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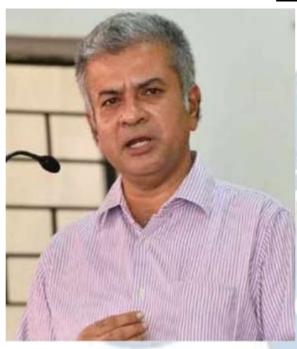
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With this thought, we hereby present to you

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THE ROLE OF THE NATIONAL COMPANY LAW TRIBUNAL (NCLT) IN RESOLVING CORPORATE DISPUTES IN INDIA

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Research Dissertation submitted to Amity Institute of Advanced Legal Studies

Amity University Uttar Pradesh

In Part Fulfilment of Requirement for the Degree of Master of Laws (LLM)

Under the guidance and supervision of Dr Mishal Qayoom Naqshbandi Assistant Professor



DECLARATION

This is certified that the material embodied in the present work entitled, "The Role of the National Company Law Tribunal (NCLT) in Resolving Corporate Disputes in India" is based on my original research work. It has not been submitted in part or in full for any other diploma or degree of any University.

My indebtedness to other works has been duly acknowledged at relevant places.



Certificate of Supervisor

This is to certify that the thesis titled "The Role of the National Company Law Tribunal (NCLT) in Resolving Corporate Disputes in India", which is being submitted by Mr. Sonu Bhati for the award of Degree of Master in Law is a bonafide research. He has worked on the above topic under my constant supervision and guidance to my entire satisfaction and her dissertation is complete and ready for the submission. I am satisfied that this thesis is worthy of consideration for the award of the Degree of Master in Law. As this dissertation meets the requirement laid down by Amity University, Noida for awarding the Degree of Master in Law, I recommend that this dissertation may be accepted for evaluation by the University.

Date:

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ABBREVIATIONS

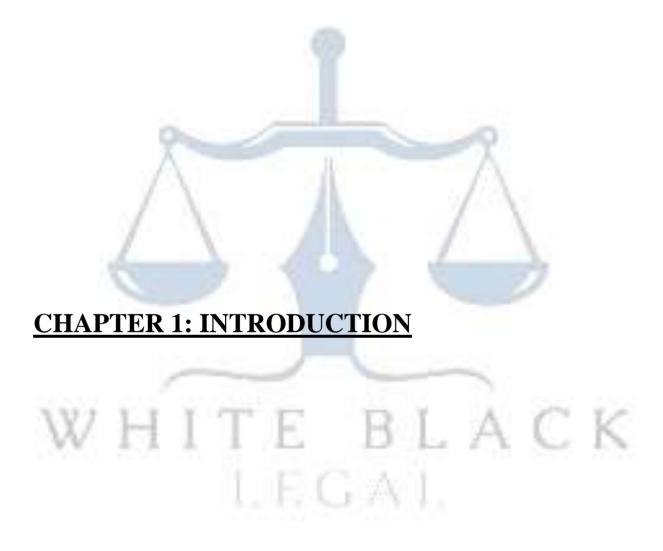
1.	BIFR	Board for Industrial and Financial Reconstruction
2.	CCI	Competition Commission of India
3.	CLB	Company Law Board
4.	IBC	Insolvency and Bankruptcy Code
5.	MCA	Ministry of Corporate Affairs
6.	NCLAT	National Company Law Appellate Tribunal
7.	NCLT	National Company Law Tribunal
8.	RBI	Reserve Bank of India
87	HII"	TE BIAC
9.	SEBI	Securities and Exchange Board of India

ABSTRACT

The National Company Law Tribunal (NCLT) has emerged as a pivotal quasi-judicial body in India for resolving corporate disputes, especially after the enactment of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016. It plays a crucial role in adjudicating matters related to company law, including mergers and acquisitions, oppression and mismanagement, and insolvency resolution. By consolidating powers previously distributed across various judicial forums, the NCLT offers a specialized and streamlined approach to dispute resolution. This has enhanced legal efficiency, reduced pendency, and ensured quicker delivery of justice in corporate matters. The effectiveness of the NCLT lies in its ability to provide a unified framework for corporate legal proceedings, ensuring consistency and speed in decision-making. However, challenges such as limited infrastructure, case backlog, and the need for more benches continue to affect its performance. This paper critically examines the structure, powers, and functioning of the NCLT, while also evaluating its impact on the corporate legal landscape in India. It further discusses the need for institutional reforms to strengthen the NCLT's role as a key mechanism for upholding corporate governance and investor confidence.

Keywords: NCLT, Corporate Disputes, IBC, Corporate Governance, Insolvency Resolution





