

APPR030002652025



**IN THE COURT OF THE ADDITIONAL CIVIL JUDGE (SENIOR
DIVISION) :: ONGOLE ::**

PRESENT : SRI CH.V.RAMAKRISHNA

Additional Civil Judge (Senior Division), Ongole.

Friday, this the 14th day of August, 2026.

Insolvency Petition No.19 of 2025

Between:

Potti Lokesh Sridatta, S/o Ravi Kumar, aged about 28 years, Hindu,
Business, R/o Door No.23-1-300, Gandhi Road, Ongole Town, Prakasam
District.

...PETITIONER

A N D

1. Mamidi Sairam, S/o Guruswamy, aged about 30 years, Hindu,
Business R/o Flat No.G3, 1st Floor, Gupta Residency, V.I.P. Road, Ongole
Town, Prakasam District.

2. Puvvada Ganesh, S/o Bangaru Setty, aged about 28 years, Hindu,
Business, R/o Ganesh Nilayam, D.No.17-25-285, Islampet, 1st lane,
Ongole Town, Prakasam District.

3. Gangireddy Kiran Reddy, S/o Srinivasa Reddy, aged about 27 years,
Hindu, Hotel Business, R/o Gangireddy, Non Veg Tiffin Restaurant, QIS
College Junction, Ongole, Prakasam District.

4. Mudusu Mahendranadha Reddy S/o Srinivasa Reddy, aged about 26
years, Hindu, Business, R/o Flat No.302, 3rd Floor, Platinum Towers,
Pragathi Nagar, Ongole Town, Prakasam District.

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5. Vutukuri Bhargav, S/o Koteswara Rao, aged about 30 years, Hindu, Business, R/o Flat No.502, 5th Floor, Satya Bhama Towers, South Street, Ongole Town, Prakasam District.
6. Bommisetty Koushik, S/o Koteswara Rao, aged about 30 years, Hindu, Business, R/o Flat No.204, 2nd Floor, Vijayakrishna Pyarilan Apartment, Rikshala Bazaar, Ongole Town, Prakasam District.
7. Thammana Suresh, S/o Lakshmi Narasimha Rao, aged about 47 years, Hindu, Business, R/o T3, Konijeti Guptas Apartment, Old Government Hospital Road, Ongole Town, Prakasam District.
8. Batchu Satish Krishna, S/o Sarabheswara Rao, aged about 47 years, Hindu, Business, R/o Flat No.302, 3rd floor, Abhiram Enclave, Rikshala Bazaar, Ongole Town, Prakasam District.
9. The Official Receiver, District Court Premises, Ongole Town, Prakasam District.

...RESPONDENTS**-00o00-**

This petition came up before me on 04.08.2026 for hearing in the presence of Sri N.V.Subba Rao, Advocate for Petitioner; Sri P. Lakshmaiah, Advocate for Respondent No.1; and Respondent Nos.1 to 9 having been remained absent and set exparte; and upon hearing the counsel for both sides and upon perusal of the material on record and this matter having stood over for consideration till this day, this Court made the following:

//O R D E R//

This Debtor Insolvency Petition is filed under section 10 of the

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Provincial Insolvency Act, 1920, read with Rule 28 of the Andhra Pradesh Provincial Insolvency Rules with a prayer to adjudicate and declare the petitioner as insolvent and the property of the petitioner may be vested with the Official Receiver, Ongole, for sale and distribution of sale proceeds among the creditors and to grant such other reliefs as this Hon'ble Court deems fit and proper, in the circumstances of the case and in the interest of justice.

2. The averments, in brief, of the petition are that the petitioner did business in sale of Religious Pooja items like flowers, fruits, incense, ghee, rice, chandan, diya, kalash, betel nut, pooja thali, camphor, turmeric powder, red cloth, attar, dhoop, ganga jal or say the sacred holy water, jaggery, coconuts etc., for the last five (5) years in Gandhi Road, Ongole Town, in a rented shop. As the rent of the shop was enhanced more than three times, the petitioner shifted his business from Gandhi Road to Shop No.90 and No.91 in New Vegetable Market, Ongole, which is shown in 'C' schedule and put up "Lassi" (yogurt drink) business opposite to St.Xaviers School, Kurnool Road, Ongole. There are four fridges in his shop. For the purpose of business, the petitioner borrowed amounts from the respondents and has been paying interest every month to them without fail. At the time of borrowing amounts, the respondents obtained empty promissory notes from the petitioner. Due to shifting of business from Gandhi Road to New Vegetable market, the petitioner sustained huge loss in his business and, due to that, the petitioner is in helpless condition to pay amounts to the respondents. The petitioner reached saturation point and was unable to discharge his debts and he suspended payments of his debts and there is absolutely no scope for him to borrow any amounts from others to discharge the debts to the respondents. The total

