

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 4559 OF 2010

Narendra Babarao Deshmukh

...Petitioner

Versus

1. Life Insurance Corporation of India
2. The National Consumer Disputes Redressal Commission
3. Maharashtra State Consumer Disputes Redressal Commission
4. The Consumer Disputes Redressal District Forum ...Respondents

WITH
CIVIL APPLICATION NO.7 OF 2025
IN
WRIT PETITION NO. 4559 OF 2010

Mr. Narendra Babarao Deshmukh, Petitioner (in person).

Advocate Manish Kelkar a/w Ms. Saakshi Bhosale & Ms.Gauri Phadake for Respondent No.1 – LIC.

CORAM : R.I. CHAGLA AND
FARHAN P. DUBASH, JJ.

RESERVED ON : 21st NOVEMBER, 2025.

PRONOUNCED ON : 16th DECEMBER, 2025.

JUDGMENT : (Per R.I. Chagla, J.)

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1. By this Writ Petition, the Petitioner has impugned Order dated 10th February, 2003 passed by the Insurance

Ombudsman; Order dated 9th August, 2004 passed by the District Consumer Disputes Redressal Forum; Order dated 9th March, 2005 passed by the State Consumer Disputes Redressal Commission; Order dated 19th December, 2006 passed by the National Consumer Disputes Redressal Commission; and Review Order dated 30th October, 2009 passed by the National Consumer Disputes Redressal Commission (collectively, the “impugned orders”) and has sought for quashing and setting aside of the same.

2. The facts briefly stated are as under:

(i) The Petitioner is a holder of four individual Life Insurance Corporation of India (“**LIC**”) policies and is a nominee in the individual LIC policies of Mr. Jitendra B. Deshmukh and Ms. Bhagyashree B. Deshmukh (Original Petitioner Nos. 2 & 3, now deceased). The details of these six individual policies issued under different terms have been provided in tabular form by LIC and which has been reproduced hereinafter.

(ii) The Original Petitioner No.1 (referred to as “Petitioner”) had been substituted in the array of parties in place and stead of Original Petitioner Nos. 2 & 3 as a nominee - legal representative on account of their death vide Orders dated 22nd February, 2023 and 13th November, 2024 passed by the Registrar (Judicial – I) of this Court.

(iii) The Petitioner discontinued payment of premiums after paying for a few years i.e. in some cases after 3 years and in others after 5 years and thereafter each policy automatically converted to Reduced Paid-up Policy as per Non-Forfeiture Regulations – Condition No.4 of the “Conditions and Privileges” forming part of the respective policy contracts.

(iv) There were disputes between the Petitioner and LIC as to the interpretation of the Non-Forfeiture Regulations – Condition No.4 and for which the Petitioner approached the Insurance

Ombudsman in the year 2002-2003 seeking payment of paid-up value under the policy with bonus additions before the date of maturity mentioned in the Schedule of Policy. The Insurance Ombudsman by Order dated 10th February, 2003 dismissed the Petitioner's complaints holding that the paid-up value under such policies become payable only on the scheduled maturity date or upon the death of the Life Assured (whichever is earlier) and that the Petitioner's interpretation of Condition No.4 was untenable.

(v) The Petitioner filed six Complaints before the District Consumer Dispute Redressal Forum under Sections 11 and 12 of the Consumer Protection Act, 1986 ("the Act"). The District Consumer Forum by common Order dated 9th August, 2004 passed under Section 14 of the Act in Complaint Nos. 91 to 96 of 2003 re-iterated that the LIC had rightly informed the Petitioner that the Reduced Paid-up value is payable only at maturity or death, and dismissed all

six complaints with costs.

(vi) The Petitioner aggrieved by the Order dated 6th August 2004, filed 6 Appeals before the Maharashtra State Consumer Redressal Commission under Section 15 of the Act. The State Consumer Redressal Commission by common Order dated 9th March, 2005 passed under Section 17 of the Act in Appeal No.2035 to 2040 of 2004 confirmed the District Forum's findings.

(vii) The Petitioner then approached the National Consumer Dispute Redressal Commission by filing Appeals under Section 21(a)(ii) of the Act. The National Consumer Dispute Redressal Commission by Orders dated 19th December, 2006 and 23rd October, 2007 upheld the concurrent findings and dismissed the Appeal.