The corporate legal framework in India has witnessed significant transformation over the years, especially with the emergence of institutions aimed at streamlining corporate dispute resolution. Among these, the National Company Law Tribunal (NCLT) holds a central position. Established under the Companies Act, 2013, and operationalized in 2016, the NCLT was conceived as a quasi-judicial body to adjudicate issues related to corporate law, with a special emphasis on company disputes, insolvency matters, and restructuring proceedings. The NCLT represents a paradigm shift from traditional judicial mechanisms towards a specialized forum that emphasizes efficiency, technical expertise, and expedited proceedings. The Indian corporate sector, characterized by dynamic growth and complex structures, often finds itself embroiled in disputes concerning shareholder rights, corporate governance, oppression and mismanagement, mergers and acquisitions, and insolvency-related conflicts. The NCLT was designed to address such disputes through a streamlined process that integrates legal adjudication with economic considerations. Its establishment marked the consolidation of powers previously held by multiple bodies, such as the Company Law Board (CLB), the Board for Industrial and Financial Reconstruction (BIFR), and the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). A key innovation of the NCLT lies in its jurisdiction under the Insolvency and Bankruptcy Code, 2016 (IBC). This legislation gave the NCLT exclusive powers to initiate and supervise insolvency resolution processes, thereby granting it an influential role in corporate restructuring and liquidation. The Tribunal's role in facilitating timely resolution of financially distressed companies has become vital to India's evolving economic framework, particularly in enhancing investor confidence and improving the ease of doing business. The need for a specialized forum like the NCLT arose from the systemic delays and procedural complexities associated with traditional civil courts. The NCLT aims to bridge the gap by offering a forum that is both legally robust and business-centric. Unlike conventional courts, the Tribunal is composed of judicial and technical members who bring with them expertise in law,

finance, accountancy, and corporate affairs. This blend of competencies enables the NCLT to take a holistic view of the disputes presented before it.

The functioning of the NCLT also underscores the government's commitment to aligning Indian corporate law with global standards. With globalization and increased foreign investments, the demand for a transparent, time-bound, and credible mechanism to resolve disputes became more pressing. The NCLT addresses these challenges by adopting a proactive, quasi-judicial approach that prioritizes stakeholder interest and business continuity. Despite its promise, the NCLT's performance has not been without criticism. Concerns have been raised regarding case backlogs, infrastructural inadequacies, and inconsistent adjudication. However, these challenges must be viewed in the context of the Tribunal's nascent stages and the significant volume of cases inherited from defunct institutions. The Tribunal's response to these issues, along with systemic reforms, will determine its long-term success and legitimacy. The scope of NCLT's jurisdiction is wide-ranging. It handles matters pertaining to shareholder disputes, alteration of capital, rectification of the register of members, inspection and investigation of company affairs, and sanctioning of schemes of amalgamation and arrangements. This multifaceted role places the NCLT at the heart of corporate regulation and dispute resolution in India. Over time, the Tribunal has also become a crucible for evolving jurisprudence in corporate law. Its orders and rulings contribute significantly to the development of legal principles governing corporate behavior and insolvency practices. Legal practitioners, academicians, and policymakers closely follow NCLT judgments for guidance and precedents. The NCLT's interface with the National Company Law Appellate Tribunal (NCLAT), the appellate body, also reinforces its institutional framework. Parties aggrieved by NCLT decisions can approach the NCLAT, ensuring a system of checks and balances. This hierarchical structure enhances the credibility of the Tribunal and aligns it with the principles of natural justice. India's journey towards creating a business-friendly legal environment is closely tied to the effectiveness of institutions like the NCLT. With its mandate to adjudicate corporate disputes expeditiously, the Tribunal supports a climate of legal

certainty and predictability. This is especially crucial in a developing economy where foreign and domestic investments rely heavily on the assurance of fair dispute resolution mechanisms. The NCLT also plays a pivotal role in addressing issues of corporate fraud and mismanagement. It provides minority shareholders with an effective platform to raise grievances and seek remedies against oppressive actions by majority stakeholders. This function is central to maintaining corporate ethics and safeguarding investor interests. Furthermore, the Tribunal is instrumental in facilitating corporate restructuring. Through its supervision of mergers, demergers, and arrangements, the NCLT contributes to economic efficiency and optimal resource utilization. These processes are essential for companies aiming to remain competitive in a rapidly changing market environment. The role of the NCLT in resolving cross-border insolvency issues, though limited currently, is gradually evolving. With India inching toward adopting international frameworks such as the UNCITRAL Model Law, the Tribunal's role is expected to expand, thereby aligning domestic insolvency proceedings with global best practices. Overall, the NCLT represents a significant institutional advancement in the Indian legal system. Its emergence marks a concerted effort to modernize corporate governance and dispute resolution. Understanding its role, functioning, and impact

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1.1 Background and Significance of the Study

The inception of the National Company Law Tribunal was a result of longstanding discussions on the need to reform the corporate adjudication process in India. Prior to its establishment, various quasi-judicial bodies like the Company Law Board (CLB), BIFR, and AAIFR handled matters related to company law and industrial sickness. These institutions, despite their specialized mandates, often suffered from inefficiencies, overlapping jurisdictions, and limited enforcement capacity. Their dissolution and the integration of their functions into the NCLT represent a historic shift toward institutional coherence and specialization. The evolution of the NCLT is grounded in the recommendations of several expert committees, including

is critical to comprehending the broader dynamics of corporate regulation in India.

the Justice Eradi Committee, which advocated for the unification of corporate dispute resolution mechanisms. The idea was to create a singular, well-equipped forum that could resolve disputes efficiently and in a manner that promoted the financial health of companies. The Companies Act, 2013, provided the legislative framework for this vision, and the Tribunal became operational in June 2016.

