

2026.PHHC.032265-DB



**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

CWP-1223-2023 (O&M)

ACCIL Hospitality Private Limited

....Petitioner

Versus

IFCI Limited and others

...Respondents

Reserved on : 20.11.2025
Pronounced on : 27.02.2026
Uploaded on : 27.02.2026

*Whether only operative part of the judgment is
pronounced or the full judgment is pronounced: operative part/full judgment*

**CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY**

Present: Mr. Anand Chhibbar, Senior Advocate (Arguing Counsel)
with Mr. Nitin Kaushal, Advocate,
Mr. Ajay Kumar, Advocate,
Mr. Tanuj Sud, Advocate,
Ms. Swati Vashisth, Advocate,
Ms. Ateevraj Sandhu, Advocate,
and Mr. Inderjeet Singh, Advocate,
for the petitioner.

Mr. Puneet Bali, Senior Advocate (Arguing Counsel),
with Mr. Gagandeep Singh, Advocate,
Ms. Ayushi Garg, Advocate,
and Mr. Mahender Joshi, Advocate,
for respondent No.1-IFCI Limited.

Mr. Dheeraj Jain, Senior Advocate (Arguing Counsel),
with Mr. Amit Sharma, Senior Panel Counsel,
for respondent No.2-UOI.

Mr. Indresh Goel, Advocate,
for respondent No.3-RBI.

SHEEL NAGU, C.J.

1. The writ jurisdiction of this Court under Article 226 of the Constitution of India is invoked seeking quashing of Notice for Assignment of Debt, dated 28.12.2022, issued by respondent No.1-IFCI Limited and for a writ of Mandamus to respondent No.2-UOI to clarify the effect of assignment u/s 5(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short ‘SARFAESI Act’).
2. To understand the chequered history of this case, it would be appropriate to delineate the factual matrix in tabular form chronologically, as follows: -

Date	Particulars
2010 to 2016	Credit Facilities were sanctioned to the Principal Borrower (ACCIL) by a consortium of 15 lenders (including State Bank of India) and IFCI Limited (Respondent No.1) of approximately Rs.4000 Crores.
25.07.2014	IFCI (Respondent No.1) issued Sanction Letter <u>extending Corporate Loan</u> to Principal Borrower (ACCIL) of Rs.150 Crores.
22.08.2014	<u>Corporate Loan Agreement was executed</u> between Principal Lender and ACCIL (Asian Colour Coated Ispat Limited), which is secured by the following: (i) Mortgage of Hotel Property measuring 2275 Sq.

	meters i.e. plot No.1, Sector 21-C, Faridabad. (ii) Personal Guarantees of Promoters. (iii) Corporate Guarantee of Petitioner. (iv) Hypothecation of movable assets of Petitioner. <u>Deed of Corporate Guarantee was executed between the Petitioner and IFCI.</u> <u>Deed of Personal Guarantee was executed by Promoters to secure Corporate Loan.</u>
01.09.2014	Memorandum of Hypothecation of assets of Petitioner.
02.09.2014	Memorandum of Entry No. 49/2014 pertaining to mortgage of Hotel Property in favour of IFCI (Respondent No.1).
30.09.2016	Account of ACCIL was declared Non-Performing Asset (NPA). Consequently, in 2017, <u>IFCI initiated enforcement action qua the Hotel Property</u> by issuance of <u>notices u/s 13 (2) and 13 (4) of SARFAESI Act.</u>
11.05.2017	OA No.367 of 2017 was filed by IFCI before the DRT for recovery of outstanding loan amount u/s 19 of Recovery of Debts and Bankruptcy Act (RDB Act), 1993 praying for issuance of recovery certificate to the tune of Rs.117.61 Crores (as on 03.03.2017) along with future pendente lite interest @ 18.5% p.a. and Liquidated damages @2% p.a.
20.07.2018	Application under Section 7 of Insolvency and Bankruptcy Act (IBC Act) 2016 , i.e. CB (IB) 50 PB/2018 titled State Bank of India versus M/s Asian Color Coated Ispat Limited filed for initiation of Corporate Insolvency Resolution Process (CIRP) of the Principal Borrower before the National Company Law Tribunal (for short ‘NCLT’) (Principal Bench). Via the order dated 20.07.2018, this application was admitted. Outstanding