(viii) The Petitioner thereafter filed a Miscellaneous Application before the National Commission in

October, 2009 seeking recall or review of the earlier orders. The National Commission found no grounds to recall or review the earlier orders and dismissed the Miscellaneous Application despite delay in filing, on merits on 30th October, 2009.

(ix) The Petitioner has accordingly filed the present Writ Petition on 7th June, 2010.

3. By the impugned orders, it has been held that the Respondent No.1 – LIC has acted strictly in accordance with the contractual terms of the policies and the governing Non-Forfeiture Regulations (“**NFR**”). The Petitioner by this Petition has sought for this Court to interpret Condition No.4 pertaining to Non-Forfeiture Regulations which forms a part of the 6 LIC policies in a manner contrary to the interpretation by the Authorities in the impugned orders.

4. It is necessary to reproduce Condition No.4 which reads as under:

“4. Non-Forfeiture Regulations: *If, after atleast three full years premiums have been paid in respect of this Policy, any subsequent premium be not duly paid, this Policy shall not be wholly void, but shall subsist as a paid-up policy for a reduced sum payable on the Date of Maturity or at the Life Assured’s prior death provided the paid-up sum assured is not less than Rs.250/-. The amount of paid-up assurance per integral number of years’ premiums paid is calculated as per the Table. The policy so reduced shall thereafter be free from all liability for payment of the within-mentioned premium, but shall not be entitled to participate in future profits. The existing vested bonus additions, if any, will remain attached to the reduced paid-up policy.*

Notwithstanding what is above stated, if after atleast three full years’ premiums have been paid in respect of this Policy, any subsequent premium be not duly paid, in the event of the death of the Life Assured within six months from the due date of the first

unpaid premium the policy moneys will be paid as if the Policy had remained in full force after deduction of (a) the premium or premiums unpaid with interest hereon to the date of death on the same terms as for revival of the policy during such period, and (b) the unpaid premium falling due before the next anniversary of the Policy.

Notwithstanding what is above stated, if after atleast five full years premiums have been paid in respect of this Policy, any subsequent premium be not duly paid, in the event of the death of the Life Assured within 12 months from the due date of the first unpaid premium, the policy moneys will be paid as if the Policy had remained in full force after deduction of (a) the premium or premiums unpaid with interest hereon to the date of death on the same terms as for revival of the policy during such period and (b) the unpaid premiums falling due before the next anniversary of the Policy.”

5. The Petitioner who appears in person has submitted that Condition No.4 extracted above would apply once the LIC Policy holder has paid premium continuously for atleast three or five full years, and then does not pay premiums for the entire tenure. It is then, that the Policy would not be treated as having lapsed, merely because subsequent premiums were not paid. It is his submission that the policy automatically converts into “Reduced Paid-up Policy” which remains in force, albeit for a proportionately reduced sum assured, depending upon the number of years’ premium actually paid and for “*a legally determined date of maturity of the converted reduced paid up policies*”.

6. The Petitioner has interpreted the said Condition No.4 to read as where three full years’ premium has been paid to LIC, then LIC must treat the policy as continuing for a further six months from the date of the first unpaid premium, and where five full years’ premiums has been paid to the LIC, the coverage must extend for a further twelve months from the first unpaid premium. The Petitioner has claimed that if the life assured dies during this extended period, the nominee or legal heir is entitled to receive the full policy amount,

subject to the deduction of the unpaid premiums with interest. Further, in the event, no death occurs during the said six or twelve months, the policy stands matured and LIC must pay the reduced sum assured together with vested bonuses on the legally determined date of maturity of the converted reduced paid up policies which as per the Petitioner is the date of completion of six months / twelve months respectively.

7. The Petitioner submits that the exercise of power of LIC is with a view to ensure that the Life Insurance Business is developed to the best advantage of the community within the meaning of provisions of Section 6(1) of the LIC Act, 1956. He has submitted that the said Condition No.4 protects the confidence of the individual policy holder and the individual so that their part of the money is safely secured and legally remains protected and this secured sense of feeling generated by the Non-Forfeiture Regulations Clause in the LIC Policy has to a great extent contributed to the development of the Life Insurance Business of LIC.

8. The Petitioner has further submitted that the release of the reduced paid up amount alongwith vested bonus as per the Non-

Forfeiture Regulations clause – Condition No.4 in the form of actual cash payment is guaranteed under Section 37 of the LIC Act, 1956 by the Central Government.

