National Company Law Appellate Tribunal (NCLAT)

Why in news?

Recently the National Company Law Appellate Tribunal (NCLAT) dismissed an insolvency petition against PepsiCo India Holdings.

- **NCLAT** – It is a quasi-judicial body that act as an appellate authority over decisions made by National Company Law Tribunal (NCLT).
- It serves as a specialized tribunal to resolve corporate disputes.
- It was established in 2016 under the Companies Act, 2013.
- **Composition** - It consists of *a chairperson and other members* with judiciary and law backgrounds.
- **Jurisdiction** – It has *only appellate jurisdiction* (hears appeals against NCLT decisions).
- **Functions** – It hears appeals against,
  - The orders of the NCLT (related to company law and insolvency),
  - The orders of Insolvency and Bankruptcy Board of India (IBBI),
  - The orders of the Competition Commission of India (CCI) and National Financial Reporting Authority (NFRA).

Feature	NCLT	NCLAT
Jurisdiction	Original jurisdiction	Appellate jurisdiction
Role	Initial hearings and adjudications.	Review of NCLT decisions.
Types of Cases	Corporate insolvency, mergers.	Only appeals against NCLT decisions.

- **PepsiCo India Holdings Case (2025)** - NCLAT dismissed an insolvency petition against PepsiCo.
- It upheld NCLT Chandigarh's earlier rejection of SNJ Synthetics's plea.
- It ruled that Insolvency and Bankruptcy Code (IBC) provisions "cannot be turned into debt-recovery proceedings".
- It determined that insolvency proceedings cannot be initiated solely based on interest claims when principal has been repaid.

References

1. The Hindu| NCLAT dismisses insolvency plea against PepsiCo India
2. NCLAT| About NCLAT



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