	Principal amount: Rs.244,97,68564/- till March 2021.
20.06.2019	Claims of financial creditors were prepared by the Resolution Professional and filed in National Company Law Tribunal (for short 'NCLT'), including claim of IFCI of corporate loan of Rs.227.48 Crores (approximately).
08.03.2019	Resolution plan submitted by M/s JSW Steel Coated Products Ltd. (Resolution Applicant) to take over the Financial Debt. The Resolution Applicant proposed to pay Rs.1500 Crores (approximately) for <u>assignment of entire Remaining Corporate Debt</u> .
24.04.2019	16 th Meeting of Committee of Creditors (for short 'COC').
30.04.2019	17 th meeting of COC - Resolution Applicant asked to provide clarity regarding exclusion of guarantees and mortgages when assignment is done.
17.06.2019	Addendum of Resolution Plan.
20.06.2019	22 nd meeting of COC – Resolution Professional informed COC of the Addendum dated 17.06.2019. (a) Change in definition of Excluded Rights. (b) Resolution Plan approved by 79.3% (approved by majority). IFCI (respondent No.1 herein), having voting share of only 3.46%, rejected the Resolution Plan.
26.10.2020	<u>Resolution Plan and Addendum were approved by NCLT on 19.10.2020 and published on 26.10.2020.</u> IFCI (respondent No.1 herein) received Rs.5,02,31,463 (approximately) as payout. <u>No appeal is filed by respondent No.1-IFCI challenging approval of the Resolution Plan.</u>

