the value of ₹13,92,223.25/- as the Plaintiff, on 21.04.2014, had already submitted the complete list of stolen goods Ex. PW-1/4, amounting to ₹13,92,223.25/- to the Investigating Officer, which formed part of the Final Report.

22. The Respondent, despite appearance, has not filed any Reply to the present Appeal.

23. Submissions Heard and Record Perused.

24. Admittedly, the Appellant held a valid composite Insurance Policy covering its Okhla godown, wherein a theft occurred on 12.03.2014 by breaking open the roof net/*jali*. An FIR was promptly lodged on the same day, that the goods worth ₹13,92,223.25/-, were found to be stolen. The Final *untraced report* Ex. PW-1/4, was filed by the Police, before the MM., on 20.05.2014.



25. The following questions arise for consideration:

- I. Whether there was negligence on the part of Appellant, which led to the theft?;
- II. Whether the delay of about 40 days in intimation and filing of the claim disentitles the Appellant?; and
- III. Whether the Appellant has substantiated the quantum of loss amounting to ₹13,92,223.25?

I. Whether the Appellant was Negligent:

26. ***First contention is whether the finding by Ld. District Judge of negligence that the net on the roof, was “already broken”, and the Appellant failed to repair it, thereby negligently exposing the insured goods to theft and consequent rejection of Claim under Clause 11 of General Exclusion (A) of the Insurance Policy, is correct.***

27. The General Exclusion (A) Clause 11 of the Insurance Policy Ex PW-1/3 reads as under:

“(A) General Exclusions

11. Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike, Malicious Terrorism Damage cover.”

28. The incident of theft, was first reported by Sh. Bijay Kumar, Manager employed with the Appellant, to the police, on whose statement, the FIR was registered. The relevant part of the Complaint, is reproduced *infra*:

“...jab hamne aaj apne cold store ko check kiya to usmein sarsari taur par nimnlikhit samaan gayab mila aur jiski chhat ki jali pahle se tuti hui thi...”



29. *Mr. Bijay Kumar* stated that when he checked the cold store/godown that morning, certain stock was found missing and the roof net was found broken. *However, an ambiguity exists as to whether the net/jali was broken prior or at the time of the incident by the thieves, while committing theft on 12.03.2014.*

30. FIR, although an important document being the first information about the commission of the offence, is only for the initiation of investigations. It is not a complete encyclopaedia of the entire investigations, but a point of commencement to establish the complete chain of events and to trace the culprits. It cannot be not treated as substantive evidence and can be used only for corroboration under *Section 157* of the Evidence Act, 1872 or for contradiction under *Section 145* of said Act.

31. In order to clear the aforementioned ambiguity, the Authorised Representative of the *Plaintiff/Appellant*, **PW-1 Sh. Gautam Singh**, was examined by the Appellant, who deposed *inter alia*:

*“That on 12.3.2014 when employees of the plaintiff company reached the Godown of the plaintiff company at Okhla in morning time and open the locked they noticed that **by breaking open the Jali of Room some materials stored over there were stolen** and accordingly the concerned police was informed by the officials over there.”*

32. However, the Respondent, despite opportunities, did not cross-examine PW-1 and did not lead any evidence to show that the *net/jali* was damaged, prior to the incident. It would not be appropriate to conclude that the *jali* was broken since prior to the incident, which facilitated the theft. Rather, the statement of *Mr. Bijay Kumar*, on whose statement FIR was registered as well as unchallenged testimony of PW-1 proves that the



net/jali was cut in order to commit the theft. No negligence on the part of the Appellant, was therefore, established.

33. Therefore, Respondent cannot be held to be justified to *reject the Claim under Clause 11 of General Exclusion (A) of the Insurance Policy.*

II. Whether there was Delay in Intimation of theft to the Insurance Company:

34. The Ld. Trial Court held that the intimation of theft was given to the Respondent on 23.04.2014, after a delay of forty days and the Claim was not lodged within 15 days, in terms of the Policy.

