

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

MONDAY, THE 07TH DAY OF MARCH 2022

THE HON'BLE MR. JUSTICE M.SUNDAR

Arb.Appln.No.372 of 2021

In the matter of Arbitration &  
Conciliation Act, 1996

And

In the matter of Disputes between  
M/s.Equitas Small Finance Bank  
Limited and Mr.Veeramanikandan  
And another Arising under Loan  
Agreement Dated 25/10/2019  
bearing Loan Agreement  
No.SLTRVUR0248115.

M/s.Equitas Small Finance Bank Limited,  
4<sup>th</sup> Floor, Phase-II, Spencer Plaza,  
769, Anna Salai, Chennai,  
Tamil Nadu – 600 002,  
Represented by its Authorised Signatory  
Mr.R.S.Bharath (Emp.No.31681)

... Applicant

-Versus-

1.Mr.Veeramanikandan,  
No.57, Road Street, Vandalur,  
Sembiyan Mahadevi,  
Nagapattinam – 611 109.

... Borrower/Respondent-1

2.Mrs.Vanalakshmi,  
No.22, Main Road, Kodiakkadu,  
Nagapattinam – 614 807.

... Co Borrower/Respondent-2

3.Mr.J.Gajendran,  
No.22, Road Street, Kodiakkadu,  
Sembianmahadevi, Nagapattinam – 611 109.... Co-Borrower/Respondent-3

4.Mr.S.Ganesan,  
No.92, Pallikula Theru, Thevur,  
Nagapattinam – 611 109.

... Guarantor/Respondent-4

5.M/s Tamil Nadu Generation and  
Distribution Corporation Ltd,  
(TANGEDCO),  
No.25, East Sattaiyappar Keela Street,  
Nagapattinam.

... Garnishee/Respondent-5

Application praying that this Hon'ble Court be pleased to pass an order prohibiting the Garnishee from making payment up to a limit of Rs.5,55,358.92/- (Rupees Five Lakhs Fifty Five Thousand Three Hundred and Fifty Eight and ninety two paise only) withholding the salary of 4<sup>th</sup> respondent every month to the extent as contemplated in Section 60 of C.P.C.viz, after deducting the first Rs.1,000/- of the salary of the 4<sup>th</sup> respondent and withholding 1/3<sup>rd</sup> of the remainder salary and restrain the 4<sup>th</sup> respondent from receiving the salary amount so withheld from the Garnishee/Respondent-5 and further direct the Garnishee/Respondent - 5 to deposit the amount of salary so withheld every month to the credit of the above application pending initiation and disposal of arbitration proceeding between the Applicant and the Respondents and till enforcement of the award that may be ultimately passed in the arbitration proceedings.

This Arbitration Application coming on this day before this court for hearing in the presence of Ms.A.S.Neela Narayani, advocate for the applicant herein, and upon reading the Judge's Summons and the Affidavit R.S.Bharath filed herein and the learned counsel for the applicant having made an endorsement on the application stating that "The matter has been settled between the parties and the applicant may be permitted to withdraw the application and this court observing that a litigant is entitled to refund of court fee under Section 69-A of TN Court Fees Act even if negotiations and settlement between the parties do not happen within the ambit of Section 89 CPC or under anyone of the modes adumbrated in Section 89 CPC, and the applicant's request for refund of court fee is acceded to, **it is ordered as follows:-**

That the Arb.Appln.No.372 of 2021, be and is hereby disposed of as withdrawn, preserving the rights of the applicant bank.

2. That a certificate under Section 69-A of the Tamil Nadu Court Fees and Suits Valuation Act 1955, do issue herein, out of and under the seal of this Court is favour of M/s Equitas Small Finance Bank Limited, rep. By its Authorised Signatory, Mr.R.S.Bharath, the applicant herein, authorising

them to receive from the Pay and Accounts Office, High Court, Chennai a sum of Rs.16,660/- (Rupees Sixteen Thousand Six Hundred and Sixty only) being the entire court fee paid on the application by the applicant herein.

WITNESS THE HON'BLE MR.JUSTICE MUNISHWAR NATH BHANDARI, CHIEF JUSTICE, HIGH COURT AT MADRAS AFORESAID, THIS THE 07<sup>th</sup> DAY OF MARCH 2022.