	<u>Some important Clauses of the Resolution Plan approved by NCLT are as follows: -</u> “1.12 “Excluded Rights” shall mean (A) personal guarantees provided by persons other than Mr. Pradeep Aggarwal, (B) any mortgage <u>and/or hypothecation</u> provided by ACCIL Hospitality Limited, (C) corporate guarantees provided by AGR Steel Strips Private Limited and ACCIL Hospitality Limited, (D) <u>the personal guarantees provided by Mr. Pradeep Aggarwal to the Direct Financial Creditors, but only to the extent of the Residual Guarantee Amount, and (E) the mortgage created by the Company over land bearing Plot Nos.6 and 13 measuring 18900 sq.mts., located in the Industrial Estate, Bawal, Haryana, pursuant to the Memorandum of Entry dated June 27, 2013 executed by the Company in favour of IL&FS Trust Company Limited (now known as Vistra ITCL (India) Limited) for the benefit of Andhra Bank, Central Bank of India, Corporation Bank and Dena Bank (now Bank of Baroda), for securing the loan granted to ACCIL Auto Steel Private Limited by the aforesaid lenders.”</u> 1.13 “Remaining Debt” shall mean all rights, title, interest of the creditors in and to Admitted Financial Debt less the Corporate Guarantee Debt, along with all rights, assets, title, charges, encumbrances, mortgages and guarantees (<u>including the personal guarantees issued by Mr. Pradeep Kumar Aggarwal to the Direct Financial Creditors, to the extent of the Loan Assignment Payment</u>), and any beneficial interest therein, securing such debt (but excluding the Excluded Rights), which will be assigned/novated to
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	the Purchaser pursuant to this Resolution Plan. <u>The assignment and novation of the personal guarantees issued by Mr. Pradeep Kumar Aggarwal to the Direct Financial Creditors, to the extent of the Loan Assignment Payment is an integral part of the Resolution Plan.</u>” 1.14 “<u>Residual Guarantee Amount</u>” shall mean the amount equal to the Admitted Financial Debt owed to the Direct Financial Creditors less the Loan Assignment Payment. 1.2 Proposal for Financial Creditors (a) xx xxxx (b) xx xxxx (c) xx xxxx (d) Post the payment of unpaid CIRP Costs (in the manner set out in Section 1.1 of Part B) and payments to the Operational Creditors (in the manner set out in Section 1.3, Section 1.4 and Section 1.5 of Part B below), the Admitted Financial Debt owing to the Financial Creditors will be dealt with, in the following manner: (i) xx xxxx (ii) the Remaining Debt (and all rights of the Financial Creditors in respect of such debt), shall stand assigned/novated to the Purchaser and the Loan Assignment Payment shall be paid in the manner set out in Step 4 of Schedule 2 (Resolution Plan Steps), on a <i>pro rata</i> basis to the amount payable to the Direct Financial Creditors, Upon such assignment, the Purchaser shall be entitled to exercise all rights as a creditor in respect of the Remaining Debt, including the right to enforce any security,
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	guarantee or mortgage granted in respect of such debt.
27.10.2020	Assignment Deed was executed between SBI and M/s Hasaud Steel Limited (Special Purpose Vehicle ('SPV' for short) of JSW Steel/ Resolution Applicant)
29.10.2020	No Due Certificate was issued by SBI (Lead Bank) in favour of the Principal Borrower. Respondent No 1. has not issued a No Dues Certificate.
04.03.2021	Sale notice was issued by respondent-IFCI for sale of hotel property for Rs.68 Crores (reserved price).
09.03.2021	Order passed by the DRT in OA-743-2018 (State Bank of India vs. ACCIL).
25.03.2021	Agreement of Assignment of Debt between M/s Hasaud Steel Limited (SPV of JSW Steel) and ACCIL.
17.11.2021	Sale notice was issued under Rule 8 (6) read with Rule 6 (2) of Security Interest (Enforcement) Rules, 2002, for sale of hotel property (Park Plaza) and movable properties of Petitioner secured in favour of Respondent No. 1.
10.12.2021	Petitioner (ACCIL Hospitality Private Limited) filed CWP-24980-2021 titled ACCIL Hospitality Private Limited and others vs. RBI and another. Interim order passed:- Resolution plan approved by NCLT is binding on all creditors. Sale notice issued on 17.11.2021 stands stayed.
04.02.2022	CWP-1156-2022 (Pradeep Aggarwal vs. RBI and others) and CWP-1160-2022 (Vikas Aggarwal vs. RBI and others) filed by Personal Guarantors/promoters challenging actions initiated by lenders, <i>inter alia</i> , on the ground that debt stood assigned to M/s Hasaud Steel Limited. - Interim order staying action of the lenders was

	passed.
29.07.2022	Application u/s 95 IBC was filed for initiation of Insolvency Resolution Process qua Personal Guarantors. The case was adjourned keeping in view stay granted by the NCLT and pendency of litigation in the High Court.
28.12.2022	Notice for sale of Financial Assets of ACCIL was issued by IFCI by open auction method – - E-auction was scheduled for 24.01.2023, for recovery of outstanding dues of Rs.547,52,73,330.15 (Rs.547 Crores approximately) as on 15.12.2022.
05.01.2023	Order of NCLT Mumbai wherein Principal Borrower and M/s Hausad Steel Limited (Special Purpose Vehicle of M/s JSW Steel Coated Products Ltd.) have amalgamated into M/s JSW Steel Coated Products Limited.
20.01.2023	Petitioner files CWP-1223-2023 (current case) challenging notice for sale dated 28.12.2022. Interim order – The lender is restrained from confirming the sale without leave of the Court. - No bids were received and thus, sale stood cancelled.
01.03.2024	Resolution plan dated 26.10.2020 was challenged before the NCLAT in Comp. App (AT) Ins. No. 1104-2020 (<i>Vikas Aggarwal v ACCIL and ors.</i>) with Comp. App (AT) (Insolvency) No. 1105, 1107, 1108 of 2020 and issues raised therein were similar to the issues raised in the present petition. The detailed order dated 01.03.2024, NCLAT dismissed the challenge raised with respect to the resolution plan and held that the Resolution Plan categorically defines “Remaining Debt” and explicitly precludes “Excluded Rights.”
19.04.2024	Guarantors filed Civil Appeal No. 4713/2024 u/s 62 of IBC challenging NCLAT order dated 01.03.2024 in the Supreme Court. This was dismissed by the Supreme court

