Where the adjudication of a dispute between the parties is exclusively in the domain of the NCLT, such as a dispute regarding the premature recovery or default in repayment of a loan/deposit under Section 45 QA of the Reserve Bank of India Act, 1934, the civil court has no jurisdiction to entertain the suit or grant any injunction in that matter

Referring to Section 430 of the Companies Act, 2013, the **Allahabad High Court** in the case of **Shivam Traders And Hire Purchase Pvt Ltd vs Madhusudan Vehicles Pvt Ltd [2026:AHC:67074] dated March 31, 2026**, has held that where the adjudication of a dispute between the parties is exclusively in the domain of the National Company Law Tribunal (NCLT), such as a dispute regarding the premature recovery or default in repayment of a loan/deposit under Section 45 QA of the Reserve Bank of India Act, 1934, the civil court has no jurisdiction to entertain the suit or grant any injunction in that matter.

Further, a litigant who suppresses material facts, such as the prior institution of proceedings before the NCLT, does not approach the court with clean hands, is disentitled from obtaining the discretionary and equitable relief of injunction, added the Court.

A Single Judge Bench of **Justice Sandeep Jain** observed that the defendant had already filed a petition under Section 45 QA of the RBI Act read with Rule 73 of the NCLT Rules, 2016 before the NCLT on Sep 09, 2020, prior to the plaintiff filing the instant suit on Jan 01, 2021. This fact was in the knowledge of the plaintiff but was deliberately suppressed and concealed while filing the suit.

The Court noted that the plaintiff apprehended legal proceedings by the defendant and filed the suit to pre-empt such proceedings or any order that could have been passed against it, which is barred by Section 41(b) of the Specific Relief Act. It held that since the defendant had already initiated proceedings before the NCLT, the plaintiff had no cause of action to file the instant suit and had not approached the court with clean hands, thereby disentitling it from getting any equitable relief of injunction.

The Court examined Section 45-I(bb) of the RBI Act and observed that the definition of 'deposit' expressly includes any receipt of money by way of deposit or loan or in any other form. It held that the plaintiff's contention that money advanced as a loan to an NBFC is not covered under Section 45 QA is fallacious and liable to be rejected. If an NBFC commits default in repayment of a loan, the entity that advanced the loan can make a complaint under Section 45 QA of the RBI Act to the NCLT for safeguarding its interests.

The Court further observed that under Section 45 QA of the RBI Act, the NCLT is the only judicial authority empowered to decide disputes regarding whether depositors are entitled to claim back their deposit/loan from the NBFC, whether any default was committed, and the manner of refund. It held that no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Tribunal is empowered to determine under the Act or any other law (which includes the RBI Act).

Consequently, the civil court had no jurisdiction to grant an injunction restraining the defendant from prematurely recovering the loan amount, as this dispute fell exclusively within the domain of the NCLT, added the Court.

The Court noted that the trial court erroneously recorded in the order sheet and the impugned order that it was allowing application 17-C, which had previously been dismissed for non-prosecution. However, the Court observed that the subsequent application 27-C was identical to 17-C, and the parties were well aware during arguments that they were making submissions on application 27-C along with the additional grounds in 34-C. The Court held that this inadvertent error of mentioning an incorrect application number did not prejudice the plaintiff, as sufficient opportunity was given to file objections, and the subsequent application on the same facts was legally maintainable since the earlier dismissal was not on merits.