Sd/-  
ASSISTANT REGISTRAR (Comm.Cases)  
//Certified to be true copy//

Dated at Madras this the    day of        2022.

COURT OFFICER(O.S.)

From 25th Day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.

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21.03.2022

Arb.Appln.No.372 of 2021

ORDER

DATED : 07.03.2022

THE HON'BLE MR.JUSTICE

M.SUNDAR

FOR APPROVAL: 22.03.2022

APPROVED ON: 23.03.2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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MONDAY, THE 07TH DAY OF MARCH 2022

THE HON'BLE MR. JUSTICE M.SUNDAR

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... Garnishee/Respondent-5

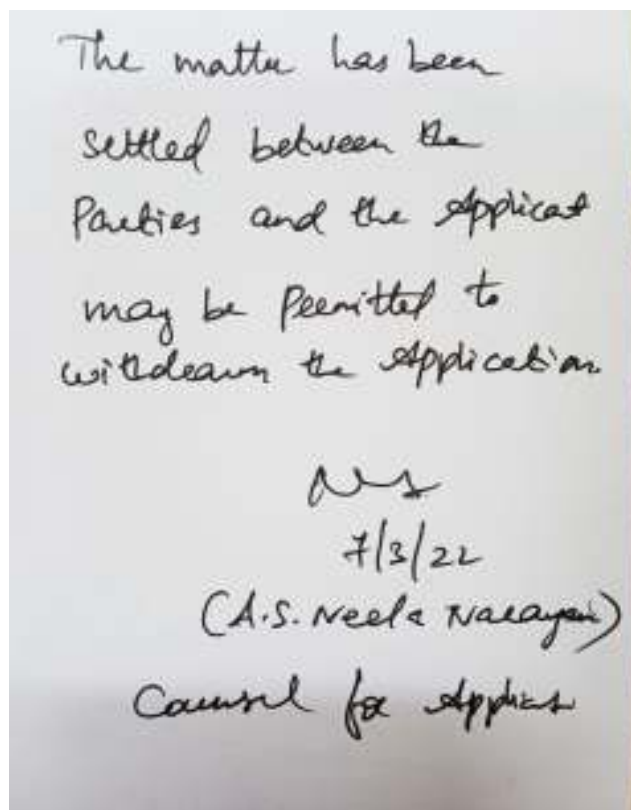
Application praying that this Hon'ble Court be pleased to pass an order prohibiting the Garnishee from making payment up to a limit of Rs.5,55,358.92/- (Rupees Five Lakhs Fifty Five Thousand Three Hundred and Fifty Eight only) withholding the salary of 4<sup>th</sup> respondent every month to the extent as contemplated in Section 60 of C.P.C.viz, after deducting the first Rs.1,000/- of the salary of the 4<sup>th</sup> respondent and withholding 1/3<sup>rd</sup> of the remainder salary and restrain the 4<sup>th</sup> respondent from receiving the salary amount so withheld from the Garnishee/Respondent-5 and further direct the Garnishee/Respondent - 5 to deposit the amount of salary so withheld every month to the credit of the above application pending initiation and disposal of arbitration proceeding between the Applicant and the Respondents and till enforcement of the award that may be ultimately passed in the arbitration proceedings.

This Arbitration Application coming on this day before this court for

hearing **the court made the following order:-**

Ms.A.S.Neela Narayani, learned counsel on record for the applicant submits that the captioned matter has been amicably settled between the parties and seeks leave of this Court to withdraw the captioned application.

2. Learned counsel on record for the applicant has made endorsement in the case file and a scanned reproduction of the same is as under:



The matter has been  
settled between the  
Parties and the applicant  
may be permitted to  
withdraw the application.