	via its order dated 19.04.2024.
01.07.2024	CWP-1156, 1160 of 2022 along with other related matters (CWP-26276, 26668, 26715 of 2021) were disposed of by the Hon’ble High Court Judgment.
12.07.2024	CM-11060-2024 was filed by respondent/IFCI seeking dismissal of the present petition in the light of the judgment of High Court dated 01.07.2024.
04.09.2025	Second notice of sale was issued by respondent-IFCI.
16.10.2025	Order of Apex Court in SLP(C) No.29218-2025 directing the High Court to dispose of CWP-24980-2021 and CWP-1223-2023 by 31.10.2025.
30.10.2025	Application filed by respondent-IFCI seeking clarification of order dated 16.10.2025.

3. From the aforesaid factual matrix, it is obvious that the petitioner is laboring under the misconception that the liability arising out of Corporate Loan and the liability arising out of Personal Guarantee executed by promoters to secure the corporate loan is one and the same. There is a subtle and yet palpable difference between these two concepts, which is evident from the order of the NCLT dated 26.10.2020 approving the Resolution Plan + Addendum.
4. The clear findings of the NCLT have not only been approved by the NCLAT on 01.03.2024, but also by dismissal of the Civil Appeal filed u/s 62 of IBC, by the Apex Court on 19.04.2024.
5. The Principal borrower/ACCIL availed term loan and working capital facilities from various lenders, which led to execution of common loan agreement. Similarly, a Corporate Loan Agreement dated 22.08.2014 was executed between ACCIL and respondent No.1-IFCI Limited. This agreement was secured by personal guarantee deed issued by the ACCIL Hospitality

Private Limited (petitioner herein) on 22.08.2014, creating a mortgage by way of deposit of title deed in respect of property measuring 2275 Sq. meters i.e. plot No.1, Sector 21-C, Faridabad, Haryana. There were defaults in repayment by the principal borrower/ACCIL, which led to CIRP proceedings culminating in the approval of resolution plan dated 26.10.2020. This corporate plan, *inter alia*, provided that any mortgage/hypothecation provided by the petitioner/ACCIL Hospitality Private Limited and the corporate guarantee provided by petitioner/ACCIL Hospitality Private Limited shall form part of “excluded rights.” These “excluded rights” gave liberty to the lenders to enforce the mortgage and guarantee to recover the outstanding dues from third party security provider i.e. Petitioner/ACCIL Hospitality Private Limited (mortgager and guarantors).

6. Pertinently, Resolution plan dated 26.10.2020 was under challenge before the NCLAT in **Comp. App (AT) Ins. No. 1104-2020** titled as **Vikas Aggarwal v ACCIL and Ors.** with **Comp. App (AT) (Insolvency) No. 1105, 1107, 1108 of 2020** and issues raised therein were similar to the issues raised in the present petition. NCLAT, vide order dated 01.03.2024, has dismissed challenge to the Resolution Plan dated 26.10.2020, *inter alia*, upholding that only the “Remaining Debt” under the Resolution Plan was assigned to the SPV of the Resolution Applicant and “Excluded Rights” were specifically carved out and not assigned (the remaining debt excludes the “Excluded Rights”). The NCLAT has categorically held as follows: -

“68 ...there is a categorical right carved out in favour of the Financial Creditors, through the specific term i.e., the 'Excluded Rights' which have not been assigned to the SPV. The Resolution Plan defined the term 'Remaining Debt' which has been assigned to the SPV of the Respondent

No. 2 (herein Resolution Applicant) and perusal of the relevant provisions clearly reveal that such 'Remaining Debt' assigned to the SPV of the i.e. Respondent No. 2 (herein Resolution Applicant) explicitly preclude the "Excluded Rights".

