

NCLAT and NCLT
(13 September, 2021)

National Company Law Tribunal (NCLT), 2013

- It is a successor body to the Company Law Board.
- It is based on **Justice Erandi Committee** with respect to Insolvency and winding up of companies.
- It is a **quasi-judicial body** set up to govern companies established under the Companies Act, 2013.

- **Powers of NCLT, 2013**
 - Mismanagement and Oppression
 - Revival of Sick companies
 - Winding up of Companies
- Once NCLT admits the case for insolvency process under IBC, 2016 the case cannot be withdrawn even if the payment decides to settle. But SC using **Art 142 (extraordinary constitutional provisions)** allowed it.

National Company Law Appellate Tribunal (NCLAT)

- National Company Law Appellate Tribunal (NCLAT) was constituted under Section 410 of the Companies Act, 2013 for hearing appeals against the orders of National Company Law Tribunal(s) (NCLT), with effect from 1st June 2016.
- NCLAT is also the Appellate Tribunal for hearing appeals against the orders passed by NCLT(s) under Section 61 of the Insolvency and Bankruptcy Code, 2016 (IBC), with effect from 1st December 2016.
- NCLAT is also the Appellate Tribunal for hearing appeals against the orders passed by the Insolvency and Bankruptcy Board of India under Section 202 and Section 211 of IBC.
- NCLAT is also the Appellate Tribunal to hear and dispose of appeals against any direction issued or decision made or order passed by the Competition Commission of India (CCI) – as per the amendment brought to Section 410 of the Companies Act, 2013 by Section 172 of the Finance Act, 2017, with effect from 26th May 2017.

UPSC GS Study Notes

- The Central Government has constituted National Company Law Tribunal (NCLT) under section 408 of the Companies Act, 2013 (18 of 2013) w.e.f. 01st June 2016.
- In the first phase the Ministry of Corporate Affairs has set up eleven Benches, one Principal Bench at New Delhi and ten Benches at New Delhi, Ahmadabad, Allahabad, Bengaluru, Chandigarh, Chennai, Gauhati, Hyderabad, Kolkata, and Mumbai.
- These Benches were headed by the President and 16 Judicial Members and 09 Technical Members at different locations. Subsequently, more members have joined and Benches at Cuttack, Jaipur, Kochi, Amravati, and Indore have been set up.

ASPIRE IAS