

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 08-10-2026

CORAM

THE HON'BLE MRS JUSTICE K. GOVINDARAJAN THILAKAVADI

WPMP CrI.(MD) No. 1220 of 2026

CNR: {HCMD011297912026}



IN

WP CRL.(MD) NO. 2639 OF 2025

K.Karunanithi
S/o.M.Kandasamy,
4/747, Nanjappa Nagar,
Kullampalayam Post,
Gopichettipalayam Taluk,
Erode District.

..Petitioner(s)

Vs

1. Axis Bank
Rep. by its authorised representative, B.K.
Eswaraiah,
Axis House Floor,
No. 3, Club House Road,
Anna Salai,
Chennai -600002.
2. State of Tamil Nadu Home, Prohibition and
Excise Department
Rep. by its Secretary,
Fort St. George,
Chennai - 600009.
3. The Competent Authority / Special District
Revenue Officer,
Trichy.
4. State of Tamil Nadu Rep. by Deputy
Superintendent of Police,
Economic Offences Wing-I, Tiruchirapalli.



5. Pranav Jewellers
Rep. by its Partners, S. Madhan Selvaraj and M.
Karthika Mathan
No. 3, Oxina Towers,
Mega Theatre Near,
Karur By-Pass Road,
Trichy.

6. S.Madhan Selvaraj
S/o. Selvaraj,
No. 304, Grand Southern Trunck Road,
Shashthri Colony,.Chornpet,
Chennai - 600044.

7. M. Karthika Mathan
W/o. Mathan
No. 304, Grand Southern Trunck Road,
Shashthri Colony, Chrompet,
Chennai - 600044.

..Respondent(s)

PRAYER: C-60. To allow this petition and implead the as party/7th respondent in the above Writ petition in WP(CrI) MD No.2639/2025 and pass such further or other orders as this Honble Court.

For Petitioner(s): Ms.M.Abinanda

For Respondent(s): Mr.S.Sarvagan Prabhu

ORDER

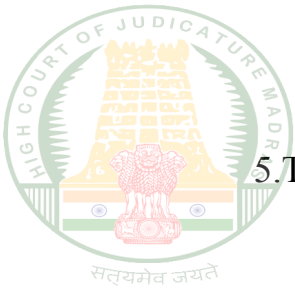
This application has been filed by the petitioner seeking to implead himself as the 7th respondent in the main writ petition.



2.The writ petition has been filed by the petitioner, a secured creditor, seeking a writ of mandamus restraining respondents 1 and 2 from taking any action under the Tamil Nadu Protection of Interests of Depositors (in Financial Establishments) Act, 1997 (hereinafter referred to as the “TNPID Act, 1997”), insofar as the properties mortgaged in favour of the petitioner are concerned.

3.The petitioner would submit that he, along with his wife and daughter, had deposited a total sum of Rs.49 lakh with the said financial establishment and that, owing to the default committed by the financial establishment, several depositors including the proposed petitioner have suffered substantial financial loss. The proposed petitioner would further submit that more than 2,645 depositors had invested a substantial amounts, and that various proceedings have been initiated for recovery of the amounts against the said financial establishment due to the depositors.

4.The petitioner would further submit that the subject proceedings concern properties and sale proceeds belonging to the financial establishment and that any order relating to attachment, sale, custody, accounting or distribution of the proceeds would affect his claim as a depositor. It is therefore, contended that his presence is necessary for effective and complete adjudication of the writ petition.



5.The writ petitioner had reverted the petition.

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6.It is submitted that the writ petition concerns only the question whether the properties mortgaged in favour of the petitioner-bank can be proceeded against under the TNPID Act, particularly when the petitioner has already initiated proceedings under the SARFAESI Act.

7. It is further submitted that the subject properties are not under any subsisting attachment under the TNPID Act and that an interim order dated 19.12.2025 has already been passed restraining respondents 1 and 2 from attaching the subject properties.

8. It is also submitted that the proposed petitioner has not produced any material evidencing his alleged deposit and that he has not even stated that he is a depositor. It is further submitted that the Financial Establishment has not raised any claim against the subject properties and that the applicant has no legally enforceable interest over the mortgaged properties.

9.According to the writ petitioner, the proposed petitioner is neither a necessary party nor a proper party to the present proceedings. It is therefore submitted that the proposed petitioner cannot seek impleadment in the present writ petition.



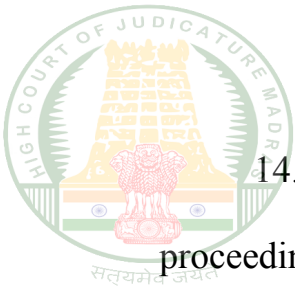
10. Heard the learned counsel appearing for the parties and perused the materials available on record.

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11. The issue that arises for consideration is whether the proposed petitioner is either necessary or proper party to the present proceedings, particularly when the proceedings initiated under the TNPID Act concern the subject properties and the proposed petitioner claims to be one among the depositors.

12. The main writ petition has been instituted by the secured creditor with a specific and limited grievance. The relief sought in the writ petition is against the proceedings initiated under the TNPID Act in respect of the mortgaged properties.

13. The proposed petitioner, on the other hand, claims an independent monetary claim as a depositor against the Financial Establishment and seeks to recover the amount allegedly due to him from the assets of the Financial Establishment. The existence of such a claim, by itself, does not confer any independent enforceable right over the subject properties. The proposed petitioner is not claiming any right, title or interest over the properties which are the subject matter of the present writ petition.

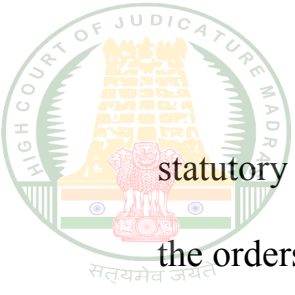


14. The writ petitioner, being the secured creditor, has challenged the proceedings initiated under the TNPID Act insofar as the mortgaged properties are concerned. The proposed petitioner, being merely a depositor, does not claim any independent interest over the said properties. His claim, if any, is against the Financial Establishment and not against the mortgaged properties as such.

15. The apprehension expressed by the proposed petitioner that an order in the main writ petition may affect the eventual recovery of the amount due to him as a depositor cannot, by itself, be a ground for impleading him as a party. The question of priority between the secured creditor and the depositors, if any, can be considered in appropriate proceedings in accordance with law.

16. In view of the above, this Court is of the considered view that the proposed petitioner is neither a necessary party nor a proper party to the present proceedings. Hence, the prayer for impleadment is liable to be rejected. Accordingly, this petition is dismissed.

17. It is made clear that the dismissal of the petition shall not preclude the proposed petitioner pursuing any remedy otherwise available to him in law for recovery of the amount allegedly deposited by him or from participating in any



statutory proceedings relating to the distribution of assets or proceeds subject to the orders passed by a competent authority or Court.

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08-10-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

skn



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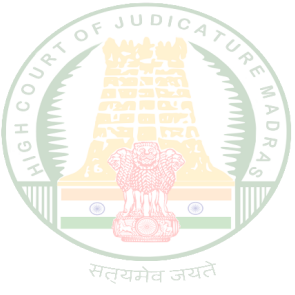
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WPMP Crl.(MD) No. 1220 of 2



K.GOVINDARAJAN THILAKAVADI, J.
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