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"69. ...Resolution Plan Categorically provides that nothing in the resolution plan shall operate or have the effect of assigning, revoking, cancelling or extinguishing the "Excluded Rights" and the direct financial creditors are free to pursue such remedies and exercise such rights as they may have under the applicable law in respect of the "Excluded Rights".

...There are clear and express provisions and stipulations under the Resolution Plan safeguarding the right of the Financial Creditors to pursue legal remedies against the personal guarantors, including the Appellants."

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"96. We have already seen that in catena of judgment including **Lalit Kumar Jain** (*supra*) [Lalit Kumar Jain Vs. Union of India and Ors. (2021) 9 SCC 321)] and in the matter of **State Bank of India Vs. V. Rama Krishnan & Anr.** (*supra*) [(2018)] 17 SCC 394], the issue has been well settled that the Financial Creditors can independently pursue its legal remedies against the Personal Guarantors."

7. Additionally, judgment of the NCLAT addresses and settles the question of law as to whether any debt can continue to be reflected in the lender's books after the approval of the Resolution Plan. The relevant paragraph is reproduced below:

"98. Now we will take issue regarding alleged non existing of debts in the books of the Financial Creditors and regarding treatment in the books of the financial creditors with respect to such continuing rights of the financial creditors against the personal guarantors of the Corporate Debtor after the approval of the Resolution Plan. We feel that it is the prerogative and within the purview of such Financial Creditors (within the applicable regulatory framework as applicable) and it does not come to rescue of the Appellants to escape their liability under the guarantee

agreements on the-basis of such grounds."

8. The guarantors filed Civil Appeal No. 4713/2024 before the Apex Court u/s 62 of IBC challenging the order of NCLAT dated 01.03.2024, which was dismissed by the Apex Court on 19.04.2024.

9. From the aforesaid discussion, it is obvious that in view of the Resolution Plan having been approved by the NCLT as well as NCLAT and the appeal u/s 62 IBC having been dismissed by the Apex Court, the present petition lacks merits. This court believes that the assignment of debt under an approved Resolution Plan stands on a statutory footing and cannot be equated with a mere contractual assignment governed by general law. Once approved under Section 31 of the IBC, the Resolution Plan attains binding force, and by virtue of Section 238 of the Code, its provisions override any inconsistent legal principles. The petitioner, therefore, cannot rely upon general doctrines of assignment or extinguishment to defeat the expressly preserved "Excluded Rights".

10. This Court is bolstered in its view, taken above, by a common decision rendered by Co-ordinate Bench of this Court on 01.07.2024 in a bunch of petitions, including CWP-1156-2022 (**Pradeep Aggarwal vs. Reserve Bank of India and others**), where the petitioners had sought return of personal guarantees issued by them in view of assignment of debt vide Assignment Deed dated 27.10.2020 and No Dues Certificate dated 23.11.2020 alleging extinguishment of debt in the hands of respondents pursuant to approval of resolution plan vide order dated 26.10.2020 passed by the NCLT. The said bunch of petitions, including CWP-1156-2022, was dismissed *in limine* on 01.07.2024 after noticing the NCLAT order dated 01.03.2024 and the fact of dismissal of the appeal u/s 62 IBC by the Apex Court.

- 11. In view of the above, the present petition stands dismissed.
- 12. Pending application(s), if any, also stand disposed of.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

27.02.2026
Ajay Prasher

Whether speaking/reasoned : Yes / No
Whether reportable : Yes / No