

APHC010077232026



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3209]

MONDAY, THE SIXTEENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE NINALA JAYASURYA

WRIT PETITION Nos: 4350, 4353, 4358 and 4360 of 2026

W.P.No.4350 of 2026

Between:

- 1.M/S. VILLMAR AGRO POLYMERS PVT LTD., D.NO.7-5A-3, 2ND FLOOR, MEGHANA RESIDENCY, RAMARAOPETA. KAKINADA, EAST GODAVARI DISTRICT, REP. BY ITS MANAGING PARTNERS VIZ.. 1. SMT.K. SUBHA SRI W/O DR. K. JAGADEES AGED ABOUT 26 YEARS, OCC BUSINESS, R/O SY.NO.64/1A, G. MAMIDADA (V) PEDAPUDI (M), EAST GODAVARI DISTRICT.
- 2.DR. K. JAGADEES, S/O K. BASIVI REDDY AGED ABOUT 42 YEARS, OCC BUSINESS, R/O D.NO.7-5A-3, 2ND FLOOR, MEGHANA RESIDENCY, RAMARAOPETA, KAKINADA, EAST GODAVARI DISTRICT.
- 3.SMT. K. SESHAYI, W/O LATE K. BASAVI REDDY AGED ABOUT 64 YEARS, OCC BUSINESS, R/O D.NO.25-5-16, FLAT NO. 204, BHAVISHYA APARTMENT, VINUKONDAVARI STREET, BALAJICHERUVU, KAKINADA.

...PETITIONER(S)

AND

- 1.THE ANDHRA PRADESH STATE FINANCIAL CORPORATION, REP. BY ITS VICE CHAIRMAN AND MANAGING DIRECTOR, PLOT NO.O.S NO.2, 2ND CROSS, 3RD ROAD INDUSTRIAL PARK, VIJAYAWADA, A.P - 520007.
- 2.THE BRANCH MANAGER, A.P.STATE FINANCIAL CORPORATION D.NO.19-5-9, NEAR SWATANTRA PETROL BUNK KAMBALACHERUVU, RAJAHMUNDRY, E.G.DISTRICT - 533101.

...RESPONDENT(S):

Counsel for the Petitioner(S):

1.Smt.S.V.INDIRA

Counsel for the Respondent(S):

1.Mr.G.R. SUDHAKAR

The Court made the following common order:

Seeking to declare that the E-Auction Sale Notice dated 18.12.2025 issued by the 2nd respondent – Corporation is against natural justice and for a direction to consider the representation of the petitioners dated 14.08.2025, the present writ petitions are filed. As the issue involved is similar, the same are disposed of by this common order.

2. Heard learned counsel for the petitioners and the learned counsel for the Caveator / Corporation. Perused the material on record.

3. The learned counsel for the petitioners *inter alia* submits that the first petitioner is engaged in the manufacturing and processing of plastic products. For the purpose of establishing and running its business, the learned counsel submits that the petitioners approached the second respondent for sanction of a term loan and *vide* proceedings dated 07.06.2017, term loan of Rs.684.00 lakhs was sanctioned. She submits that the petitioners 2 to 4 have offered their land as collateral security for the said term loan, that the collateral security was withdrawn in the midst of the project and under those circumstances, representations dated 21.05.2018 and 21.05.2019 were made to the second respondent, but no action was taken on the same. She also submits that thereafter the petitioners made further representations to the second respondent for rescheduling the payments in view of Covid-19, but no orders were passed. Be that as it may. The learned counsel submits that on 14.08.2025 (Ex.P2), the petitioners made representation to the second respondent requesting for One Time Settlement (OTS), but the same also did

not yield any positive response. Ultimately, the learned counsel submits that the impugned auction notice was issued proposing to sell the property mortgaged by the petitioners. She submits that the market value of the mortgaged property is about Rs.16 Crores. The same is sought to be auctioned at a very lesser price of about Rs.9 Crores. She submits that the action of the respondents in proceeding with the proposed auction without considering the representation of the petitioners is unjust, arbitrary and therefore liable to be interfered with.

4. On the other hand, Mr.G.R.Sudhakar, counsel for the respondent-Corporation made submissions by placing relevant material for consideration by this Court. He submits that the petitioners on the earlier occasion approached this Court by filing W.P.No.15597 of 2022 etc., challenging the action of the respondent-authorities in locking the petitioner-unit for non-payment of Term Loan account dues. He submits that a learned Judge of this Court, after considering the matter, by an order dated 02.06.2022, directed the authorities of the Corporation to unlock the premises of the petitioner-Unit, subject to the condition of depositing Rs.1 Crore within four weeks, by way of part payments. He submits that as per the interim order dated 02.06.2022, 1st installment of Rs.10 lakhs was to be paid within a week from the date of order, on payment of which, the Unit shall be unlocked to ensure the petitioners to run the same. He submits that in the said order, it was also provided that in the event of non-payment of Rs.1 Crore within the time stipulated by the Court, it is open to take necessary action against the petitioners as per Law. He submits that aggrieved by the said order, the petitioners filed W.A.Nos.638

and 639 of 2022, the Corporation filed two appeals, that a learned Division Bench of this Court *vide* orders 23.08.2022 while dismissing the appeals filed by the petitioners, granted liberty to them to approach the learned Single Judge, for extension of time.