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liability of the petitioner is Rs.66,00,000/- which is more than the value of his assets. Further, the 1st respondent broke open the Shop Nos.90 and 91 at New Vegetable Market, Ongole and, on 25.07.2025, highhandedly took away the religious pooja items that belong to the petitioner, worth about Rs.12,00,000/- which are shown as 2nd item in 'C' schedule and also threatened the petitioner that if he gives complaint to the police they can manage the police by using political influence. It is further averred that the pressure from the respondents became unbearable and some of the respondents have been threatening to file suits against him basing on the empty promissory notes which were obtained by them forcibly from him and some of the respondents have been threatening to man-handle him. In the said circumstances, the petitioner is constrained to file this Insolvency Petition to adjudicate him as an insolvent. The petitioner is prepared to place all his assets at the disposal of the Court whenever directed. The petitioner has no immovable property to alienate within a period of three (3) months immediately from the date of filing of this petition. Hence, this petition.

3. Respondents 2 to 7 and 9 were set exparte by docket order dt.07.10.2025. Respondent No.8 was set exparte by docket order dt.09.03.2026.

4. Respondent No.1 filed counter denying all the averments made in the petition, as not true and not correct, except those that are specifically admitted to be true and correct and the rest of averments or allegations are put to strict proof by the petitioner. It is contended that, in fact, the petitioner never did business in selling religious puja items as mentioned in the petition in Gandhi Road, Ongole, in a rented shop. The

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enhancement of rents more than three (3) times or even a single time never occurred and the same is a false story created by the petitioner. The petitioner never shifted his business to Shop Nos.90 and 91 at New Vegetable market in Ongole City. Showing of 'C' schedule and setting up of Lassi shop business opposite to St.Xavier School, Kurnool Road, Ongole, are also not true and correct. The Lassi Shop in Kurnool Road is the exclusive business of this respondent. All the fridges and material therein is the exclusive property of this respondent. This respondent never maintained Lassi shop and he never possessed 'C' Schedule at any point of time. The petitioner herein purposefully mentioned the names of respondents 2 to 8 as his creditors. The petitioner never borrowed any amounts from the respondent Nos.2 to 8. The respondents 2 to 8 are not having such financial capacity to advance the amounts to the petitioner. The alleged amounts mentioned in 'A' Schedule in the names of the respondents 2 to 8 are not true and correct. Originally, the petitioner is indebted nearly an amount of Rs.69,00,000/- to this respondent. Only to avoid discharge of debt to this respondent, the petitioner filed this insolvency petition with the active assistance and support of respondents 2 to 8. The respondents 2 to 8 in this insolvency petition also colluded with the petitioner. The petitioner never shifted his business from Gandhi road to New vegetable market particularly shop Nos.90 and 91, and he never conducted any business in shop Nos.90 and 91 in New vegetable market and such shops are no way connected to the petitioner. The petitioner never sustained any loss. The petitioner never reached saturation point. The petitioner even never financially crippled. The petitioner is not having any liability to any one except to this respondent. This respondent never broke open shop Nos.90 and 91 at

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New Vegetable market, Ongole, and never took away the religious puja items that belongs to the petitioner on 25.07.2025 worth about Rs.12,00,000/-. Showing of the same in 'C' schedule is also false. This respondent never threatened the petitioner for lodging of any complaint against him. This respondent is not having any objection to lodge a complaint against him. The petitioner purposefully created a false story against this respondent. The petitioner is at liberty to file any complaint against any one. This respondent is not having any political influence as alleged in the petition. No respondent pressurized the petitioner for discharge of the debts. Except this respondent, the petitioner is not indebted to any one of the respondents. None of the respondents threatened or manhandled the petitioner at any point of time. The respondents 2 to 8 are henchmen of the petitioner. The petitioner is an accused in Sessions Case No.120 of 2020 in connection with Crime No.923 of 2019 of Madapur Police Station, Cyberabad. The said case is coming up for trial. At that stage, due to the close contact and friendship with the petitioner, this respondent compromised the matter between the father of the complainant and this petitioner. At that juncture, this respondent paid an amount of Rs.10,00,000/- for the purpose of amicable settlement. After that only, the case against the petitioner was ended in acquittal. The petitioner in this insolvency petition suppressed the said fact. Due to close contacts with the petitioner, this respondent provided an amount of Rs 8,00,000/- to the marriage of the petitioner with his lover by name Mounika. The respondent herein paid an amount of Rs.8,00,000/- to the petitioner for his marriage expenses. Further, the petitioner purchased an Air conditioned machine and Television and the same were handed over to the petitioner and the petitioner has been