9. The Petitioner has submitted that the release of the actual cash payment as per the Non-Forfeiture Regulations provision is statutorily authorized by conferring power on LIC within the provisions of Section 6(2)(f) of the LIC Act which provides “do all such thing as may be incidental or conducive to the proper exercise of any of the powers of the co-operation”.

10. The Petitioner has submitted that as per the provision of Section 6(3), 2(6)(10) of the LIC Act, 1956 read with Section 2(11) and 113 of the Insurance Act, 1938, “the date of maturity” of the reduced paid up policy as per Non-Forfeiture Regulations is on the expiry of six months in the case of three years’ insurance premiums having been paid and the further LIC premium installments falling due and remaining unpaid. He has submitted that these provisions of the LIC Act provide for the very principle objective and purposive element of providing life insurance cover as per the Non-Forfeiture Regulations Clause of the LIC Policy and which policy ceases to exist

after the expiry of six months from the date of three years' LIC premium being paid and further LIC premium falling due and remaining unpaid. LIC in these facts and circumstances is no more liable to discharge its functions on the point of Life Insurance Business principle under the said Reduced Paid-up Policy.

11. The Petitioner has submitted that the term and expression "so far as may be" used in Section 6(3) is expansive of the future contingencies of the happening or non happening of certain events in future based on human life which is the fundamental basis of the Life Insurance Business Principles of the LIC. Therefore, LIC is not liable to continue with providing of Life Insurance Business risk cover under the said Non-Forfeiture Regulations after the expiry of six months or twelve months in case of number of premiums being paid for three years or five years respectively and thereafter the premium due remaining unpaid.

12. The Petitioner has submitted that it is well settled that when the statute mandates a particular thing is required to be done in a particular manner, it must be done only in that manner and not otherwise. He has placed reliance upon the Judgment of this Court in

Vijay Pundlikrao Gohod & Ors., Vs. Vidarbha Youth Welfare Society, Amravati & Ors.,¹. He has also placed reliance upon the Judgment of the Supreme Court in ***Balram Kumawat Vs. Union of India and Others***² in support of his submission that a statute must be construed as a workable instrument and that the interpretation thereof by a Court should be to secure that object, unless crucial omission or clear direction makes that end unattainable. It has also been held that whilst interpreting a statute the consideration of the inconvenience and hardships should be avoided and that when the language is clear and explicit and the words used are plain and unambiguous, the Courts are bound to construe them in their ordinary sense with reference to other clauses of the Act or Rules as the case may be, so far as possible, to make a consistent enactment of the whole statute or series of statutes / rules / regulations relating to the subject matter. The Courts have to ascertain the intention of the law-making authority in the backdrop of the dominant purpose and the underlying intendment of the said statute and that every statute is to be interpreted without any violence to its language and applied as far as its explicit language admits consistency with the established rule of

1 2007(2) ALL MR 643

2 (2003) 7 SCC 628

interpretation. He has submitted that applying these principles it is clear that the interpretation of the Non-Forfeiture Regulations Clause as canvassed by the Petitioner ought to be accepted.

13. The Petitioner has submitted that the epicenter of this Writ Petition and legal controversy involved is the clear and conscious illegal and unlawful interpretation of the Non-Forfeiture Regulations – Condition No.4 of the six LIC policies by LIC as well as the impugned orders which has been passed by the respective Forum. He has submitted that the provisions of the Non-Forfeiture Regulations are clear and unambiguous and requires no interpretation as the need for interpretation arises only in the case of ambiguity or uncertainty within the meaning of the terms and expression applied in the said Non-Forfeiture Regulations.

14. The Petitioner has submitted that in incorporating the Non-Forfeiture Regulations, the date of maturity of the Reduced Paid-up Policy is to be legally and lawfully calculated and determined in the prompt discharge of the legal obligations by the LIC. He has submitted that by LIC linking the date of maturity of converted Reduced Paid-up Policy with the date of maturity of the Fully Paid up

Policy, LIC has failed in its duty of prompt discharge of its legal obligations as provided under the LIC Act, 1956 read with the provisions of the Insurance Act, 1948. He has submitted that the interpretation of LIC results in avoidance of the legal duty and obligations of the LIC. He has submitted that in the discharge of LIC's functions it is required under Section 6(3) to act so far as may be on business principles. This is to be read with provisions of Section 2(3)(4) of the LIC Act. In the relevant context of the LIC policies and the converted Reduced Paid-up Policies, the Non-Forfeiture Regulations is the Life Insurance Business within the meaning of aforementioned sections. By LIC stretching the date of maturity of the converted Reduced Paid-up Policy beyond the period of such six or twelve months as the case may be would result in LIC controverting and violating the material relevant contractual contextual provisions of Section 6(3) of the LIC Act and the relevant contextual material provisions of Section 2 (11) of the Insurance Act.

