



RSA-2515-2019 (O&M)

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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

(104+291)

RSA-2515-2019 (O&M)

DATE OF DECISION:- 11.03.2025

OM PAL

... APPELLANT

VERSUS

ASHOK KUMAR

... RESPONDENT

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Sachin Mittal, Advocate,
Mr. Arnav Mittal, Advocate and
Mr. Parth Sharma, Advocate
for the applicant-appellant.

Mr. Munish Mittal, Advocate for the respondent.

SUVIR SEHGAL, J. (Oral)**CM-9314-C-2024**

1. Application is allowed.
2. Affidavit dated 06.09.2024 filed by the respondent is taken on record as Annexure R-1.

CM-9674-C-2024 & CM-10107-C-2024

3. Both these applications have been separately filed by appellant and respondent for issuance of direction to release the court fee affixed at the time of filing of the appeal as well as the suit.
4. Counsel for the parties submit that the dispute has been amicably settled between the parties and a compromise dated 29.11.2023, Annexure A-1, has been entered into. Counsel submit that as the dispute has been settled out of Court, parties are entitled to the refund of the requisite fee



affixed by them under Section 16 of the Court Fees Act, 1870 (for short “the Act”). Reliance has been placed upon a judgment of a Co-ordinate Bench of this Court in **Surender Kumar Versus Hans Raj Mandi, 2021 (2) RCR (Civil) 851.**

5. I have heard counsel for the parties and considered their respective submission.

6. Section 16 of the Act provides thus:-

“16. Refund of fee- Where the Court refers the parties to the suit to any one of the mode of settlement of dispute referred to in section 89 of the Code of Civil Procedure, 1908 (5 of 1908), the plaintiff shall be entitled to a certificate from the Court authorising him to receive back from the Collector, the full amount of the fee paid in respect of such plaint.”

7. A plain reading of the above reproduced statutory provision shows that a plaintiff would be entitled to the refund of the court fee on a reference by the Court to any of the methods of Alternate Dispute Resolution (ADR) specified under Section 89 of the Code of Civil Procedure, 1908 (for short “the Code”). Section 16, *ibid* applies when parties are able to reach at a settlement after a reference to ADR. The objective behind the statutory provision is to encourage the parties to resort to the alternate methods of dispute resolution, rather than seek adjudication of the disputes by Courts, even though they may have approach the Court for relief. The provision is meant to support the adjudication of disputes through the medium of ADR. A litigant is entitled to refund only when he arrives at a final settlement without the process of the Court through the alternate methods, but it is not intended to apply when the matter has been resolved by the parties outside the Court



through private negotiation. Refund of court fee is not permitted where settlement has been reached through private settlement without taking recourse to Section 89 of the Code.

8. In **Jage Ram Versus Ved Kaur and others, (SLP (C) No.723/2023, decided on 28.01.2025)** arising out of an order passed by a Co-ordinate Bench of this Court, Supreme Court observed as under:-

- “1. Heard learned counsel for the parties.*
- 2. The second appeal was decided by the High Court in terms of the settlement, a signed copy of which was produced before it.*
- 3. Since the appeal was decided in terms of the settlement and not on merits, the petitioner prayed to refund the court fees paid by him in the trial Court as well as in the First Appellate Court and Second Appellate Court.*
- 4. In the second appeal, the petitioner had paid Rs.29,053/- (Rupees Twenty-Nine Thousand Fifty-Three only).*
- 5. The High Court by the impugned order has rejected the prayer so made by the petitioner by holding that no ground for refund has been made out.*
- 6. The refund of court fees is permissible only if the matter is referred to Arbitration, Conciliation, judicial settlement, including through Lok Adalat or mediation for settlement and the case is decided in terms of such a settlement and not otherwise.*
- 7. In the case at hand, the settlement in terms of which the second appeal was decided by the High Court is not on reference to any of the above authorities/fora rather it was an amicable settlement out of the court.*
- 8. Accordingly, we are of the opinion that the petitioner is not entitled to refund of the court fees and the High Court has not committed any error or illegality in refusing such a prayer.*



9. Accordingly, the Special Leave Petition lacks merits and is dismissed. Pending application(s), if any, shall stand disposed of.”

9. A similar question came up for consideration before the High Court of Delhi in **Sayed Mohammed Rafey Versus Mumtaz Ahmad and others, Law Finder Doc ID #919322**. A Division Bench of Delhi High Court held as follows:-

“3. A perusal of Section 89 of the Code of Civil Procedure, 1908, will make it indubitably clear that it is the Court which must refer the parties for settlement under that Section. This has avowedly not happened in the case before us. In fact, indubitably it had not happened even in J.K.Forgings either. For a party to be entitled to refund Court Fee it must fall within the circumstances envisaged by a statutory provision. However, favourably the Court may want to ameliorate the plight of a litigant, who has paid Court Fee, if a statutory provision specifically prohibits or does not permit such relief the Court is not empowered in granting the relief.”

10. In view of the above, settled legal position, applicants are not entitled to the refund of the court fee. Applicants cannot derive any benefit from the judgment of the Co-ordinate Bench relied upon by them.

11. Both the applications are dismissed.

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12. Prayer in the application filed by the applicant-appellant under Order 23 Rule 3, CPC is for withdrawal of the appeal.

13. Counsel for the appellant states that the dispute has been amicably settled between the parties and a compromise dated 29.11.2023, Annexure



A-1, has been arrived at between the parties. Reference has also been made to the affidavit dated 06.09.2024, Annexure R-1, executed by the respondent deposing that he has received the full and final payment under the compromise. He, therefore, requests for withdrawal of the appeal.

- 14. Counsel for the respondent does not have any objection.
- 15. Accordingly, application is disposed off.
- 16. Applicant-appellant is permitted to withdraw the appeal.
- 17. Appeal is dismissed as withdrawn.

(SUVIR SEHGAL)
JUDGE

11.03.2025
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Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No