

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/VC Mode (Hybrid)]*

**ITEM No.11**

**IA. Nos. 356, 583, 586, 587, 689, 720, 735/2024,  
161/2025, IA (IBC) (Plan) 03/2025,  
929/2025, 163 & 295/2026 in  
C.P. (IB) No. 32/BB/2023**

**IN THE MATTER OF:**

M/s. Religare Finvest Ltd. ... Petitioner

Vs.

M/s. Stelligence Pharmscience Ltd. ... Respondent

**Petition under Section 7 of I&B Code, 2016**

**Order delivered on: 24.04.2026**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA  
HON'BLE MEMBER (TECHNICAL)**

**COUNSELS PRESENT:**

For the RP : Shri Shashank Nagendran  
The RP-in- Person : Shri Naveen Kumar

For the Respondent in  
IA.163/2026 : Shri Janak Purohit *for Shri Sandeep Huligol*

For R-18 in IA.720/24 : Ms. Apoorva  
For Respondent in  
IA.161/2025 : Shri Hari Prasad, (New India Assurance Co. Ltd.)

For Respondents in  
IA No.583/2024 : Shri Arjun Ajay  
For the IA (Plan) 3/2025 : Shri Biwsajith Dubey

**ORDER**

IA.No.161/2025 **is dismissed** vide separate order.

IA. No. 583/2024 **is disposed of** vide separate order.

IA.No.356/2024 **is allowed** vide separate order.

**I.A. (IBC) (Plan) No.3/2025:**

1. It is informed that additional documents has been filed vide dy.no.2036 with compliance of last order requirements and Bank Guarantee has been extended till 29.04.2026, and has already heard arguments. Further submits that there are no objections and fully satisfied with the Plan.
2. List the matter **on 28.05.2026 for Clarification**, if any.

**I.A.No.929/2025**

1. This application has been filed by Ex-employees of the C.D. It is informed that pleadings are completed.
2. **For hearing, list the case on 28.05.2026.**

**I.A.No.163/2026:**

1. Ld Counsel for Respondent requested time to file objections. Two weeks is granted to file objections with supply of copy to other side. Another two weeks for Applicant to file rejoinder with direct exchange of copies.
2. **List the case on 28.05.2026.**

**I.A.No.295/2026:**

1. This application is for recalling order dated 09.12.2025 filed by Applicant.
2. In view of restoration of power supply to the Corporate Debtor upon payment, nothing survives for adjudication. **The Application is accordingly dismissed as infructuous.**

**List the case on 28.05.2026.**

**-Sd/-**

**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd/-**

**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**

BL

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU**  
*(Exercising powers of Adjudicating Authority under  
The Insolvency and Bankruptcy Code, 2016)*

**I.A. No. 161/2025**

in

**C.P. (IB) No. 32/BB/2023**

*(filed under Section 60 (5), Section 18 (f) and 25 (2) (a) of the Insolvency  
and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules , 2016)*

**IN THE MATTER OF:**

**Mr. Naveen Kumar Jain**

Resolution Professional of  
Stellence Pharmscience Pvt. Ltd.,  
A2/223, U.G.F Janakpuri New Delhi – 110058

...Applicant

**Versus**

**The New India Assurance Company Limited**

87, M.G. Road, Fort, Mumbai– 400 001  
Also at: Davangere Division Office 289/12,  
C G Hospital Road, A M Aracade 2<sup>nd</sup> Floor,  
Davangere Karnataka – 577002

.....Respondent

**IN THE MAIN MATTER OF:**

**M/s. Religare Finvest Ltd.**

Having its registered office at  
1407, 14th Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi – 110019

...Petitioner / Financial Creditor

**Versus**

**M/s. Stellence Pharmscience Pvt. Ltd.**

Registered Office at: No.456, 1A & 1B,  
Industrial Area, Jigani, Bangalore– 562 106.