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using the said Air conditioner and Television worth more than Rs.1,00,000/-, but this respondent is regularly paying installments. The respondent trusted the petitioner but the petitioner betrayed this respondent in a heinous manner. The result of the trust of the respondent is filing this frivolous petition by the petitioner. No decrees were passed against the petitioner. There was no any threat or coercion against the petitioner from any one. The petitioner is having three mobile phones which are worth more than Rs.4,00,000/-. The petitioner is having motor bike worth about Rs.4,50,000/-. The petitioner is having another vehicle worth about Rs.4,00,000/-. The petitioner is maintaining a car bearing No.AP-40-BJ-5785 which is worth more than Rs.15,00,000/-. At present the petitioner is seriously threatening this respondent that he will certainly file false cases under Narcotic Drugs and also under Bharatiya Nyaya Sanhita, if this respondent contests in this insolvency petition. The petitioner is living in a rented house. The rental value of the house is more than Rs.25,000/- per month. The petitioner is having movable and immovable properties worth crores of rupees, but purposefully suppressed all those properties which are in his possession and enjoyment. The petitioner filed this insolvency petition only to avoid discharge of debt to this respondent. Hence, this petition is liable to be dismissed with costs.

5. Now, the point that arise for consideration is whether the petition merits acceptance to adjudge and declare the petitioner as an insolvent and to vest the 'A' schedule property with the Official Receiver, Ongole, for proper administration and distribution among the creditors, as prayed for ?

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6. In support of his case, even though sufficient time was granted, the petitioner failed to adduced his side evidence and as such the evidence on behalf of the petitioner side was closed on 29.06.2026. Per contra, in support of his contentions, the 1st Respondent got examined himself as RW1, but no documentary evidence is adduced on his behalf.

7. Heard the learned counsel for 1st Respondent. The petitioner is treated as heard as there was no representation for him at the time of arguments. Perused the material on record.

POINT:

8. The 1st Respondent, as RW1, in his chief-examination affidavit, reiterated all the averments made and contentions taken in his counter. The cross-examination of RW1 by the petitioner was recorded as nil. Hence, the evidence of RW1 remained unchallenged. For the reasons best known to him, the petitioner, despite being granted sufficient opportunity, failed to adduce any evidence on his side. For the reasons best known to him, the petitioner did not even adduce his own evidence to prove the averments made by him in the petition. The petitioner is duty bound to offer himself to the other side for cross-examination. The petitioner failed to give such chance to the contesting 1st respondent. It is needless to say that the burden lies on the petitioner to prove his own case by adducing necessary and relevant evidence and it is only when the petitioner discharges his initial burden, the onus shifts to the respondent. The petitioner failed to discharge his initial burden. Even though the 1st respondent gave evidence, for the reasons best known to him, the petitioner did not even cross-examine the 1st respondent as RW1 at least to deny the averments made and contentions taken by the 1st

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respondent. So, the evidence of 1st respondent as RW1 can be safely hold good and stands against the case of the petitioner. Hence, it can be safely held that the petitioner failed to prove his case and as such there are no grounds to adjudicate and declare the petitioner as an insolvent.

9. Having regard to the aforesaid facts and circumstances of the case and the observations made supra, this Court is of the humble opinion that the petitioner is not entitled to any relief sought in the petition and there are no merits in this petition and the same is liable to be dismissed. The point is answered accordingly.

10. In the result, this Insolvency Petition is dismissed with costs payable by the petitioner to the 1st respondent.

Dictated to the Stenographer of this Court, transcribed and typed by him, corrected, signed and pronounced by me in open Court, on this the 14th day of August, 2026.

Digitally signed by: Ch.V.Ramakrishna
**Additional Civil Judge (Senior Division),
Ongole.**

Appendix of Evidence
WITNESSES EXAMINED

For Petitioner :

-NIL-

For Respondent No.1:

RW1 : Mamidi Sairam

DOCUMENTS MARKED

For Petitioner:

-NIL-

For Respondent No.1:

-NIL-

Digitally signed by: Ch.V.Ramakrishna
**Additional Civil Judge (Senior Division),
Ongole.**

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