



IN THE HIGH COURT OF ORISSA AT CUTTACK

ADMLS No.1 of 2024

Paradip International Cargo Terminal ***Plaintiff***
Pvt. Ltd., Mumbai

Mr. Prathamesh Kamat, Advocate assisted by
M/s. Neha Nair, Satya Smruti Mohanty, Isha
Patil and S.Subash Pradhan, Advocates
-versus-

M. V. Debi (IMO.9616735) ***Defendant***

Mr. Pradeep Kumar Khuntia, Advocate
Mr. Dipti Ranjan Bhokta, CGC (Intervenor)

CORAM:

HON'BLE MR. JUSTICE MURAHARI SRI RAMAN

Order No.
33.

ORDER
18.02.2025

I.A. Nos.19 and 25 of 2024

This matter is taken up through Hybrid Mode.

2. These Interlocutory Applications have been filed by the Defendant, wherein I.A. No.19 of 2024 has been filed for consideration and modification of the amount mentioned in the order dated 09.10.2024 and I.A. No.25 of 2024 has been filed for an early date for consideration of the withdrawal affidavit.

3. Today, when the matter is taken up, learned counsel appearing for the Defendant submitted that he does not want to press these Interlocutory Applications.

4. Accordingly, the I.As. stand disposed of as not pressed.

ADMLS No.1 of 2024

5. Learned counsel appearing for the Plaintiff submitted that he has filed an affidavit dated 04.11.2024 (Flag-X) on behalf of Plaintiff



seeking permission to withdraw the Admiralty Suit. He relied on paragraphs 3 and 4 of the said affidavit, which reflected as follows:-

“3. That, it is humbly submitted that in the meanwhile, both the parties have entered into a settlement, on 9 October 2024 and the Deponent does not intend to proceed with the present Admiralty Suit. The copy of the settlement deed dated 9 October 2024 is annexed herewith as Annexure-AA.

4. That, under such scenario, the Plaintiff humbly prays before this Hon’ble Court to withdraw the present Admiralty Suit, and the Hon’ble Court may dispose of the matter as withdrawn along with the refund of the court fee deposited amount to INR 23,87,600/- (Indian Rupees Twenty-Three Lakh Eighty-Seven Thousand Six Hundred Only).”

6. In view of such affidavit, the ADLMS No.1 of 2024 stands disposed of as withdrawn.

I.A. No.24 of 2024 & I.A. No.7 of 2024

7. The Interlocutory Application, i.e., I.A. No.24 of 2024 has been filed by the Defendant for release of the Defendant vessel-M. V. Debi (IMO.9616735) from arrest pursuant to the order dated 23.02.2024 passed in I.A. No.1 of 2024 of this Court.

8. Mr. P.K. Khuntia, learned counsel appearing for the Defendant-Vessel submitted that in view of the out of court settlement being made between the Plaintiff and the Defendant on 09.10.2024, the suit has been allowed to be withdrawn. Hence, there is no need to keep the vessel in question under arrest as the cause of action for the suit does not subsist any more. He seeks indulgence in the matter for release of the vessel.

9. At this stage, Mr. Dipti Ranjan Bhokta, learned Central Government Counsel appeared for the intervenor by filing an Interlocutory Application No.7 of 2024, which petition had already been



dismissed in Order dated 29.04.2024. However, he has brought to the notice of this Court that the vessel has been seized by the Customs Authorities for commission of offence. Therefore, he objected for release of the said vessel.

10. Considered the averments in the Interlocutory Application and arguments advanced by the counsel for respective parties. The fact remains that the ADMLS, purpose for which the plaintiff has filed the same, does not survive as the matter has been settled between the Plaintiff and the Defendant outside the Court. The ADLMS has been allowed to be withdrawn taking into consideration the affidavit filed by the learned counsel for the Plaintiff as indicated above. Therefore, the order of arrest is passed by this Court on 23.02.2024 is liable to be recalled.

11. Accordingly, the Interlocutory Application i.e., I.A. No.24 of 2024 stands allowed and the vessel M.V. Debi (IMO 9616735) is directed to be released from arrest forthwith.

12. However, needless to observe that if the Customs Authorities have seized the vessel, it is open for the Defendant to take appropriate steps in accordance with law.

I.A. No.22 of 2024

13. This Interlocutory Application has been filed by the Plaintiff for refund of the Court-fee.

14. Learned counsel appearing for the Plaintiff, by filing a memo in Court today, submitted that he may be permitted to withdraw this Interlocutory Application as the same contained defects. The said memo be kept on record.

15. Accordingly, the I.A. stands disposed of as withdrawn.



I.A. No.3 of 2025

16. Upon seeking to withdrawal of the I.A. No.22 of 2024, this Interlocutory Application has been filed by the learned counsel appearing for the Plaintiff in Court today praying for refund of the Court-fee amounting to INR 23,87,600/- (Indian Rupees Twenty-Three Lakh Eighty-Seven Thousand Six Hundred Only). The same is taken on record.

17. The said Interlocutory Application is enclosed with copy of settlement agreement entered into between the Plaintiff and the Defendant.

18. Learned counsel appearing for the Plaintiff relying on Section 16 of the Court-fees Act, submitted that the Hon'ble Supreme Court of India in the case of *High Court of Judicature at Madras represented by its Registrar General vs. M.C. Subramaniam and others*, (2021) 3SCC560 taking note of Section 89 of the Court of Civil Procedure, made the following observation:-

“17. In light of these established principles of statutory interpretation, we shall now proceed to advert to the specific provisions that are the subject of the present controversy. The narrow interpretation of Section 89 CPC and Section 69-A of the 1955 Act sought to be imposed by the petitioner would lead to an outcome wherein the parties who are referred to a mediation centre or other centres by the Court will be entitled to a full refund of their court fee; whilst the parties who similarly save the Court's time and resources by privately settling their dispute themselves will be deprived of the same benefit, simply because they did not require the Court's interference to seek a settlement. Such an interpretation, in our opinion, clearly leads to an absurd and unjust outcome, where two classes of parties who are equally facilitating the object and purpose of the aforesaid provisions are treated differentially, with one class being deprived of the benefit



of Section 69-A of the 1955 Act. A literal or technical interpretation, in this background, would only lead to injustice and render the purpose of the provisions nugatory — and thus, needs to be departed from, in favour of a purposive interpretation of the provisions.

19. Section 16 of the Court Fees Act, 1870 is in pari materia with Section 69-A of the 1955 Act, and hence the abovestated principles are equally applicable to the present case.

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 Vrs. Honnali Taluk Agricultural Produce Coop. Mktg. Society Ltd.*, 2009 SCC OnLine Kar 744 : (2010) 1 AIR Kant R 279, the 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 incentivise 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 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."*

19. In view of the clear enunciation made by the Hon'ble Supreme Court of India as referred to above, the aforesaid I.A. No.3 of 2025 is bound to be allowed.

20. Accordingly, the I.A. stands disposed of with direction to refund the Court-fee deposited by the Plaintiff in respect of ADMLS No.1 of



2024 before this Court. Registry is instructed to act accordingly on proper identification.

(M.S. Raman)
Judge

Laxmikant/Suchitra

Signature Not Verified

Digitally Signed
Signed by: LAXMIKANT MOHAPATRA
Designation: Senior Stenographer
Reason: Authentication
Location: High Court of Orissa, Cuttack
Date: 18-Feb-2025 16:57:11