... Respondent / Corporate Debtor

**Order Delivered on: 24.04.2026**

**Coram:** Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)  
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

**Counsels Present:**

For the Applicant : Shri Shashank Nagendran  
For the Respondent : Shri Hariprasad

**ORDER**

1. This Application has been filed on 13.12.2024 under Section 60 (5), Section 18 (f) and 25 (2) (a) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016 by Shri **Naveen Kumar Jain** Resolution Professional of M/s. Stelling Pharmscience Pvt. Ltd. ("Corporate Debtor") for the following reliefs: -

- (a) Allow the present Application.
- (b) Set Aside the repudiation order passed by Respondent dated 07.03.2024 being passed after the Commencement of Corporate Insolvency Resolution Process Period.
- (c) Issue Appropriate Directions to Respondent to pay **Rs. 41,26,683 (Forty-One Lakhs Twenty-Six Thousand Six Hundred Eighty-Three only)** to Applicant towards the amount of insurance claim admitted and approved by the respondent dated 13.04.2023.
- (d) Issue Appropriate Directions to Respondent to pay **Rs. 41,26,683 (Forty-One Lakhs Twenty-Six Thousand Six Hundred Eighty-Three only)** to Applicant towards the amount of insurance claim admitted and approved by the respondent dated 13.04.2023.

2. Brief facts of the application are given hereunder:

- a. The Company Petition CP(IB)/32/BB/2023 was admitted on 06.03.2024 thereby initiating Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, which is an MSME engaged in manufacturing of Active Pharma Ingredients and Intermediates and the Respondent No.1 was appointed as the Interim Resolution Professional. Subsequently after being approved by the CoC, Respondent No.1 was appointed as the Resolution Professional of the Corporate Debtor vide order dated 25.06.2024 in IA 337/2024.
- b. The Corporate Debtor's assets were insured by the Respondent under **Fire and Special Perils Policy No. 68050011200100000093** which was taken

- before the commencement of CIRP. On 21.11.2020, a fire incident occurred on or around at the plant located at No. 456, 1A and 1B, Industrial Area, Jigani, Bengaluru of which the Corporate Debtor had lodged a claim for **Rs. 2,64,49,602** vide **claim ID 68050011200190000002**.
- c. The Respondent had initially assessed the loss at Rs. 2,52,76,387 but after surveys, loss assessments, procedures, and investigations, its Divisional Office at Davangere intimated to the Corporate Debtor on 13.04.2023 that a Settlement voucher of Rs 41,26,683/- (Rupees Forty One Lakhs Twenty Six Thousand six hundred and eighty three only) has been sanctioned as the full and final settlement of the claim under Policy No 68050011200100000093 in respect of the Fire incident occurred on 21.11.2020 at the plant of the Corporate Debtor.
- d. However, on 07.03.2024 after commencement of CIRP and during the period of moratorium, the Respondent repudiated the claim and Settlement voucher of Rs 41,26,683 dated 13.04.2023 citing technical reasons that fire affected item is a single machinery and invoking exclusion clauses particularly Clause 7 relating to electrical short-circuit in the Standard Fire & Special Perils Policy and absolved itself from any liability under the claim of the Corporate Debtor.
- e. On receipt of the Repudiation letter, Mr. Sabil T, General Manager of the Corporate Debtor informed the Respondent on 07.03.2024 that Corporate Debtor's plant is not a single machinery but a set of machinery and that such assessment was already done by the surveyor, assessment team and is a part of the assessment sheet prepared by the Respondent but despite multiple follow-ups, Respondent did not reply to any of the communications sent by the Corporate Debtor.
- f. Thereafter, on 22. 08.2024, the applicant issued notice to Respondent on the matter by giving 7 days period for the resolution of the same and also issued mail to Chairman cum Managing Director of the Respondent on 23.08.2024

however despite repeated follow-ups, Respondents has not paid anything to the Applicant.