MS  
7/3/22  
(A.S. Neela Narayani)  
Counsel for Applicant

3. Learned counsel for the applicant requests for refund of court fee.

4. Refund of court fee is obviously under Section 69-A of 'The Tamil Nadu Court-Fees and Suits Valuation Act, 1955 (Tamil Nadu Act

XIV of 1955)' [hereinafter 'TN Court Fees Act' for convenience and clarity], which reads as follows:

*'Section 69-A. Refund on settlement of disputes under Section 89 of Code of Civil Procedure-(1)Where the Court refers the parties to the suit to anyone of the modes of settlement of dispute referred to in Section 89 of the Code of Civil Procedure, 1908 (Central Act V of 1908), the plaintiff shall be entitled to a certificate from the Court authorizing him to receive back the full amount of the fee paid in respect of such plaint if the dispute referred by the Court is settled.'*

5. The above takes us to Section 89 of 'The of Code of Civil Procedure, 1908' (Central Act V of 1908) [hereinafter 'CPC' for the sake of brevity], which reads as follows:

*89.Settlement of disputes outside the Court:-*

*(1)Where it appears to the court that there exist elements of a settlement which may be acceptable to the parties, the court shall formulate the terms of settlement and give them to the parties for their observations and after receiving the observations of the parties, the court may reformulate the terms of a possible settlement and refer the same for -*

*(a) arbitration;*

*(b) conciliation;*

*(c) judicial settlement including settlement through Lok Adalat; or*

*(d) mediation.*

*(2)Where a dispute has been referred -*

*(a) or arbitration or conciliation, the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply as if the proceedings for arbitration or conciliation were referred for settlement under the provisions of the Act;*

*(b) to Lok Adalat, the court shall refer the same to the Lok Adalat in accordance with the provisions of sub-section(1) of section 20 of the Legal Services Authority Act, 1987 (39 of 1987) and all other provisions of that Act shall apply in respect of the dispute so referred to the Lok Adalat;*

*(c)for judicial settlement, the court shall refer the same to a suitable institution or person and such institution or person shall be deemed to be a Lok Adalat and all the provisions of the Legal Services Authority Act, 1987 (39 of 1987) shall apply as if the dispute were referred to a Lok Adalat under the provisions of that Act;*

*(d)for mediation, the court shall effect a compromise*

*between the parties and shall follow such procedure as may be prescribed.*

6. The Honourable Supreme Court in ***High Court of Madras v. M.C. Subramaniam*** (2021 SCC OnLine SC 109), observed as under:

*'25. Thus, even though a strict construction of the terms of Section 89 CPC and Section 69-A of the 1955 Act may not encompass such private negotiations and settlements between the parties, we emphasise that the participants in such settlements will be entitled to the same benefits as those who have been referred to explore alternate dispute settlement methods under Section 89 CPC. Indeed, we find it puzzling that the petitioner should be so vehemently opposed to granting such benefit. Though the Registry/State Government will be losing a one-time court fee in the short term, they will be saved the expense and opportunity cost of managing an endless cycle of litigation in the long term. It is therefore in their own interest to allow Respondent 1's claim.*

*26. Thus, in our view, the High Court was correct in holding that Section 89 CPC and Section 69-A of the 1955 Act*

*be interpreted liberally. In view of this broad purposive construction, we affirm the High Court's conclusion, and hold that Section 89 CPC shall cover, and the benefit of Section 69-A of the 1955 Act shall also extend to all methods of out-of-court dispute settlement between parties that the Court subsequently finds to have been legally arrived at. This would, thus, cover the present controversy, wherein a private settlement was arrived at, and a memo to withdraw the appeal was filed before the High Court. In such a case as well, the appellant i.e. Respondent 1 herein would be entitled to refund of court fee.'*

7. The above means that a litigant is entitled to refund of court fee under Section 69-A of TN Court Fees Act even if negotiations and settlement between the parties do not happen within the ambit of Section 89 CPC or under anyone of the modes adumbrated in Section 89 CPC.

8. In the light of aforementioned obtaining position of law, applicant's request for refund of court fee is acceded to.

9. In the light of the narrative thus far, captioned application is

disposed of as withdrawn, preserving the rights of the applicant bank in the aforesaid manner with further directive to the Registry to refund court fee to applicant (subject to standard deductions, if any) by way of an instrument drawn in favour of applicant bank and by following prescribed procedures in this regard.

Sd./-M.S.J.  
07.03.2022

//Certified to be true copy//

Dated at Madras this the     day of     2022.

COURT OFFICER(O.S.)

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