35. General condition (B) of Clause 6 of the Insurance Policy Ex. PW-1/3, provided as under:

“(B) General Conditions

6(i). On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company...”

36. This aspect was considered by the Supreme Court in Om Prakash v. Reliance General Insurance and Anr., (2017) 7 SCC 116, wherein it was held that the condition of immediate intimation "*should not bar settlement of genuine claims particularly when the delay in intimation or submission of documents is due to unavoidable circumstances*" and that "*the decision of the insurer to reject the claim has to be based on valid grounds*" and not purely technical ones.



37. A Full Bench of the Hon'ble Supreme Court, in Gurshinder Singh vs. Shriram General Insurance Co. Ltd., (2020) 11 SCC 612, has categorically held that:

*"20. We, therefore, hold that when an insured has lodged the FIR immediately after the theft of a vehicle occurred and when the police after investigation have lodged a final report after the vehicle was not traced and when the surveyors/investigators appointed by the insurance company have found the claim of the theft to be genuine, then **mere delay in intimating the insurance company about the occurrence of the theft cannot be a ground to deny the claim of the insured.**"*

38. In the present case, the incident of theft took place on 12.03.2014. Although, the insurer was informed after about 40 days, the FIR 180/14 was lodged with PS Okhla Industrial Area, Delhi promptly by the Appellant Company's manager, *Mr. Bijay Kumar on the same date.*

39. Further, the Repudiation letter of 16.07.2015, shows that the Respondent did not reject the claim at the threshold for delayed intimation; on the contrary, it processed the claim on merits and appointed a surveyor, *M/s Alka Gupta & Associates*, and only after full investigation, relied on delay, as an additional ground.

40. *Once the insurer had itself verified the theft and the loss of goods through its Surveyor, **a technical delay in intimation could not be treated as a mandatory ground** to reject an otherwise, genuine claim.*

41. *The ground of delay for repudiation, is therefore, not tenable.*

III. Whether the Claim for loss of Goods amounting to ₹13,92,223.25 was substantiated:



42. **Third**, with regard to the unsubstantiated quantum of loss, the Ld. Trial Court has treated the figure of ₹5,70,585/- in Ex. PW-1/10, as the only proved amount and has, on that basis, held the higher figure of ₹13,92,223.25 as unsubstantiated. This is a misreading of Ex. PW-1/10, which itself recorded that it was an approximate list prepared on the spot, covering only about half the stock, and that further counting is to be done. It is natural that at the time of lodging of FIR and initial inspection, only a rough estimate would be given; after reconciliation with stock records and physical verification, a fuller and corrected List was furnished.

43. PW-1, *Mr. Gautam Singh*, has specifically deposed that the list of missing goods totalling to ₹13,92,223.25, was worked out on the basis of the computerized stock records, which was given both to the Investigating Authorities as well as the Insurer, and formed part of the final *Untraced Report Ex. PW-1/4*.

44. There is nothing on record, to suggest that the computerized *Stock Register Extract Ex. PW-1/9* is fabricated or manipulated. On the contrary, the stock position of roughly ₹27,782,707.59/-, out of which only about ₹13,92,223.25 is claimed as stolen, lends credibility to the claim inasmuch as the Appellant is not attempting to inflate the loss to the Policy limit.

45. In view of the foregoing discussion, the claim of ₹13,92,223.25 towards value of stolen goods, was wrongly rejected by the Respondent, especially when it failed to contest the Suit or challenge the testimony of PW-1 or question the genuineness of the Stock Register.

Conclusion:

46. In view of the aforesaid discussion, the impugned Judgement and Decree dated 22.11.2022, is hereby set aside. The Suit of the Appellant is



hereby, decreed in the sum of ₹13,92,223.25 along with Pre-suit interest at 9% per annum from 13.03.2014 till the realisation of the amount.

47. The Appeal is accordingly, **allowed**. Decree Sheet be prepared.

48. Pending Application(s) if any, are disposed of, accordingly.

(NEENA BANSAL KRISHNA)
JUDGE

MARCH 23, 2026

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