- g. The Applicant states that he is duty bound to take custody of assets of the Corporate Debtor under Section 18 (f) read with 25 (2) (a) of Insolvency and Bankruptcy Code 2016 but Respondent is deliberately trying to evade its liability of paying the already approved and admitted insurance claim of the period prior to the commencement of Insolvency Proceedings to the Corporate Debtor and instead issued a repudiation letter dated 07.03.2024 during moratorium period.
  - h. The Applicant further submits that the unpaid claim of Corporate Debtor held by respondent is the property of the Corporate Debtor as on CIRP Commencement Date as per Section 3 (27) of the Code and per books of accounts of the Corporate Debtor.
  - i. Thus, in view of the above-mentioned facts and circumstances, the Applicant is constrained to file the present Application, seeking the indulgence of this Authority to pass directions against the Respondent to deposit the claim of the Corporate Debtor to the CIRP account of the Corporate Debtor.
3. On 17.11.2025, the Respondent has filed its statement of objections and contended as under:
- a. The present application filed by Applicant for the insurance claim is misconceived, not maintainable and barred by limitation as the fire incident had occurred on 21.11.2020, repudiation was communicated on 07.03.2024 but the present Application filed in December 2024 is barred under Article 44(b) of the Limitation Act, 1963.
  - b. The application cannot be filed under Section 60(5) of the Code as the dispute pertains to a contractual claim under an insurance policy, which falls within the domain of civil courts/consumer fora/Arbitration and not within the residuary jurisdiction of this Authority as Section 60(5) of the Code cannot be invoked to bypass specialized contractual remedies available under the Insurance Act, 1938, Consumer Protection Act, 2019, or arbitration/civil

proceedings because a repudiated insurance claim does not automatically constitute an asset of the Corporate Debtor until it is adjudicated on merits and the applicant cannot seek enforcement of disputed contractual claims through IBC proceedings because IBC is a time-bound mechanism for insolvency resolution and is not a recovery or adjudication forum for contested claims.

- c. Even on merits, the loss arose from an electrical short-circuit squarely excluded under the policy terms and the settlement voucher dated 13.04.2023 was merely an intimation subject to conditions, not a binding acceptance as payment was never released and hence there is no concluded contract of settlement. It is also well-settled principle that mere issuance of a loss voucher does not create enforceable liability unless payment is made.
- d. The Respondent also states that although the repudiation letter is dated 07.03.2024, the cause of repudiation is pre-existing and based on the claim investigation conducted in 2020-23 and the Respondent after investigation came to know that the fire loss arose from an electrical short circuit, squarely excluded under Exclusion Clause 7 of the Standard Fire & Special Perils Policy which the Repudiation Letter dated 07.03.2024 clearly sets out with reference to the policy terms.
- e. The Respondent Refuted the contention that the insurance claim is an asset of the Corporate Debtor under Section 3(27) of the Code because as per Section 3(27) the definition of property does not extend to disputed insurance proceeds and only amounts admitted and payable can be considered part of the asset pool. The Respondent also denied having violated moratorium under Section 14 of the Code by submitting that Section 14 of the Code does not convert disputed contractual rights into admitted assets.
- f. The issues raised by the applicant herein are no longer res integra and settled by authoritative pronouncements of the Hon'ble Supreme Court and NCLAT in *Embassy Property Developments Pvt. Ltd. vs. State of Karnataka, (2019) 13 SCC 308*, and *Gujarat Urja Vikas Nigam Ltd. vs. Amit Gupta, (2021) 7*

*SCC 209*, which have held that the powers of this Authority under Section 60(5) of the Code are not unlimited and cannot be exercised to adjudicate matters falling within the domain of other statutory or quasi-judicial authorities unless such disputes are intrinsically connected with the insolvency resolution process. Reliance has also been placed on *Arcelor Mittal India Pvt. Ltd. vs. Satish Kumar Gupta, (2019) 2 SCC 1*, *Swiss Ribbons Pvt. Ltd. vs. Union of India, (2019) 4 SCC 17*, *Hindustan Construction Company Ltd. vs. Union of India, (2020) 17 SCC 324*, *Tata Consultancy Services Ltd. vs. Vishal Ghisulal Jain (RP of SK Wheels Pvt. Ltd.), (2021) 9 SCC 449* and *Sunil Kumar Jain vs. Sundaresh Bhat, (2022) 8 SCC 529*, wherein Hon'ble Supreme Court has held that the IBC is not intended to function as a recovery or enforcement mechanism and cannot be invoked for adjudication of independent contractual disputes and this Authority ought not to interfere in purely contractual disputes. Even where one of the parties is undergoing CIRP, disputed claims cannot be treated as assets of the Corporate Debtor during the CIRP and contractual insurance claims remain subject to statutory limitation and adjudication before the competent forum.