The significance of studying the NCLT arises from its increasing role in determining the fate of companies in distress. With the enactment of the Insolvency and Bankruptcy Code, 2016, the NCLT assumed a central role in India's insolvency ecosystem. The Code introduced time-bound processes for insolvency resolution, and the Tribunal was entrusted with ensuring their smooth implementation. Given this transformative responsibility, evaluating the Tribunal's functioning and impact becomes an important area of inquiry. The study also assumes relevance in light of India's ambition to improve its global business rankings. The World Bank's Ease of Doing Business Index, among other indicators, places significant emphasis on the efficiency of legal systems in resolving insolvencies and enforcing contracts. The NCLT, as a key institution in this regard, influences India's standing on such indices. Assessing its effectiveness can offer insights into the country's institutional preparedness to attract and sustain investments. Moreover, corporate disputes in India often involve complex financial arrangements, stakeholder interests, and cross-border considerations. Traditional courts, lacking in technical expertise and burdened with massive backlogs, are not ideally suited for such matters.

The NCLT, by virtue of its technical bench and statutory mandate, is better positioned to handle the intricacies of corporate law. This makes the Tribunal a focal point for examining legal innovation in dispute resolution. The significance of the NCLT is further amplified by the growing number of insolvency cases being filed under the IBC. These cases often involve large corporate debtors, significant employment considerations, and widespread economic consequences. How the NCLT adjudicates such cases impacts not only the parties involved but also financial institutions, suppliers, employees, and even the broader market. From an academic

perspective, the NCLT provides a rich field for legal research and policy analysis. The Tribunal's rulings offer new interpretations of statutory provisions and contribute to the evolving jurisprudence of corporate law in India. For law students, scholars, and practitioners, studying its decisions helps build a nuanced understanding of contemporary corporate litigation trends.

Additionally, the NCLT plays a vital role in protecting the rights of minority shareholders. The Tribunal enables these stakeholders to voice their grievances and seek remedies against oppressive conduct or mismanagement. This function is crucial in fostering equitable corporate governance, especially in family owned or closely held companies. A critical aspect of this study involves examining the Tribunal's impact on corporate restructuring. The NCLT is tasked with sanctioning schemes of amalgamation, demergers, and other forms of reorganization. Its decisions can significantly influence the trajectory of business entities, thereby making it an essential player in corporate transformation strategies.¹

The study also takes into account the challenges faced by the NCLT. While its establishment is a step in the right direction, the Tribunal has been burdened by a heavy caseload, limited infrastructure, and procedural inconsistencies. These factors threaten to dilute its efficiency and undermine the very objectives it was designed to achieve. Understanding the role of the NCLT is also critical in the context of legal accessibility. By decentralizing its benches across major cities in India, the Tribunal seeks to make corporate justice more accessible.

This democratization of legal forums is significant in ensuring that corporate redressal mechanisms are not limited to metropolitan or elite stakeholders alone. To dilute its efficiency and undermine the very objectives it was designed to achieve. Understanding the role of the NCLT is also critical in the context of legal accessibility. By decentralizing its benches across major cities in India, the Tribunal seeks to make corporate justice more accessible. This democratization of legal forums is significant in ensuring that corporate redressal mechanisms are not limited to metropolitan or elite stakeholders alone. Another dimension of the study involves assessing the NCLT's interaction with other regulatory bodies like the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and the Ministry of Corporate Affairs (MCA). Coordination among these entities is essential to create a coherent regulatory environment. The study evaluates how such coordination affects the speed and consistency of corporate dispute resolution.

The international significance of the NCLT is also gradually emerging. With the increasing globalization of businesses, India is seeing a rise in crossborder disputes. The NCLT's role in resolving such cases, particularly through the lens of evolving international insolvency norms, presents a valuable area for comparative legal research. This study is particularly significant in the postCOVID19 scenario, where many businesses face insolvency and operational challenges.

1.2 STATEMENT OF THE PROBLEM

Corporate disputes in India have traditionally suffered from delayed adjudication, overlapping jurisdictions, and lack of specialization in dispute resolution forums. Prior to the establishment of the National Company Law Tribunal (NCLT), matters related to company law were addressed by multiple quasi-judicial and

judicial bodies such as the Company Law Board (CLB), the Board for Industrial and Financial Reconstruction (BIFR), and High Courts. This fragmented system resulted in procedural inefficiencies, inconsistent rulings, and poor enforcement mechanisms.

In response, the Government of India introduced the NCLT through the Companies Act, 2013, and operationalized it in 2016, with the intention to

streamline the adjudication of corporate disputes. Furthermore, the enactment of the Insolvency and Bankruptcy Code (IBC), 2016 vested the NCLT with the

exclusive jurisdiction over corporate insolvency and restructuring matters, thus positioning it as a central authority in India's corporate legal framework.

Despite its transformative potential, the NCLT has faced considerable scrutiny. Concerns persist regarding its procedural delays, understaffed benches,

infrastructural limitations, and challenges in coordination with other regulatory bodies like SEBI, RBI, and the Competition Commission of India. These issues have raised questions about its ability to deliver timely, consistent, and effective dispute resolution.

The problem, therefore, lies in assessing whether the NCLT has been successful in achieving its legislative objectives—namely, to provide a specialized, efficient, and accessible forum for resolving corporate disputes—and whether its

institutional functioning is aligned with the expectations of stakeholders such as shareholders, creditors, regulators, and legal practitioners.

This study seeks to identify the structural, procedural, and jurisprudential strengths and weaknesses of the NCLT and to evaluate its role in enhancing corporate governance, promoting investor confidence, and contributing to legal certainty in the Indian corporate ecosystem.

