



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF MARCH, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT APPEAL NO. 1038 OF 2024 (CS-RES)

BETWEEN:

KEMPAMMA
DEAD BY LTS

1. VENKATARAMANAIAH A
S/O LATE ARASAPPA @ KARIYAPPA,
AGED ABOUT 65 YEARS,
R/AT BHEEMASANDRA
MCC POST,
ANJANADHRI LAYOUT,
6TH WARD, TUMKUR-572107.

2. SREENIVASA MURTHY
S/O LATE ARASAPPA @ KARIAPPA
AGED ABOUT 62 YEARS

3. GURUDEVA
S/O LATE ARASAPPA @ KARIAPPA
AGED ABOUT 52 YEARS

APPELLANTS No.2 AND 3 ARE
R/AT NO. 1906 1ST MAIN,
3RD CROSS, NEAR KHB COLONY,
PRASHANTHANGAR
BANGALORE-560079.





4. SATHYABAMA
W/O THIMMARAJU
AGED ABOUT 49 YEARS,
D/O LATE ARASAPPA @ KARIAPPA,
CHANNENAHALLI,
TAVAREKERE HOBLI,
BANGALORE SOUTH TALUK-562130.

...APPELLANTS

(BY SRI. KARUMBIAH T.A, ADVOCATE)

AND:

1. BANGALORE, BANGALORE RURAL AND
RAMANAGARA DISTRICT -
CO OPERATIVE BANK LTD
(BBR AND RDCC BANK)
5TH MAIN, CHAMARAJPET,
BANGALORE-560058
BY THE
2. THE SECRETARY
JAWAHAR HOUSE BUILDING,
CO OPERATIVE SOCIETY LTD
NO. 13, LINK ROAD,
SESHADRIPURAM,
BANGALORE-560020.
3. THE JOINT REGISTRAR OF
CO OPERATIVE SOCIETIES
BANGALORE REGION
PAMPA MAHAKAVI ROAD,
CHAMARAJPET,
BANGALORE 560018.

...RESPONDENTS

(BY SMT. NAMITHA MAHESH B G, AGA FOR R2 & R3
SRI. SOMASHEKAR, ADVOCATE FOR R1)



THIS WRIT APPEAL IS FILED U/S 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 04.03.2024 PASSED BY THE LEARNED SINGLE JUDGE IN WP No. 16122/2016 AND DISMISS THE SAID PETITION IN THE INTEREST OF JUSTICE AND EQUITY.

THIS APPEAL, COMING ON FOR ORDERS, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. For the reasons stated in the applications, the same are allowed.
2. Issue notice.
3. Sri Somashekar, learned counsel, accepts notice for respondent No.1.
4. Learned Additional Government Advocate accepts notice for respondent Nos.2 and 3.
5. The appellants have filed the present appeal impugning the order dated 04.03.2024 [**impugned order**] passed by the learned Single Judge in Writ Petition No.16122/2016 (CS-RES).



Respondent No.1 [**the bank**] had filed the said petition, impugning an order dated 29.01.2016, passed by the Karnataka Appellate Tribunal [**Tribunal**], whereby the appeal preferred by Smt. Kempamma (since deceased), who was arrayed as respondent No.2 in the writ petition, was allowed.

6. The appellants herein are the successors in interest of late Smt.Kempamma. She had filed an appeal [APL.No.755/2009 (C.S)] before the respondent No.3 - Tribunal impugning an award dated 01.03.1997 passed by the Joint Registrar of Co-operative Societies under Section 70 of the Karnataka Co-operative Societies Act, 1959.

7. The learned Joint Registrar had directed respondent No.2 - society, of which the late Smt.Kempamma was a member, to pay a sum of ₹2,38,00,497/- together with future interest at the rate of 22.5% p.a., and penal interest at the rate of 1% p.a., on the defaulted principal amount of ₹1,99,98,500/- from 01.01.1994 till the date of realization along with costs. The learned Joint Registrar further directed that the amount shall be recovered by attachment and sale of movable and immovable properties belonging to



respondent No.2 - society. Late Smt.Kempamma was aggrieved as the said attachment would also extend to her property, which she acquired being a member of the society.

8. The bank had lent a sum of ₹2 crores to respondent No.2 - society on 06.01.1993, and the said society had executed a mortgage deed, on-demand promissory note and hypothecation agreement in favour of the bank. The said funds were released for the purchase of land for forming a layout for the benefit of the members. Respondent No.2 - society had also entered into an agreement dated 03.04.1993, with a developer, who had received a sum of ₹25,000/-.

9. As noted above, late Smt.Kempamma succeeded in the appeal before the Tribunal, and the bank had filed the writ petition, which was disposed of by the impugned order.

10. Apparently, during the course of the said proceedings late Smt.Kempamma had agreed to settle the disputes and pay ₹12 lakhs per acre, along with interest at the rate of 5% p.a. A copy of a letter dated 03.03.2018 has been placed on record, whereby late



Smt.Kempamma had made the said offer. The said letter is a typed letter but, bears a thumb impression, which it is stated is of late Smt.Kempamma.

11. During the course of the proceedings before the learned Single Judge, it was contended on behalf of the bank that it was agreeable for the said proposal. In view of the statement made on behalf of the bank, the writ petition was disposed of with a direction for late Smt. Kempamma to pay the sum computed at ₹12 lakhs per acre along with 5% p.a., interest. The relevant extract of the said order reads as under:

"2. It is submitted that during the pendency of the proceedings, the petitioner-Bank has resolved and it is willing to accept payment of Rs.12,00,000/- per acre along with 5% interest as proposed by respondent No.2 in a letter dated 03.03.2018 at Annexure-'N' and accordingly release the attachment in favour of respondent No.2.

3. In light of such stand as recorded in the averment at Paragraph No.15A of the petition, the petition is hereby disposed of. Respondent No.2 to pay a sum of Rs.12,00,000/- per acre along with 5% interest, as proposed by respondent No.2 in her letter dated 03.03.2018 at Annexure-'N' and on such payment, attachment in favour of respondent No.2 would stand released.

4. In light of the above, order dated 29.01.2016 in APL No.755/2009(C.S) at Annexure-H as well as the order in the dispute No. JSB/DIS/908/93-94 passed on



01.03.1997 at Annexure-'C', insofar as respondent
No.2 is concerned are set aside. "

12. The appellants now dispute that any offer was made by the late Smt.Kempamma. They dispute that the letter dated 03.03.2018 was signed by late Smt. Kempamma or any such offer had been made.

13. The learned counsel appearing for the bank countered the said contention. He submits that late Smt Kempamma had visited the bank's office several times with such offers. However, at that time, it was not accepted. He also points out that Smt Kempamma was represented by counsel throughout the proceedings before the learned Single Judge.

14. We do not consider it apposite to enter into this controversy. Concededly, there is no written settlement agreement between the parties. The statement of late Smt Kempamma was also not recorded by the Court. The bank's writ petition was disposed of since the counsel appearing for the late Smt Kempamma did not dispute the letter dated 03.03.2018.



15. In view of the above, we consider it apposite to set aside the impugned order and relegate the parties to the proceedings before the learned Single Judge.

16. The impugned order is set aside, and the writ petition is restored to the position as pending on 04.03.2024. The Registry is directed to list the same on 06.04.2026.

17. The parties shall file an appropriate application to implead the appellants in the writ petition, since late Smt Kempamma, who was arrayed as respondent No.2, expired on 01.04.2024.

18. The appeal is accordingly, allowed.

19. All the pending applications are also disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**