- g. The Respondent has further relied on the judgments of Hon'ble Supreme Court in *United India Insurance Co. Ltd. vs. Harchand Rai Chandan Lal, (2004) 8 SCC 644*, *Polymat India Pvt. Ltd. vs. National Insurance Co. Ltd., (2005) 9 SCC 174* and *United India Insurance Co. Ltd. vs. Ajmer Singh Cotton & General Mills, (1999) 6 SCC 400* and the Hon'ble NCLAT in *General Insurance Co. Ltd. vs. HBN Dairies & Allied Ltd., 2022 SCC OnLine NCLAT 452* to contend that insurance policies must be strictly construed in accordance with their terms and conditions and the insurer cannot be made liable beyond the scope of the policy or its exclusions.
- h. The present claim, arising out of an insurance policy qualifies as a "commercial dispute" under Section 2(1) (c) (xx) of the Commercial Courts Act, 2015 and falls outside the jurisdiction of this Authority under the Code.

The Applicant has an effective alternate remedy before the competent civil court, Consumer Forum, or arbitral tribunal.

4. We have heard Learned Counsels for the parties and carefully perused the material on record.
5. The Applicant has sought to invoke the residuary jurisdiction of this Authority under **Section 60(5) of the Code** to seek enforcement of an insurance claim. The provision confers residuary jurisdiction upon this Adjudicating Authority to entertain or dispose of any question of law or fact arising out of or in relation to the insolvency resolution process. The question here is whether the present dispute relating to repudiation of an insurance claim can be adjudicated by this Authority in exercise of its jurisdiction under Section 60(5) of the Code.
6. It is not in dispute that the insurance claim arises from a pre-CIRP fire incident dated 21.11.2020 under a Standard Fire & Special Perils Policy. The controversy involves (i) applicability of policy coverage and exclusions particularly relating to electrical short-circuit, (ii) whether the 13.04.2023 intimation constituted a binding full and final settlement, (iii) validity and timing of repudiation and (iv) discrepancies noted during surveys.
7. Referring to the cited precedent, it has been held in *Embassy Property Developments Private Ltd. vs. State of Karnataka and Ors. (2020) 13 SCC 308* that the Adjudicating Authority cannot, in exercise of jurisdiction under Section 60(5) of the Code, assume the role of a statutory or regulatory authority and adjudicate upon matters which fall within the domain of other specialised enactments, in following words:

*“36. ... The only provision which can probably throw light on this question would be Sub--section (5) of Section 60, as it speaks about the jurisdiction of the NCLT. Clause (c) of Sub--section (5) of Section 60 is very broad in its sweep, in that it speaks about any question of law or fact, arising out of or in relation to insolvency resolution. But a decision taken by the government or a statutory authority in relation to a matter which is in the realm of public law, cannot, by any stretch of imagination, be brought within the fold of the phrase “arising out of or in relation to the insolvency resolution” appearing in Clause (c) of Sub--section (5). Let us take for instance a case where a corporate debtor had suffered an order at the hands of the Income Tax Appellate Tribunal, at the time of initiation of CIRP. If Section 60(5)(c) of IBC is interpreted to include all questions of law or facts under the sky, an Interim Resolution*

*Professional/Resolution Professional will then claim a right to challenge the order of the Income Tax Appellate Tribunal before the NCLT, instead of moving a statutory appeal under Section 260A of the Income Tax Act, 1961. Therefore, the jurisdiction of the NCLT delineated in Section 60(5) cannot be stretched so far as to bring absurd results”*

8. Further, in ***Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta (2021) 7 SCC 209***, it was held that the jurisdiction under Section 60(5)(c) is confined to matters having a direct nexus with the insolvency resolution process and cannot be invoked for adjudication of disputes falling outside such nexus. The relevant para is extracted below:

*“67. ... Therefore, considering the text of Section 60(5)(c) and the interpretation of similar provisions in other insolvency related statutes, NCLT has jurisdiction to adjudicate disputes, which arise solely from or which relate to the insolvency of the Corporate Debtor. However, in doing do, we issue a note of caution to the NCLT and NCLAT to ensure that they do not usurp the legitimate jurisdiction of other courts, tribunals and fora when the dispute is one which does not arise solely from or relate to the insolvency of the Corporate Debtor. The nexus with the insolvency of the Corporate Debtor must exist.”*