1.3 OBJECTIVES OF THE STUDY

The present study aims to conduct an in-depth analysis of the role and functioning of the National Company Law Tribunal (NCLT) in resolving corporate disputes in India. The research is guided by the following comprehensive objectives:

1. To analyze the legal framework governing the National Company Law Tribunal (NCLT) in India

This objective seeks to examine the statutory and regulatory provisions

under the Companies Act, 2013 and the Insolvency and Bankruptcy Code (IBC), 2016 that establish and empower the NCLT. It also involves a

critical study of the institutional structure, jurisdiction, and composition of the Tribunal, as well as the rationale behind its creation by consolidating

the functions of the Company Law Board (CLB), Board for Industrial and Financial Reconstruction (BIFR), and other authorities.

2. To examine the effectiveness of the NCLT in resolving corporate disputes, including insolvency, mergers, and shareholder issues

This objective assesses the functional performance of the NCLT in handling diverse corporate conflicts such as cases of oppression and

mismanagement, shareholder grievances, and corporate restructuring through mergers and amalgamations. The study evaluates how well the

Tribunal has fulfilled its mandate of delivering timely, specialized, and economically sound decisions.

3. To evaluate the procedural efficiency and accessibility of NCLT for stakeholders in corporate litigations

The focus here is to understand the operational dynamics of the NCLT benches, including aspects such as case flow management, digital

infrastructure, transparency, and the ease with which companies, creditors, and minority shareholders can approach the Tribunal for redressal. It also analyzes whether the Tribunal has succeeded in reducing procedural delays and promoting alternative dispute resolution methods.

4. To assess the impact of NCLT rulings on corporate governance and financial restructuring

This objective is directed toward analyzing how the NCLT's decisions

have influenced the development of corporate law jurisprudence in India.

Particular attention is paid to its role in promoting good governance

practices, protecting investor interests, and enabling financial restructuring through resolution plans under the IBC. The study also considers the

Tribunal's influence on the evolution of principles related to fiduciary duties, transparency, and managerial accountability.

5. To identify the challenges and suggest reforms to strengthen the dispute resolution mechanisms under the NCLT

Recognizing the operational and structural constraints faced by the Tribunal—such as backlog of cases, infrastructural deficits, and

jurisdictional conflicts—this objective aims to recommend institutional reforms. The suggestions are intended to enhance the capacity,

independence, and efficiency of the NCLT, making it a more robust forum for corporate adjudication and aligned with international best practices.

1.4 RESEARCH QUESTIONS

The present study is anchored around the following key research questions, which guide the inquiry into the legal and functional dimensions of the National Company Law Tribunal (NCLT):

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1. What is the statutory and constitutional basis for the establishment of the NCLT in India?

This question explores the legal genesis of the Tribunal, including the legislative intent behind its formation under the Companies Act, 2013, and its alignment with constitutional principles such as judicial independence, separation of powers, and access to justice.

2. How effective has the NCLT been in addressing corporate disputes compared to the erstwhile Company Law Board and other forums?

This question seeks to compare the performance of the NCLT with that of its predecessor institutions like the Company Law Board (CLB), Board for Industrial and Financial Reconstruction (BIFR), and High Courts,

particularly in terms of adjudicatory efficiency, quality of decisions, and stakeholder satisfaction.

- 3. What are the major procedural hurdles faced by litigants before the NCLT? This question aims to identify challenges such as delays in case disposal, inconsistent rulings across benches, limited digital infrastructure, procedural rigidity, and other practical barriers faced by companies, shareholders, creditors, and legal practitioners.
- 4. How do decisions of the NCLT influence corporate restructuring and insolvency resolution in India?

This question focuses on assessing the Tribunal's interpretative role in the application of the Insolvency and Bankruptcy Code (IBC), 2016, and its

impact on corporate rescue mechanisms, resolution plans, and creditor- debtor relations.

5. What legal and institutional reforms are needed to enhance the performance of the NCLT?

The final research question delves into prospective reforms that can

improve the functioning, independence, and credibility of the NCLT. It evaluates whether current institutional structures meet the demands of

India's evolving corporate legal environment and suggests improvements based on international best practices.

1.5 Hypothesis

The establishment of the National Company Law Tribunal (NCLT) has significantly improved the NCLT provides a more specialized and streamlined forum for adjudicating corporate disputes, owing to its composition of judicial and technical members.

- 1. The procedural mechanisms of the NCLT are more efficient and accessible than traditional courts, contributing to reduced pendency and faster resolutions.
- 2. NCLT's role under the IBC has strengthened the corporate insolvency regime, improving investor confidence and corporate governance practices.
- 3. Despite its structural and procedural advancements, the NCLT still faces challenges that hinder its full effectiveness, indicating a need for institutional reforms.

1.6 RESEARCH METHODOLOGY

The present study adopts a doctrinal and qualitative research methodology to explore the role and effectiveness of the National Company Law Tribunal (NCLT) in resolving corporate disputes in India. The methodology is designed to critically examine statutory frameworks, institutional practices, judicial interpretations, and case law developments pertaining to corporate adjudication.

1.6.1 Nature of the Study

The research is primarily doctrinal in nature, relying on the analysis of legal texts, statutes, case laws, academic commentaries, and secondary sources. It is analytical and descriptive, aiming to understand the evolution, functioning, and impact of the NCLT within the broader corporate legal framework.