15. The Petitioner has submitted that the LIC by omitting to consider the overriding regulatory provisions of the Non-Forfeiture Regulations viz. the second last and last Paragraph therein which are

having the basis and support of the provisions of Section 6(1)(2)(3) of the LIC Act has resulted in denial of equality before law and equal protection of law to the Non-Forfeiture Regulations Policy Holder which violates Article 14 of the Constitution of India.

16. The Petitioner has submitted that the contingent date of maturity of the converted Reduced Paid-up Policies is prescribed within the two overriding regulatory conditions of the Non-Forfeiture Regulations – Condition No.4 of the LIC policies as provided in the bottom two paragraphs of the Non-Forfeiture Regulations. The contingent date of maturity of the Non-Forfeiture Regulations in the event of converted Reduced Paid-up Policy is made dependent and contingent upon happening and non-happening of the two future uncertain events i.e. either “death” or “remaining alive” occurring within the prescribed period of six months or twelve months. The contingent date of maturity of the Non-Forfeiture Regulations in the converted Reduced Paid-up policy is on the expiry or immediately on the next following day of the expiry of the period of six months or twelve months (dependent on the LIC premiums being paid either for three years or five years) and is definitely determined finally.

17. The Petitioner has submitted that LIC is obligated to promptly, carefully and consciously exercise its statutory duties, functions and obligations as per the provisions of Section 43 of the LIC Act read with Section 2(11) of the Insurance Act and immediately release proper payments due and payable as per the relevant material provisions of the Non-Forfeiture Regulations in respect of the subject six converted Reduced Paid-up policies which have actually matured. LIC is to release of proper payments on the expiry of six or twelve months as regulated and restricted within the regulatory overriding two conditions of the Non-Forfeiture Regulations provisions which are made determinative, decisive and final.

18. The Petitioner has submitted that the LIC by failing in its aforementioned duty, amounts to legal malice and malafide conduct on their part. He has placed reliance upon the decision of the Supreme Court in *Punjab State Electricity Board Ltd. Vs. Zora Singh & Ors.*³ at Paragraph 40 in this context.

19. The Petitioner has submitted that the LIC being a State

3 (2005) 6 SCC 766

cannot act like a private litigant and is bound and liable to act as a responsible litigant tilting towards settlement of the insurance claim urgently and not by acting negligently and / or carelessly. The LIC ought to have settled the Petitioner's legal claim which is amounting to Rs.9,64,261.38 till 31st March, 2024 or an amount of Rs.14,60,224.46 in the event the claim of Rs.7,30,112.23 demanded on 4th January, 2017 had been allowed and paid and which has now doubled in the span of 7 years, taking into account interest at 15% per annum. He has submitted that this legal claim is as per the Non-Forfeiture Regulations i.e. at the end of the period of six or twelve months in the event the LIC premiums have been paid for three years or five years respectively.

20. The Petitioner has submitted that all the impugned orders have misinterpreted the Non-Forfeiture Regulations – Condition No.4 in a manner contrary to its plain language and which renders the impugned orders null and void ab initio, nullity in the eyes of law and non-est and the same requires to be quashed and set aside.

21. Mr. Manish Kelkar, learned Counsel appearing for

Respondent No.1 – LIC has submitted that LIC disagrees with the interpretation advanced by the Petitioner of revision of date of maturity in case of non-payment of all premium installments. He has submitted that on a plain reading of the Non-Forfeiture Regulations – Condition No.4, it is clear that the subject LIC policies continue to remain valid till the date of maturity albeit for a reduced sum assured, except in cases where the policy holder demises before the date of maturity.

22. Mr. Kelkar has submitted that the Petitioner in the present case despite not paying up the premium for the entire tenure, continued to remain insured for the entire tenure for the reduced sum assured. LIC has acted only as per their contractual obligations as has been rightly held by all the Authorities in the impugned orders.