9. In ***Tata Consultancy Services Ltd. v. Vishal Ghisulal Jain, (2021) 9 SCC 449*** at Para 26 it was observed that

*“26. In Gujarat Urja (supra), the contract in question was terminated by a third party based on an ipso facto clause, i.e., the fact of insolvency itself constituted an event of default. It was in that context, this Court held that the contractual dispute between the parties arose in relation to the insolvency of the corporate debtor and it was amenable to the jurisdiction of the NCLT under Section 60(5)(c). This Court observed that “...NCLT has jurisdiction to adjudicate disputes, which arise solely from or which relate to the insolvency of the corporate debtor... The nexus with the insolvency of the corporate debtor must exist” (para 69). Thus, the residuary jurisdiction of the NCLT cannot be invoked if the termination of a contract is based on grounds unrelated to the insolvency of the Corporate Debtor.*

*27. It is evident that the appellant had time and again informed the Corporate Debtor that its services were deficient, and it was falling foul of its contractual obligations. There is nothing to indicate that the termination of the Facilities Agreement was motivated by the insolvency of the Corporate Debtor. The trajectory of events make it clear that the alleged breaches noted in the termination notice dated 10 June 2019 were not a smokescreen to terminate the agreement because of the insolvency of the Corporate Debtor. Thus, we are of the view that the NCLT does not have any residuary jurisdiction to entertain the present contractual dispute which has arisen dehors the insolvency of the Corporate Debtor. In the absence of jurisdiction over the dispute, the NCLT could not have imposed an ad-interim stay on the termination notice. The NCLAT has incorrectly upheld the interim order of the NCLT.”*

10. The ratio in aforesaid makes it clear that the residuary jurisdiction under Section 60(5) (c) of the Code is not unlimited to adjudicate every dispute involving the Corporate Debtor. It does not extend to pure contractual or commercial disputes

that are independent of the core insolvency resolution process and lack a proximate nexus to the objectives of the IBC such as preservation of assets for resolution under an approved plan.

11. In the present case, the grievance of the Applicant relates to repudiation of an insurance claim under a Standard Fire and Special Perils Policy issued by the Respondent. The determination - whether the repudiation is justified and whether the claim falls within the policy coverage or its exclusions, involves adjudication of contractual rights and obligations between the parties. Moreover, the claim sought to be enforced by the Applicant does not arise out of the CIRP process but arises from an **independent insurance contract** and therefore cannot be adjudicated in proceedings under Section 60(5) of the Code but must be adjudicated before the appropriate forum.
12. The contention of Applicant that the insurance Claim and its repudiation form part of the CIRP and is therefore amenable to scrutiny under Section 60(5) cannot be accepted as the cause of action arose on 21.11.2020 much before CIRP commencement, the settlement voucher dated 13.04.2023 as well as investigation into the incident had all happened prior to CIRP and only the decision repudiating the claim was conveyed after date of Commencement of CIRP which cannot be said to carve a ground to stretch the jurisdiction of this Authority to adjudicate upon independent statutory compliances under other enactments. To do otherwise would result in this Authority assuming jurisdiction over matters reserved for specialised regulatory authorities, which facet is impermissible in law.
13. In view of the foregoing discussion and the settled legal proposition, we are of the considered opinion that the application seeking adjudication and enforcement of a disputed contractual insurance claim arising before commencement of CIRP, falls outside the jurisdiction of this Authority under Section 60(5) of the Code and not maintainable here.

**14. Accordingly, I.A. No. 161/2025 in C.P. (IB) No. 32/BB/2023 is dismissed.**

However, liberty is granted to the Applicant to seek remedy before the competent forum in accordance with law.

**-Sd/-**

**(RADHAKRISHNA SREEPADA)**  
**MEMBER (TECHNICAL)**

**-Sd/-**

**(SUNIL KUMAR AGGARWAL)**  
**MEMBER (JUDICIAL)**