1.6.2 Research Design and Approach

- Legal-analytical approach: The study systematically examines the legal provisions under the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 which govern the NCLT.
- Comparative approach: It compares the NCLT with its predecessor institutions (such as the Company Law Board and the BIFR) and draws limited parallels with international models of corporate dispute resolution.
- Case study approach: Selected landmark judgments and notable case studies (e.g., *Jet Airways insolvency*, *Essar Steel*, *IL&FS*) are analyzed to assess the practical adjudicatory role of the NCLT.

1.7 STUDENT LEARNING OUTCOMES

The completion of this research project has led to significant academic, analytical, and professional development. The following are the key student learning outcomes derived from the study:

1. Comprehensive Understanding of Corporate Dispute Resolution in India The student gained in-depth knowledge of the legal framework governing corporate disputes, particularly the functioning and jurisdiction of the National Company Law Tribunal (NCLT) under the Companies Act, 2013 and the Insolvency and Bankruptcy Code (IBC), 2016. This includes

familiarity with procedural mechanisms, statutory interpretation, and jurisdictional boundaries.

2. Ability to Analyze and Critique Institutional Effectiveness Through a detailed analysis of case law, statutory provisions, and institutional reports, the student developed the capacity to critically evaluate the effectiveness of quasi-judicial bodies like the NCLT. This includes understanding challenges related to procedural delays, capacity constraints, and systemic reforms.

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3. Research Proficiency in Doctrinal Legal Methodology

The student acquired skills in doctrinal legal research, including the use of primary legal sources (statutes, judicial decisions) and secondary academic materials (articles, journals, commentaries). The ability to synthesize and compare legal sources was strengthened during this research.

4. Enhanced Legal Reasoning and Argumentation

The process of analyzing landmark judgments and their implications for corporate law sharpened the student's legal reasoning abilities. The student learned to evaluate competing legal arguments and assess their impact on corporate governance and dispute resolution.

5. Awareness of Practical Legal and Policy Issues

The research enhanced the student's understanding of real-world legal challenges such as case backlogs, access to justice, coordination with regulatory authorities (e.g., SEBI, RBI, MCA), and cross-border

insolvency issues. This awareness contributes to the student's readiness for professional legal practice or policy work.

- 6. Capacity to Recommend Reforms
- Through the assessment of current institutional shortcomings, the student developed the ability to suggest informed and practical reforms for

strengthening the NCLT's functioning. This demonstrates a forward- looking approach to legal scholarship and policy formulation.

7. Improved Legal Writing and Academic Presentation Skills

Preparing the dissertation in a structured, well-referenced, and academically rigorous manner has honed the student's legal writing and presentation skills, ensuring clarity, coherence, and professionalism in legal communication.

1.8 Scope and Limitations Scope

The study is confined to the analysis of the NCLT as a quasi-judicial body under the Companies Act, 2013. It focuses on the role of NCLT in handling disputes related to insolvency under the Insolvency and Bankruptcy Code (IBC), shareholder grievances, oppression and mismanagement, and corporate restructuring. The study covers case laws, statutory interpretations, and institutional data from 2016 (the year NCLT was constituted) to 2024. It also includes a comparative perspective with the erstwhile Company Law Board (CLB) and international best practices in corporate dispute resolution.

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Limitations:

The study does not delve into the functions of the National Company Law Appellate Tribunal (NCLAT) in detail except where relevant to the NCLT's appellate structure. It does not cover disputes relating to criminal liabilities or non-corporate entities. The empirical analysis is limited to publicly available data and does not include interviews or internal reports of the NCLT. Due to the evolving nature of corporate jurisprudence in India, certain conclusions may require updating in light of future legislative or judicial developments. Time constraints limited extensive fieldwork and comparative study with all jurisdictions.



CHAPTER 2: INSTITUTIONAL AND LEGAL FRAMEWORK OF NCLT

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By integrating

The National Company Law Tribunal (NCLT) emerged as a pivotal institution in India's corporate legal landscape, particularly following the enactment of the Companies Act, 2013. This statute consolidated and redefined the mechanisms for adjudicating corporate disputes, with Chapter XXVII dedicated exclusively to the NCLT and the National Company Law Appellate Tribunal (NCLAT). The legal framework institutionalized the tribunal's authority to resolve matters such as company law violations, insolvency proceedings, shareholder grievances, and mergers. As an integrated forum, it represents a convergence of powers previously dispersed across multiple quasi-judicial and judicial bodies, notably the Company Law Board (CLB), the Board for Industrial and Financial Reconstruction (BIFR), and High Courts dealing with corporate restructuring and winding-up petitions. The institutional structure of the NCLT derives its legal legitimacy from Sections 407 to 434 of the Companies Act, 2013. These provisions delineate the tribunal's powers, qualifications for appointment, procedural safeguards, and operational guidelines. The Act provides for both judicial and technical members to ensure a balanced adjudicatory body with adequate commercial and legal expertise. A significant legal reform was the substitution of the multiple forums with a specialized tribunal capable of rendering speedy and expert decisions on complex corporate matters. Thus, NCLT institutionalized a judicial model that integrates administrative efficiency with adjudicatory independence. In the context of corporate jurisprudence, the tribunal is also governed by the Insolvency and Bankruptcy Code (IBC), 2016, which has further entrenched the role of NCLT in adjudicating insolvency disputes. The code confers wide-ranging jurisdiction upon the tribunal to initiate corporate insolvency resolution processes, appoint insolvency professionals, approve resolution plans, and order liquidation. As a result, NCLT's legal framework spans two crucial pieces of legislation—Companies Act, 2013 and the IBC, 2016—cementing its role as a quasi-judicial superstructure for corporate law in India. Scholars have emphasized that the institutional framework of NCLT reflects a deliberate shift from a fragmented adjudicatory model toward centralized decision-making. This institutional reform was necessitated by the delays, backlog, and inefficiency in the pre NCLT regime, particularly the overburdened Company Law Board and the overlapping jurisdiction of High Courts.