23. Mr. Kelkar has submitted that the Petitioner is a holder of four LIC policies & nominee in two LIC policies i.e. totalling six LIC policies issued under different terms. He has for the sake of brevity provided the summary of relevant details of policies which are reproduced as under:

I Sr. No.	II Name/ Type of Policy	III Policy Number/ Instalment Amt	IV Sum Assured Amt.	V Comm- ence Date	VI Date of Maturity	VII First Unpaid Premium (FUP)/ Reduced paid-up sum assured	VIII Date of Maturity of Reduced Paid Up Policy as claimed by Petitioner
1.	Narendra Deshmukh / Endowment Assurance Policy	66800751 / Rs.249.40	25,000/-	28 March 1984	28 March 2009	March 1992 / Rs.8,000/-	28 March 1993
2.	Narendra Deshmukh / Money Back Policy	890105723 / Rs.327.50	5000/-	4 July 1990	4 July 2010	July 1994 / Rs.1,400/-	4 January 1995
3	Narendra Deshmukh / Money Back Policy	890111618 / Rs.412.60	5000/-	8 March 1991	8 March 2006	March 1995 / Rs.1,700/-	8 September 1995
4	Narendra Deshmukh / Money Back Policy	917052699 / Rs.410.90	5000/-	2 July 1989	2 July 2004	July 1995/ Rs.418/-	2 July 1995
5	Bhagyashree Deshmukh / Money Back Policy	890111121 / Rs.409.50	5000/-	6 March 1991	6 March 2006	March 1995 / Rs.1,700/-	6 September 1995
6	Jitendra Deshmukh / Money Back Policy	890111572 / Rs.413.60	5000/-	5 March 1991	5 March 2006	March 1995 / Rs.1,700/-	5 September 1995

24. Mr. Kelkar has submitted that the Petitioner, Bhagyashree Deshmukh and Jitendra Deshmukh discontinued payment of

premiums after paying them for few years as per Column VII of the above table and each such policy automatically stood converted into a Reduced Paid-up Policy as per the Non-Forfeiture Regulations - Condition No.4 of the “Conditions and Privileges” forming part of the policy contract. He has submitted that in case of unfortunate demise of the policy holder till the original maturity date of policies, they were entitled to receive “reduced paid up sum assured” as per Column VII in the table hereinabove alongwith the accrued bonus.

25. Mr. Kelkar has submitted that the relevant Condition No.4 clearly provides that upon payment of atleast three full years’ premiums, if any subsequent premium is not duly paid, the policy shall not become wholly void but shall continue as a paid-up policy for a reduced sum assured. The policy so converted shall thereafter subsist as a paid-up policy for a reduced sum payable on the date of maturity or at the Life Assured’s prior death provided the paid-up sum assured is not less than Rs.250/-

26. Mr. Kelkar has submitted that the interpretation advanced by the Petitioner that date of maturity is revised based on the date of reduced paid up premium is wholly erroneous and

contrary to both the language and intent of Condition No.4 of the “Conditions and Privileges” attached to the policies. The Non-Forfeiture Clause, on a plain reading, does not create any new or shortened maturity date but merely preserves a reduced benefit in the form of a reduced sum assured upon discontinuance of premium payments. The clause thus ensures that the policy holder does not lose all benefit of the premiums paid, but it does not substitute or alter the original maturity date expressly printed in the policy schedule.

27. Mr. Kelkar has submitted that the Non-Forfeiture Clause is meant only to protect the policy holder from losing all benefits if premiums stop, it does not create an early maturity or change the basic terms of the policy agreed upon at issuance.

28. Mr. Kelkar has submitted that in case the Petitioner desired to receive any amounts prior to maturity, then they had the option to seek a “surrender value” as per unamended Section 113 of the Insurance Act, 1938. He has submitted that in the present case, LIC had offered the Petitioner an option to surrender the policies and receive the surrender value before maturity vide letter dated 8th June,

2002 alongwith with a Discharge Form and Declaration Form No.5074 which were also sent, but the Petitioner declined this option and returned the surrender forms. He has submitted that having refused the contractual right to surrender, the Petitioner cannot further demand full maturity payments prematurely under a self-interpreted formula inconsistent with the policy.

