

NATIONAL COMPANY LAW APPELLATE TRIBUNAL (NCLAT)

Context

- The National Company Law Appellate Tribunal (NCLAT) upheld the fine imposed on Google by the Competition Commission of India (CCI).

About

- It 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.
- It was formed as a body with an appellate jurisdiction at the same time when NCLT was established as a major reform as per powers granted to the Ministry of Corporate Affairs in India.



What are the objectives of NCLT?

- The tribunal hears appeals from orders issued by the Insolvency and Bankruptcy Board of India under Section 202 and Section 211 of IBC.
- It also hears appeals from any direction issued, decision made, or order passed by the Competition Commission of India (CCI) and the National Financial Reporting Authority (NFRA).
- The decisions of National Company Law Appellate Tribunal are appellable in Supreme Court of India. National Company Law Appellate Tribunal has principle bench in Delhi and other one in Chennai.

What is the structure of the Tribunal?

- The NCLAT includes a Chairperson, 3 Judicial Members, and 2 Technical members.
- It consists of a total of not more than eleven members.

Ashok Bhushan, retired judge of Supreme Court is the current chairman of National Company Law Appellate Tribunal.

What are the qualifications for the members?



For Judicial Members

- Should be of 50 years old.
- Served at least 5 years as District Judge or High Court Judge or has a minimum 10 years experience serving in any judicial authority.



For Technical Members

- Should be of 50 years old.
- Any person practicing as a chartered Accountant, cost accountant or company secretary for a period of 15 years.
- Any person holding the rank of Secretary or Additional Secretary to the central government and is a member of the Indian Corporate Law Service or Indian Legal Service for more than 15 years.



What are the powers and functions of tribunal?

- Power to seek assistance of Chief Metropolitan Magistrate.
- De-registration of Companies.
- Declare the liability of members unlimited.
- De-registration of companies in certain circumstances when there is registration of companies is obtained in an illegal or wrongful manner.
- Remedy of oppression and mismanagement.
- Power to hear grievance of refusal of companies to transfer securities and rectification of register of members.

Are NCLAT decisions binding?

- It is bound by the rules laid down in the Code of Civil Procedure and is guided by the principles of natural justice.
- It is subjected to the other provisions of this Act and of any rules that are made by the Central Government.
- The Tribunal and the Appellate Tribunal has the power to control its own procedure.
- Further, no civil court has the jurisdiction to consider any suit or proceeding with reference to any matter which the Tribunal or the Appellate Tribunal is empowered to decide.