

Dispute arose regarding priority of charge between EPFO and secured creditors (Axis Bank, State Bank of India, State Bank of Travancore). Appellant contended that Axis Bank had realised ₹12 crores by sale of Attibele property while it had realised only ₹7 crores from other properties and already deposited ₹75 lakhs; balance, if any, should be recovered from Axis Bank. EPFO asserted first charge under Section 11(2) of PF Act, while Axis Bank relied on Section 35 of SARFAESI for priority. Held, High Court must examine and decide the issue of priority of first charge in accordance with law, after impleading Axis Bank and other secured creditors. [Paras 9, 11, 12]

Supreme Court set aside the impugned judgment of Karnataka High Court which had dismissed appellant's writ petition and ordered transfer of deposit to EPFO. Held, matter remanded to High Court with directions to implead Axis Bank and afford opportunity of pleadings and hearing to all necessary parties. High Court directed to decide writ petition afresh, including issues relating to charge created by EPFO prior to auction, uninfluenced by observations of Supreme Court. [Paras 12, 13]

Supreme Court of India

Present : Justice Vikram Nath, Justice Sanjay Karol and Justice Sandeep Mehta.

M/s EDELWEISS ASSET RECONSTRUCTION LIMITED - Appellant

Versus

**REGIONAL PF COMMISSIONER II AND RECOVERY OFFICER, RO BENGALURU
(KORAMANGALA) & ANR. - Respondents**

**Civil Appeal No. 11105 of 2025 (Arising out of SLP (Civil) No. 11069 of 2024).
Decided on 26.08.2025.**

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