company law, insolvency, and other allied laws into a single framework, the NCLT promised not only judicial efficiency but also substantive legal certainty.

The composition of the tribunal includes members with a background in law and corporate affairs, which aligns with international best practices. The inclusion of technical members is a unique feature that helps bridge the knowledge gap between legal interpretations and business realities. This framework ensures that decisions are not only legally sound but also economically rational, which is particularly relevant in complex cases involving financial restructuring or mergers. Procedurally, the NCLT follows the principles of natural justice, but it is not bound by the Code of Civil Procedure, 1908. Instead, it is guided by rules framed under the Companies Act and the NCLT Rules, 2016. This gives the tribunal flexibility in adopting procedures conducive to faster resolution of disputes while safeguarding legal rights. The tribunal's orders are appealable before the NCLAT and further before the Supreme Court, which ensures judicial accountability and consistency in the interpretation of corporate laws. From an institutional standpoint, the NCLT functions under the administrative control of the Ministry of Corporate Affairs (MCA), which raises debates regarding judicial independence. Critics argue that such control may compromise the tribunal's autonomy. However, supporters contend that given its quasi-judicial nature, administrative oversight by MCA ensures functional efficiency and alignment with corporate regulatory objectives. The digitalization of NCLT proceedings represents another institutional innovation. The filing system, virtual hearings, and automated cause lists have significantly improved accessibility and transparency. However, the actual implementation of these technologies has been uneven, with infrastructure challenges, lack of technical literacy, and bandwidth issues affecting efficiency. The NCLT's framework also incorporates regulatory coordination with other authorities such as the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and the Competition Commission of India (CCI). This multi-regulatory interface underscores the tribunal's role in harmonizing various aspects of economic governance. Despite occasional jurisdictional frictions, the trend has been towards greater coherence in regulatory practices. Legal scholars have critiqued the tribunal's case management systems and highlighted the need for institutional reforms to deal with increasing caseloads. The

backlog of insolvency and company petitions across benches suggests a mismatch between legal mandates and institutional capacities. This has prompted calls for more benches, improved infrastructure, and recruitment of qualified members. The constitutionality of the NCLT was also challenged in the Supreme Court in Union of India v. R. Gandhi, wherein the court upheld its establishment but emphasized the importance of judicial independence. The verdict led to revisions in the appointment process of tribunal members, balancing executive involvement with judicial primacy. This judicial scrutiny helped enhance the credibility of the tribunal's legal framework. In terms of dispute resolution, the NCLT framework promotes alternative dispute resolution (ADR) mechanisms. Section 442 of the Companies Act empowers the tribunal to refer matters to mediation and conciliation. This not only reduces the burden on the tribunal but also provides parties with an amicable settlement route. The institutional setup for ADR within NCLT marks a progressive step in dispute management. The tribunal's institutional framework also interfaces with international legal principles, especially in matters involving cross-border insolvency. Although India has yet to adopt the UNCITRAL Model Law, the NCLT has been instrumental in addressing international insolvency issues on a case-by-case basis. This shows the tribunal's adaptability and responsiveness to global legal standards. Legal literature indicates that NCLT's functioning has brought about a culture of compliance among corporations. Fear of strict enforcement, penalties, and disqualifications has led to better governance and disclosure practices. However, there is an ongoing need for judicial training, doctrinal clarity, and institutional independence to strengthen its role further. Overall, the institutional and legal framework of NCLT represents a significant departure from

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2.1 Establishment and Jurisdiction of the NCLT

engagement, and performance evaluation mechanisms.

The genesis of the National Company Law Tribunal lies in the recommendations of the Eradi Committee (2000), which proposed the unification of various adjudicatory mechanisms dealing with corporate disputes. The establishment of NCLT was envisaged as a solution to the multiplicity of forums such as the Company Law

the erstwhile regime and symbolizes India's commitment to efficient corporate governance.

