

National Company Law Appellate Tribunal (NCLAT)

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National Company Law Appellate Tribunal (NCLAT) Latest News

The National Company Law Appellate Tribunal (NCLAT) dismissed an insolvency petition filed by SNJ Synthetics against PepsiCo India Holdings, asserting that the Insolvency and Bankruptcy Code (IBC) cannot be used as a tool for debt recovery where only disputed interest claims are involved.

About the National Company Law Appellate Tribunal (NCLAT)

- The **NCLAT** is a **quasi-judicial body** constituted under **Section 410 of the Companies Act, 2013**. It was established to **hear appeals** against the decisions of the **National Company Law Tribunal (NCLT)**, functioning since **1st June 2016**.
- Its main objective is to **promote timely corporate dispute resolution**, ensure **transparency**, and improve **efficiency in insolvency and corporate governance matters**.
- **Functions of NCLAT include:**
 - Hearing appeals against orders of **NCLT** under **Section 61 of IBC**.

- Hearing appeals against orders of the **Insolvency and Bankruptcy Board of India (IBBI)** under **Sections 202 and 211 of IBC**.
- Hearing appeals against orders of the **Competition Commission of India (CCI)**.
- Hearing appeals related to the **National Financial Reporting Authority (NFRA)**.
- Giving **advisory opinions** when legal issues are referred by the **President of India**.
- **Headquarters:** Located in **New Delhi**.
- **Composition:** It includes a **Chairperson**, along with **Judicial and Technical Members**, all appointed by the **Central Government** based on expertise in **law, finance, accountancy, and administration**.
- **Powers and Procedure:**
 - NCLAT can **regulate its own procedure** and possesses powers equivalent to a **civil court** under the **Civil Procedure Code, 1908**.
 - It can summon witnesses, receive affidavits, enforce production of documents, and issue commissions.
 - Orders passed by NCLAT are **enforceable like civil court decrees**.
 - Appeals against NCLAT orders can be filed in the **Supreme Court of India**.
 - Civil courts have **no jurisdiction** over matters within the purview of NCLAT.
 - No court or authority can **grant injunctions** against any action taken by NCLAT under its legal authority.
- **Timely disposal:** NCLAT is required to **dispose of appeals within six months** from the date of receipt to ensure swift resolution.

National Company Law Appellate Tribunal (NCLAT) FAQs

Q1: What is the NCLAT?

Ans: The NCLAT is a quasi-judicial appellate tribunal in India that hears appeals against orders passed by NCLT, IBBI, and the Competition Commission of India (CCI).

Q2: Under which Act was NCLAT established?

Ans: NCLAT was constituted under Section 410 of the Companies Act, 2013.

Q3: What is the difference between NCLT and NCLAT?

Ans: NCLT is the trial-level tribunal, while NCLAT is the appellate authority to review decisions of the NCLT.

Source: TH

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