5. The learned counsel further submits that the petitioners having failed to comply with the interim orders dated 02.06.2022, subsequently withdrew the writ petitions on 30.09.2022. He submits that in the meanwhile, the respondent-Corporation issued First Sale advertisement on 03.09.2022 for sale of the properties, offered as security, but no offers were received within the due date and as such, the proposed sale auction was cancelled. In the meanwhile, he submits that the petitioners filed W.P.No.31348 of 2022 etc; challenging the Auction Notification and sought stay of auction proceedings. However, he submits that the writ petitions were dismissed on 05.03.2024 as withdrawn. He also submits that the Corporation in fact, issued Second Sale Advertisement on 18.03.2023 for sale of the properties and challenging the same, the petitioners filed W.P.No.9664 of 2023, but the said writ petitions were dismissed for non-prosecution *vide* order dated 01.09.2023. He submits that no steps were taken for restoration of the said writ petitions. Be that as it may. He submits that the petitioners have not stated anything about filing of the earlier writ petitions and dismissal of the same in the present writ petitions, that the petitioners except making some representation, had not shown any bona-fides by depositing atleast 15% of the value of the properties sought to be auctioned. He submits that the only intention of the petitioners is to drag on the matter, that the respondent – Corporation has shown much indulgence

in the matter and ultimately constrained to issue third auction Notification for sale of the subject matter properties. He submits that the writ petitions are devoid of merits and the same are liable to be dismissed.

6. This Court has considered the submissions made and perused the material on record. At the outset, it may be pertinent to note that though in the writ affidavit a mention was made about some correspondence with regard to collateral security etc., and the representations dated 19.11.2020 stated to have been made by the petitioner, the same were not filed. Except the e-Sale Auction Notice and the representation dated 14.08.2025 stated to have been made prior to the said notice, the petitioners did not chose to file any of the orders passed by this Court on the earlier occasion with reference to the subject matter property, let alone disclosing the facts in the affidavit. In fact, as seen from the impugned notice, it is discernible that the possession of the subject matter properties were taken over on 17.05.2022.

7. Non-disclosure of filing of the earlier writ petitions and the orders passed thereon by the Court, is fatal to the case of the petitioners, disentitle them from securing any relief from the Court under Article 226 of the Constitution of India. The petitioners have not approached this Court with clean hands and suppressed the material facts. The petitioner is not only guilty of suppression of facts but also guilty of abuse of process of law.

8. In **Auroville Foundation v. Natasha Storey**¹, the Hon'ble Supreme Court while reiterating the legal position on the issue of suppression of facts at para No.9 and 10 held as follows:

"9. It is no more *res integra* that the Doctrine of "Clean hands and non-suppression of material facts" is applicable with full force to every proceedings before any judicial forum. The party invoking extraordinary jurisdiction of the High Court under Article 226 of the Constitution of India must come with clean hands and disclose all correct and material facts in his Writ Petition. If it is brought to the notice of the Court that the petition has been guilty of suppression of material and relevant facts or has not come with clean hands, such conduct must be seriously viewed by the courts as the abuse of process of law and the petition must be dismissed on that ground alone without entering into the merits of the matter.

10. As held in **S.J.S. Business Enterprises (P) Ltd. v. State of Bihar & Ors.**, (reported in AIR 2004 SC 2421), as a general rule, suppression of material fact by a litigant disqualifies such litigant from obtaining any relief. This rule has been evolved out of the need of the Courts to deter a litigant from abusing the process of court by deceiving it. Similar view has been taken in **General Manager, Haryana Roadways v. Jai Bhagwan & Anr.**(reported in (2008) 4 SCC 127), in **Prestige Lights Ltd., v. State Bank of India** etc".

9. In the light of the above stated factual and legal position, this Court is not inclined to entertain the writ petitions and the same are accordingly dismissed. Though it is a fit case for imposing costs, taking a lenient view, there shall be no order as to costs.

Consequently, all pending applications shall stand closed.

JUSTICE NINALA JAYASURYA

Dt. 16.02.2026
BLV

¹ 2025 INSC 348

THE HONOURABLE SRI JUSTICE NINALA JAYASURYA

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Date: 16.02.2026

BLV