Yet, the framework remains a work in progress, requiring continuous reforms, stakeholder

Board, BIFR, and High Courts dealing with corporate litigation. This committee underscored the need for a specialized tribunal to enhance judicial efficiency, consistency, and reduce litigation costs in corporate matters. The NCLT was formally established on 1st June 2016 under Section 408 of the Companies Act, 2013. This date marks a watershed moment in the Indian corporate legal system, symbolizing the operationalization of a long-pending institutional reform. Initially, eleven benches were set up across the country, including the principal bench at New Delhi. Over the years, the number of benches has expanded, reflecting the geographical and economic diversity of corporate activity in India. The tribunal's jurisdiction is both original and appellate. Under the Companies Act, 2013, it has jurisdiction over matters such as oppression and mismanagement, company incorporation issues, share capital disputes, and winding-up proceedings. Under the IBC, 2016, the NCLT is the adjudicating authority for corporate insolvency and liquidation processes, thereby enlarging its jurisdiction significantly. Section 420 of the Companies Act empowers the NCLT to pass orders after giving parties a reasonable opportunity of being heard. The tribunal may also modify or rectify its orders under Section 421. This statutory empowerment reflects a wide jurisdictional mandate, further enhanced by its appellate oversight under the NCLAT. NCLT also has the authority to summon witnesses, receive evidence, and impose penalties, making it a quasijudicial authority with considerable powers. The tribunal's jurisdiction also extends to class action suits under Section 245 of the Companies Act, enabling shareholders and depositors to seek redress for acts prejudicial to their interests. This provision has strengthened the accountability of company management and serves as a vital tool for minority protection. The inclusion of such powers within NCLT's jurisdiction demonstrates a progressive vision toward participatory corporate governance. One of the most significant developments was the conferral of jurisdiction under the IBC. The NCLT was designated as the sole forum for initiating insolvency proceedings against companies. This has centralized insolvency resolution under one umbrella and enhanced the predictability and uniformity in judicial decisionmaking. However, it has also led to case overload, affecting the tribunal's efficiency.

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The tribunal also plays a role in merger and amalgamation approvals under Sections 230–232 of the Companies Act. These powers were earlier vested in High Courts,

but now the NCLT exercises judicial scrutiny over restructuring plans. This shift has improved the commercial viability and speed of corporate reorganizations, as the tribunal brings domain expertise in evaluating financial and strategic aspects. NCLT's jurisdiction includes adjudicating on fraud and mismanagement cases, which involve serious governance failures. By empowering the tribunal to disqualify directors, reverse transactions, and impose penalties, the law provides it with significant teeth. Such powers are instrumental in preserving stakeholder confidence and protecting corporate resources. The jurisdictional scope of NCLT also intersects with labor laws in cases involving employee dues in insolvency proceedings. Although the tribunal is not a labor court, its decisions have implications for workers, particularly in liquidation scenarios. This jurisdictional overlap has led to debates on harmonizing labor rights with creditor claims under the IBC. Cross-border jurisdiction is an emerging area for NCLT. Although India does not yet have a comprehensive framework for cross-border insolvency, the tribunal has been dealing with such matters through judicial innovation. For example, the Jet Airways case marked a turning point where the NCLT worked in coordination with Dutch courts. This sets a precedent for future legal harmonization. The tribunal's jurisdiction is also being tested in new arenas like environmental compliance in insolvency proceedings and shareholder activism in ESG matters. These developments reflect a dynamic legal landscape where the NCLT's powers are being interpreted expansively to address contemporary corporate issues. Notably, the NCLT does not have jurisdiction over criminal matters or over cases falling under SEBI's exclusive domain. This limited jurisdiction creates a clear boundary between civil and regulatory disputes, avoiding overlap and institutional conflict. Nonetheless, the tribunal often collaborates with regulatory authorities to ensure cohesive legal outcomes. Jurisdictional challenges have arisen, particularly in the early years, regarding appeals, interim

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Jurisdictional challenges have arisen, particularly in the early years, regarding appeals, interim orders, and the execution of tribunal decisions. The evolving jurisprudence through the NCLAT and Supreme Court has addressed many of these concerns, bringing greater stability and clarity to the tribunal's jurisdictional landscape. The territorial jurisdiction of NCLT benches is defined by the central government, based on workload and corporate density in the region. However, unequal distribution of cases has led to delays, prompting calls for more benches

and judicial capacity enhancement. The NCLT's jurisdiction is also inclusive of voluntary liquidation and fast-track mergers, providing companies with efficient exit mechanisms. The seamless handling of such corporate lifecycle events under one jurisdiction strengthens the role of NCLT in facilitating business continuity and market fluidity. Finally, the tribunal's jurisdiction continues to evolve through judicial interpretation, legislative amendments, and administrative reforms. Its establishment and jurisdiction have not only streamlined corporate dispute resolution in India but also laid the groundwork for a modern, responsive, and integrated corporate legal system.

2.2 Structure and Powers under the Companies Act, 2013

The National Company Law Tribunal (NCLT) was established under the Companies Act, 2013, as a quasi-judicial body to adjudicate corporate disputes and matters concerning company law. Its creation was a significant reform in India's corporate legal landscape, streamlining previously scattered adjudication mechanisms. The Tribunal, under Section 408 of the Act, comprises a President and such number of Judicial and Technical Members as the Central Government deems necessary. Structurally, the NCLT is vested with the powers of the erstwhile Company Law Board (CLB) along with additional jurisdiction under the Insolvency and Bankruptcy Code (IBC), 2016. It functions as a centralized forum for resolving issues ranging from company incorporation, oppression and mismanagement, to revival and rehabilitation of sick companies. It consists of various benches across India, ensuring regional accessibility and efficiency in dispute resolution. The NCLT is empowered with civil court powers under the Code of Civil Procedure, 1908. This includes summoning and enforcing attendance, receiving evidence on affidavits, requisitioning public records, and issuing commissions for witness examination. Such provisions elevate its capacity to ensure thorough and equitable proceedings.