29. Mr. Kelkar has submitted that the Miscellaneous Application filed by the Petitioner before the National Commission in October 2009 seeking recall or review of the earlier orders was rejected on the ground that under Regulation 14 of the Consumer Protection Regulations, 2005, any Review Application must be filed within thirty days from the date of passing or receipt of the order under Section 22(2) of the Consumer Protection Act, 1986. The Petitioner filed the application over two years later, without any explanation or request for condonation of delay and hence, it was clearly time-barred. He has submitted that the Consumer Forums are expected to decide cases expeditiously within 90 days where no evidence is required and within 150 days where evidence is to be led and that the Petitioner had slept over his rights for more than two

years without any valid reason. He has submitted that in these circumstances, the National Commission found no ground to recall or review its earlier orders and dismissed the Miscellaneous Application as without any merit.

30. Mr. Kelkar has submitted that the contentions of the Petitioner proceed on an incorrect premise that the maturity date is preponed and thus all the grounds of challenge which proceed on this premise are denied in toto since it is factually incorrect to say that the maturity date is preponed.

31. Mr. Kelkar has submitted that the LIC has always been ready and willing to make payment of the reduced paid-up value on maturity, alongwith vested bonuses if any, subject to production of discharge forms, policy bonds, NEFT details, and KYC particulars. He has submitted that LIC even sent e-mail communications dated 13th January, 2024 and 23rd January, 2024 requesting the Petitioner to submit the required documents in compliance with the Court's directions dated 8th January, 2024 and 15th April, 2024. However, the Petitioner failed to complete the documentation despite reminders.

32. Mr. Kelkar has submitted that the total maturity amount payable under the six reduced paid-up policies stands at Rs.33,708/- as of the present date, which LIC is ready to disburse immediately upon receipt of the requisite documents. He has submitted that this clearly shows that LIC has never denied its contractual obligation but only insists on compliance with procedural requirements.

33. Mr. Kelkar has submitted that LIC is a public institution whose funds and surpluses are meant for the security and benefit of policy holders, leaving no room for any private or profit motive.

34. Mr. Kelkar has submitted that the scope of judicial review under Article 226 does not extend to re-appreciating evidence or re-interpreting contractual terms already adjudicated upon by competent quasi-judicial bodies. He has submitted that the present Writ Petition involves no question of public law or violation of any constitutional or statutory duty. It is purely a contractual dispute, for which the Petitioner had already availed and exhausted the remedies available to them under the Consumer Protection Act and under the terms of the policy. Having failed before the competent forums, the Petitioner has now invoked the extraordinary jurisdiction of this

Court under Article 226, which is impermissible in law except in exceptional circumstances as recognized by the Supreme Court in various cases. He has in this context placed reliance upon the Judgment of the Supreme Court in *Assistant Commissioner of State Tax and Ors., Vs. Commercial Steel Limited in Civil Appeal No.5121 of 2021 dated 3rd September, 2021 at Paragraph 10.*

35. Mr. Kelkar has submitted that all the impugned orders dated 9th August 2004, 9th March 2005, 19th December 2006 and 30th October 2009 are lawful, valid and based on proper interpretation of the Non-Forfeiture Regulations and the policy conditions. He has submitted that LIC has neither violated any statutory provision nor denied any legitimate claim of the Petitioner. LIC remains ready and willing to settle the maturity amount of Rs.33,708/- strictly in accordance with the terms of the policies upon the Petitioner furnishing the requisite documents. He has submitted that this demonstrates LIC's good faith and compliance with its statutory obligations.

36. Mr. Kelkar has accordingly submitted that the present Writ Petition be dismissed with costs.

37. Having considered the submissions, the issue which arises in the present Writ Petition is whether under the Non-Forfeiture Regulations – Condition No.4 of the LIC Policy, in case the policy is converted to a Reduced Paid-up Policy, the policy subsists till the date of maturity or till a new “proportionate maturity date” i.e. completion of six months / twelve months from non-payment of premium after payment of premium for 3 years or 5 years respectively.

38. From the plain language of Condition No.4 it is evident that upon payment of atleast three full years’ premiums, if any subsequent premium is not duly paid, the policy shall not become void but shall continue as a paid-up policy for the reduced sum assured. The policy so converted shall subsist till the date of maturity or till the Life Assured’s prior death (whichever is earlier). The interpretation advanced by the Petitioner that the date of maturity is revised based on the date of reduced paid-up premium is erroneous and contrary to both the plain language and intent of Condition No.4. The Non-Forfeiture Clause, on a plain reading, does not create any new or shortened maturity date but merely preserves a reduced

benefit in the form of a reduced sum assured upon discontinuance of premium payments. Thereby the Non-Forfeiture Regulations ensure that the policy holder does not lose all benefits of the premiums paid, but it does not substitute or alter the original maturity date expressly printed in the policy schedule.

