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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of Decision: 26th May, 2025***

\+ CM(M) 1004/2025& CM APPL. 33018-33019/2025

THE MANAGER (CLAIMS) LIFE INSURANCE CORPORATION OF INDIA & ANR. .....Petitioner

Through: Mr. Rajesh Mahindru and Mr. Ashish Singh, Advocates

versus

CHANDA DEVI .....Respondent

Through: None

CORAM:
HON'BLE MR. JUSTICE MANOJ JAIN

J U D G M E N T ***(oral)***

1. Ms. Chanda Devi (respondent herein) filed a complaint under Consumer Protection Act, 2019 before the learned *Delhi State Consumer Disputes Redressal Commission* (in short 'State Commission').

2. Such complaint was, eventually, decided in favour of the consumer/complainant on 23.11.2021. Relevant directions are found contained in Para-15 and Para-16 of the aforesaid order whereby the opposite party was, *inter alia*, directed to pay Rs. 22,06,614/- along with interest @ 6% p.a.

3. Feeling aggrieved, the opposite party i.e. petitioner herein, filed First Appeal bearing no. 34 of 2022, before the learned National Consumer Disputes Redressal Commission (in short 'NCDRC').

4. Such appeal was dismissed by the learned NCDRC on 13.03.2025,

observing that there was no justification that warranted intervention in the order of learned State Commission.

5. Fact remains that while dismissing the appeal in Para-13, learned NCDRC observed that non-disclosure of a *material fact* made the policy *void ab initio* and, therefore, relying on the principle of *uberrima fides*, it justified the act of appellant in repudiating the claim. Thus, impliedly and evidently as well, it found merit in the appeal.

6. However, in direct contrast to such specific observation going in favour of the appellant, learned NCDRC, in the next breath, went on to hold that there was no requirement of interfering with the order of learned State Commission and dismissed the appeal.

7. To understand the aforesaid aspect, Para-13 & 14 of impugned order dated 13.03.2025 are extracted as under: -

> *13. The established position of law is that an insurance policy constitutes a contract of insurance which is based on the principles of ubberima fide. This principle requires life assured to disclose the material facts honestly at the time of obtaining the policy. The disclosure ¡n the proposal form dated 09.09.2011 that the DLA did not suffer from pre-existing illness therefore, amounted to suppressing of 'material facts'. The Hon'ble Supreme Court has clearly held in* ***Satwinder Kaur Sandhu*** *(supra) that it is not for the life assured to determine what constitutes 'material facts' and that in the event of the fact of pre-existing diseases being honestly disclosed, the DLA could well have been entitled to either disallow the policy or consider the same subject to a higher premium as per its policy. <u>However, the nondisclosure made the policy void ab initio on the principles of ubberima fide and therefore, the appellant was justified in repudiating the claim by the respondent.</u>*
>
> *14. For the reasons stated above, we find no justification warranting our intervention in the order of the State Commission. The same is accordingly upheld and the appeal is dismissed. In the facts and circumstances of the case, there shall be no order as to costs."*
>
> *(emphasis supplied)*

8. There is, evidently, some disconnect and dissonance between the

aforesaid two Paras and it is not feasible to read these two paras in a harmonious manner.

9. Naturally, if the learned NCDRC was of the view that there was suppression of *material fact* and the claim was to be repudiated, there was no reason to have dismissed the appeal. The other possibility could be that the observations mentioned in para 13, as extracted above, were unintended and out of some inadvertence.

10. Be that as it may, the appellant based on the aforesaid specific observations filed application seeking review of said order dated 13.03.2025.

11. Aforesaid review application was heard in chamber by learned NCDRC, and it seems that without appreciating the aforesaid paradox and apparent conflict, review has been dismissed on 28.04.2025, holding that there was no error apparent on the face of the record which warranted any intervention.

12. According to learned counsel for petitioner, the policy-holder had suppressed *material facts* regarding his health and previous medical treatment, and thus had obtained the policy in a fraudulent manner and, therefore, they were justified in repudiating the claim on 27.11.2015.

13. Be that as it may, fact remains that order dated 28.04.2025 neither takes into account the specific averments made by the petitioner in his review application, nor does it answer, or even address, the aforesaid incongruity.

14. None appears on behalf of the respondent.

15. It is also apprised that aforesaid review application was dismissed *in limine* and no notice was even issued. Further, the hearing was also not

conducted in open Court.

16. In view of the aforesaid, the present petition is disposed of with request to learned NCDRC to consider the aforesaid review application, afresh.

17. Learned NCDRC would, in particular, assess whether there exists any conflict, or contrasting observations, particularly with respect to what has been mentioned in Para-13 & Para-14 of impugned order dated 13.03.2025.

18. Petitioner is disposed in the aforesaid terms.

19. Petitioner is directed to appear before learned NCDRC on 02.06.2025.

20. All the pending applications are also disposed of in aforesaid terms.

21. A copy of the order be given *dasti* under the signatures of the Court Master.

MANOJ JAIN, J

MAY 26, 2025/*dr/shs*