



WP No.37473 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.11.2025

CORAM

THE HON'BLE MR.MANINDRA MOHAN SHRIVASTAVA,
CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE G.ARUL MURUGAN

WP No.37473 of 2024
and WMP No.40503 of 2024

The Branch Manager,
M/s.City Union Bank,
(Credit Recovery and Management Department),
Tirupur Branch, No.94-94(1), Court Street,
Tirupur 641 601.
Admn. Office at:
No.24-B, Gandhi Nagar,
Kumbakonam 612 001.

.. Petitioner

-VS-

1. The Recovery Officer,
Employees Provident Fund Organisation,
& Regional PF Commissioner-II,
District office, No.497,1st Floor,
M/s.Muthusamy & Bros Industrial Complex,
Palladam Road, Tirupur 641 604.
2. The District Registrar,
(Tirupur), District Registrar Office,
No.1/3, Vignesh Complex,
Ground Floor, PN Road, Tirupur 641 602.



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3. The No.1-Joint Sub-Registrar,
(Tirupur), No.1-Joint Sub-Registrar
Office, G.N.Garden Bus Stop,
Thottathu Palayam,
Tiruppur 641 666, Namakkal 637 001.

.. Respondents

Prayer: Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus to call for the records and quash the impugned Prohibitory Order "(EPF CP-3) of No.CB/CBE/DO-TPR/RECOVERY/CBCBE86866/DIV-22/2023-24/2846, dated 12.09.2023" of attaching the schedule mentioned property passed by the 1st respondent and direct the respondents 2 and 3 to lift the attachment created over the schedule mentioned properties on the basis of the impugned Prohibitory Order "(EPF CP-3) of No.CB/CBE/DO-TPR/RECOVERY/CBCBE86866/DIV-22/2023-24/2846, dated 12.09.2023" of the 1st respondent.

For Petitioner : M/s.Rekha Sivakumar
For Respondents : Mr.R.Vishnu
for R-1
: Mr.K.Karthik Jagannath
Govt. Advocate for RR 2 and 3

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ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

Challenge to the prohibitory order issued by the Employees Provident Fund Organisation/first respondent on 12.09.2023 and further proceedings of attachment of the schedule mentioned property is assailed mainly on the submission that in view of the provisions contained in Section 26(c) of the SARFAESI Act, the dues of the secured creditor will have priority over the statutory dues under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (in short 'EPF and MP Act').

2. The issue raised in this petition is no longer *res integra* and stands concluded by the recent judicial pronouncement of the Hon'ble Supreme Court in the case of ***Jalgaon Di Central Coop Bank Ltd. vs. State of Maharashtra and Ors., (SLP (C) No.27740 of 2011) dated 20.11.2025***, wherein the Hon'ble Supreme Court has categorically ruled that between the dues of a secured creditor payable under the SARFAESI Act and the dues recoverable under the EPF & MP Act, the statutory dues under the EPF & MP Act constitute first charge.

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It was held as below:

“ 28. On the above reasoning, we find that the workmen’s dues which also has not been quantified as of now cannot have any priority over the claim raised by the secured creditor, the Bank, which is conferred a priority under Section 26-E of the SARFAESI Act. However, from the proceeds of the sale of the assets, the first charge would be for the dues under the EPF&MP Act which includes not only the contribution payable but also the interest, penalty and damages if any imposed. Hence, the sale proceeds have to be first applied in satisfaction of the dues under the EPF&MP Act and then in satisfaction of the secured debt of the appellant-bank.

29. On the above reasoning, we cannot but partly set aside the impugned judgment and the directions therein. The appellant-bank would be entitled to proceed with the auction, if not already proceeded with and from the proceeds received in auction, first the dues



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under the EPF&MP Act will have to be satisfied and then the debts due to the appellant Bank. We would only leave liberty to the workmen to approach the appropriate authority under the MRTU & PULP Act by an application to determine the dues, which shall be considered de hors the order rejecting the same on the ground of delay and de hors the delay caused as such. Such determination would be necessitated if there is any amount remaining after satisfaction of the provident fund dues and that of the secured creditor.”

Therefore, in view of the above, the challenge to the proceedings drawn by Provident Fund authorities cannot be faulted.

3. At this stage, learned counsel for the petitioner/Bank would submit that they are prepared to satisfy the statutory dues under the EPF & MP Act by paying the amount to the Provident Fund authorities so that the mortgaged property may be released and the bank may proceed to sell the same towards recovery of its dues.



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3.1. Learned counsel for the Provident Fund Organisation would submit that it is open for the bank to satisfy the entire dues by making payments, in which eventuality, the Provident Fund authorities shall release the property from attachment.

Recording the above submission, this petition is disposed of. There shall be no order as to costs. Consequently, the interim application stands closed.

(MANINDRA MOHAN SHRIVASTAVA, CJ.) (G.ARUL MURUGAN, J.)
26.11.2025

Index : Yes/No
Neutral Citation : Yes/No

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