

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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