



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

**Date of decision : 15.09.2025**  
**RSA-3885-2016 (O&M)**

SHAM LAL & ANR ...Appellants

Versus

TILAK RAJ & ANR ...Respondents

**RSA-5134-2016 (O&M)**

TILAK RAJ ...Appellant

Versus

RANDHIR SINGH AND OTHERS ...Respondents

**CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN**

Present : Mr. Bhavya Vats, Advocate for Mr. Akshay Jindal, Advocate  
for the appellants in RSA-3885-2016.

None for the appellant in RSA-5134-2016.

Mr. Abhilaksh Grover, Advocate  
for respondent No.1 in RSA-5134-2016 and  
for respondent No.2 in RSA-3885-2016.

Mr. Bhavya Vats, Advocate  
for respondent No.2 in RSA-5134-2016.

**PANKAJ JAIN, J. (ORAL)**

**CM-12790-C-2024 in RSA-3885-2016**

This is an application filed under Order XXIII Rule 3 read with Section 151 CPC seeking disposal of the main appeal in terms of compromise dated 11.12.2024 (Annexure A-1) arrived at between the parties.

2. For the reasons recorded in the application, the same is allowed.

Compromise deed (Annexure A-1) is taken on record.



**RSA-3885-2016 (O&M) and  
RSA-5134-2016 (O&M)**

Counsels are *ad idem* that the parties have amicably settled their dispute. Compromise deed has been placed on record as Annexure A-1.

Appeals are ordered to be disposed off in terms of the compromise. Decree be drawn. Compromise be made part of the decree.

**CM-12791-C-2024 in RSA-3885-2016**

Instant application has been filed seeking refund of the Court Fees.

The issue regarding refund of Court Fee in terms of Section 89 CPC in the event of settlement of dispute outside the Court, came up for consideration before Supreme Court in the case of '**High Court of Judicature at Madras Represented by its Registrar General vs. M.C. Subramaniam and others**', (2021) 3 SCC 560. Supreme Court observed as under:

*“23. We find ourselves in agreement with the approach taken by the High Courts in the decisions stated supra. The purpose of Section 69-A is to reward parties who have chosen to withdraw their litigations in favour of more conciliatory dispute settlement mechanisms, thus saving the time and resources of the Court, by enabling them to claim refund of the court fees deposited by them. Such refund of court fee, though it may not be connected to the substance of the dispute between the parties, is certainly an ancillary economic incentive for pushing them towards exploring alternative methods of dispute settlement. As the Karnataka High Court has rightly observed in Kamalamma (supra), parties who have agreed to settle their disputes without*



*requiring judicial intervention under section 89, CPC are even more deserving of this benefit. This is because by choosing to resolve their claims themselves, they have saved the State of the logistical hassle of arranging for a third-party institution to settle the dispute. Though arbitration and mediation are certainly salutary dispute resolution mechanisms, we also find that the importance of private amicable negotiation between the parties cannot be understated. In our view, there is no justifiable reason why Section 69-A should only incentivize the methods of out-of-court settlement stated in section 89, CPC and afford step-brotherly treatment to other methods availed of by the parties.*

*24. Admittedly, there may be situations wherein the parties have after the course of a long-drawn trial, or multiple frivolous litigations, approached the Court seeking refund of court fees in the guise of having settled their disputes. In such cases, the Court may, having regard to the previous conduct of the parties and the principles of equity, refuse to grant relief under the relevant rules pertaining to court fees. However, we do not find the present case as being of such nature.*

*25. Thus, even though a strict construction of the terms of section 89, CPC and 69-A of the 1955 Act may not encompass such private negotiations and settlements between the parties, we emphasize 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 the Respondent No. 1's claim.*

*26. Thus, in our view, the High Court was correct in holding that section 89 of the 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 of 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 No. 1 herein would be entitled to refund of court fee.”*

In view of the aforesaid observations made by Supreme Court, the Court Fee affixed on appeal, is ordered to be refunded.

Any amount deposited, in cash, in compliance of the order passed by this Court or in execution, is also ordered to be refunded.

The instant application is allowed.

A copy of this order be kept on the file of other connected case.

**September 15, 2025**

**Dpr**

**(Pankaj Jain)**

**Judge**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No