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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CS(OS) 621/2024**

HONASA CONSUMER LTD & ANR.

.....Plaintiffs

Through: **Ms. Kartika Sharma and Ms. Akshaya
Jebakumar, Advocates**

versus

ADITI & ANR.

.....Defendants

Through: **Mr. Mukesh Sharma, Advocate for
defendants along with D-1 in person
though VC.**

CORAM:

HON'BLE MR. JUSTICE VIKAS MAHAJAN

ORDER

14.08.2024

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1. The present suit was disposed of on the very first day i.e. on 06.08.2021 in view of the settlement arrived at between the parties with the intervention of the Court in the Court itself. A prayer was thus, made to refund the entire court fee affixed by the plaintiff on the plaint.
2. The matter was kept today for consideration only on the aspect of refund of court fee.
3. Learned counsel appearing on behalf of the plaintiff submits that the issue with regard to the refund of full court fee when the matter is privately settled between the parties without intervention of any ADR mechanism as mentioned in Section 89 of the CPC is pending consideration in the form of a reference before the Hon'ble Division Bench of this Court in *V Guard Industries Ltd vs. M/S Mahavir Home Appliances & Anr.*, in CS (COMM) 98/2023, as can be seen from order dated 26.07.2024 of the Division Bench



which has been brought to the notice of this Court. The order is taken on record.

4. However, without prejudice to her rights and contentions, the learned counsel submits that in terms of Section 16A of the Court Fees Act, 1870, 50% of the court fee may be refunded to the plaintiff for the time being and liberty may be granted to the plaintiff to seek refund of remaining amount of the court fee in case the reference is answered favourably.

5. At this stage, it is apposite to mention the provision of Section 16A of the Court Fees Act, 1870, which has been inserted by way of State amendment, and reads as under:-

“16A. Refund of fees on settlement before hearing:—

Whenever by agreement of parties-

(i) any suit is dismissed as settled out of court before evidence has been recorded on the merits of the claim; or

(ii) any suit is compromised ending in a compromise decree before evidence has been recorded on the merits of the claim; or

(iii) any appeal is disposed of before the commencement of hearing of such appeal; half the amount of all fees paid in respect of the claim or claims in the suit or appeal shall be ordered by the court to be refunded to the parties by whom the same have been respectively paid.”

(emphasis supplied)

6. A perusal of Section 16A shows that when a suit is dismissed as settled out of Court before any evidence has been recorded on the merits of the claim, the plaintiff becomes entitled for refund of half the amount of the court fee paid in respect of the claim.



7. Accordingly, the Registry is directed to issue a certificate to the plaintiff for refund of half the court fee affixed by the plaintiff on the plaint. Further, the plaintiff is also granted liberty to make appropriate application for refund of the balance court fee in case reference is answered favourably by the Division Bench.

AUGUST 14, 2024
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VIKAS MAHAJAN, J