39. The Petitioner in the present case is holder of four individual LIC policies and nominee in two individual LIC policies i.e. totaling six individual LIC policies and it can be seen from the details which have been enumerated in the aforementioned chart, the Petitioner after paying premiums for few years i.e. in some cases three years and in other cases five years had discontinued payment of premium. The policy had accordingly automatically stood converted into Reduced Paid-up Policy as per said Condition No.4 of the “Conditions and Privileges” forming part of the policy contract. The original maturity dates of the policies would remain unaffected and only in the event of unfortunate demise of the policy holders till the original maturity date of policies, the Petitioner will be entitled to receive “reduced paid up sum assured” as per Column VII in the table hereinabove alongwith the accrued bonus.

40. The quasi judicial bodies whose orders are impugned in the present Petition have all interpreted the Non-Forfeiture Regulations – Condition No.4 in the manner interpreted by LIC. If the interpretation of the Petitioner of the Non-Forfeiture Regulations Clause was to be accepted, this would result in undermining the actuarial basis of endowment and money-back policies. This would in effect turn every paid up policy into one that matures early disturbing the balance between the premium payments, risk coverage, and maturity benefits.

41. Further, if the interpretation of the Petitioner is to be accepted, it would result in a situation where policy holders (like the Petitioner in the present case) are given a free hand and permitted to alter/prepone the maturity date of the policy as per his own whims and fancies, by choosing not to pay premium (after three/five years) and then demanding that the Insurance company give him the maturity benefits immediately upon the expiry of 6/12 months of such default, instead of on the agreed maturity date of the policy. Such an interpretation is clearly contrary to the language of Condition No.4.

42. The Petitioner in the present case who has not paid the premiums for the entire tenure continues to remain insured for the entire tenure of the reduced sum assured. The Petitioner cannot seek the reduced sum assured mid course. Accordingly, we are of the view that LIC has acted only as per contractual obligations as held by all the Authorities below.

43. We also find much merit in the submission of Mr. Kelkar for LIC that the present dispute is a contractual dispute, for which the Petitioner has availed and exhausted the remedies available to the Petitioner under the Consumer Protection Act and under the terms of the policy. The Petitioner having failed before the competent forums, has now sought to invoke the extraordinary jurisdiction of this Court under Article 226, which is impermissible in law except in exceptional circumstances as recognized by the Supreme Court in various cases. In *Assistant Commissioner of State Tax (supra)* the Supreme Court has held that there are exceptional circumstances where the existence of an alternative remedy is not an absolute bar to the maintainability of a Writ Petition under Article 226 of the Constitution. These exceptional circumstances are as under:

- (i) a breach of fundamental rights;
- (ii) a violation of the principles of natural justice;
- (iii) an excess of jurisdiction; or
- (iv) a challenge to the vires of the statute or delegated legislation.

44. The invoking of writ jurisdiction in the present case is not in the exceptional circumstances as laid down by the Supreme Court in the above decision. The present Writ Petition involves no question of public law or violation of any constitutional or statutory duty. It merely seeks interpretation of contractual terms viz. Non-Forfeiture Regulations for which the scope of judicial review under Article 226 does not extend.

45. Accordingly, we find no merit in the present Writ Petition. LIC has neither violated any statutory provision nor denied any legitimate claims. In fact it has been stated on behalf of LIC that LIC is ready and willing to settle the maturity amount of Rs.33,708/- strictly in accordance with the terms of the policies upon the Petitioner furnishing the requisite documents.

46. The Judgments relied upon by the Petitioner do not in any manner come to the Petitioner's aid in the interpretation of the Non-Forfeiture Regulations – Condition No.4 which is the only issue that arises in the present Writ Petition.

47. The Writ Petition is accordingly dismissed. There shall be no orders as to costs.

48. Civil Application No.7 of 2025 does not survive and is accordingly disposed of.

49. It is made clear that the dismissal of the present Writ Petition will not come in the way of the Petitioner claiming the maturity amounts strictly in accordance with the terms of the LIC policies and as per the Non-Forfeiture Regulations as interpreted in this Judgment.

[FARHAN P. DUBASH, J.]

[R.I. CHAGLA, J.]

Kavita S.J.
RJ-WP 4559.2010.doc