One of the key powers of the NCLT includes addressing oppression and mismanagement under Sections 241 and 242 of the Companies Act, 2013. Shareholders alleging prejudicial conduct can approach the Tribunal for relief. The Tribunal may issue orders including regulation of company affairs, removal of directors, or even winding up of the company. Additionally, the Tribunal oversees

matters related to the reduction of share capital, variation of shareholders' rights, and rectification of the register of members. These responsibilities contribute to a robust mechanism for corporate governance and investor protection. NCLT also plays a pivotal role in fast-tracking mergers and amalgamations. Under Section 230–232 of the Act, it facilitates schemes of arrangement, compromise, and reconstruction between companies and their creditors or shareholders, ensuring stakeholder consultation and judicial oversight. Another significant jurisdiction of the NCLT pertains to the revival and rehabilitation of sick companies. This power, earlier under the Board for Industrial and Financial Reconstruction (BIFR), was transferred to the NCLT, providing a unified forum for distressed businesses seeking revival under legal supervision. The Tribunal has a duty to ensure that decisions are rendered within a prescribed time frame, thus aiming to expedite dispute resolution. Though delays still occur, the statutory framework mandates timely disposal of cases to enhance business certainty. NCLT is also instrumental under the Insolvency and Bankruptcy Code, 2016, where it serves as the Adjudicating Authority for corporate insolvency proceedings. This dual role under both the Companies Act and the IBC reflects the Tribunal's centrality in India's corporate legal ecosystem. Despite being a quasi-judicial body, NCLT's decisions carry the authority of judicial orders and can be enforced accordingly. It allows for effective dispute resolution without overburdening civil courts, which previously handled corporate disputes as regular civil suits. The composition of judicial and technical members ensures that both legal and financial perspectives are incorporated in decision-making. This hybrid expertise is critical in dealing with complex corporate issues requiring both statutory interpretation and financial understanding. Moreover, the Tribunal is empowered to penalize noncompliance and enforce

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This serves as a deterrent against misconduct and mismanagement.

appointments.

Several reforms in the Companies (Amendment) Act, 2017 and subsequent amendments have further expanded the NCLT's powers, particularly in streamlining compliance and strengthening enforcement mechanisms. Nonetheless, concerns remain regarding its infrastructure and capacity to handle an increasing volume of cases, especially post IBC implementation. The pressure on NCLT benches has raised concerns about case backlogs and staffing adequacy. Scholars and

accountability through fines, imprisonment recommendations, or barring directors from future

practitioners alike emphasize the need for further investment in the Tribunal's digitalization, staffing, and infrastructure to realize its full potential. The tribunal's ambitious scope demands constant upgrading of its institutional mechanisms.

NCLT under the Companies Act, 2013, represents a major transformation in India's corporate adjudication framework. Its structure and powers have consolidated various functions, providing a one-stop solution for a wide range of company law matters, thereby enhancing legal certainty and corporate governance.

2.3 Comparison with Predecessor Institutions (CLB, BIFR, etc.)

Prior to the establishment of the NCLT, corporate dispute resolution was fragmented across multiple forums, notably the Company Law Board (CLB), the Board for Industrial and Financial Reconstruction (BIFR), and High Courts. These bodies operated under different statutes, often leading to delays, jurisdictional confusion, and inconsistent rulings. The CLB was established under Section 10E of the Companies Act, 1956, to handle matters such as oppression and mismanagement, compounding of offences, and rectification of the register of members. However, it lacked judicial powers equivalent to civil courts and was often criticized for delays and limited enforcement capacity. The BIFR, on the other hand, was created under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) to identify and rehabilitate sick industrial companies. However, BIFR's functioning became synonymous with inefficiency and prolonged litigations, sometimes serving as a shield for defaulting promoters. In contrast, the NCLT combines the powers of CLB and BIFR, alongside High Court jurisdiction over company law matters. This unification of functions provides a streamlined and coherent forum for corporate litigation, addressing the overlapping jurisdictional issues that plagued earlier institutions.

Unlike the CLB, the NCLT is empowered with civil court powers and is backed by statutory mandates ensuring judicial independence and procedural fairness. It has clear timelines for decision-making, which although imperfectly implemented, are a step forward from the indefinite delays of CLB or BIFR. The BIFR's inability to enforce revival schemes or take coercive measures against defaulters was a major weakness. NCLT's integration with IBC provides a far more rigorous and timebound insolvency framework, enabling resolution or liquidation with judicial

oversight. Another significant distinction lies in the appointment of members. While CLB and BIFR had limited technical competence among their ranks, NCLT's composition of judicial and technical members ensures a blend of legal and commercial expertise. This multidisciplinary approach enhances the quality and reliability of its judgments. Under the NCLT framework, stakeholders have better access to justice with regional benches across major Indian cities. CLB and BIFR, being centrally located, often restricted access for stakeholders in remote regions, delaying resolution. The procedural flexibility available with NCLT, including provisions for mediation and out of court settlements, makes it more adaptive compared to its predecessors. These innovations are crucial in modern corporate governance where timely and amicable resolutions are prioritized. In terms of compliance and enforcement, the NCLT has more robust powers to penalize violations of company law, including powers to disqualify directors and impose fines. This was largely absent in earlier institutions, leading to limited deterrence. Legal scholars view the transition from CLB/BIFR to NCLT as part of India's broader corporate legal reform aimed at improving ease of doing business and strengthening investor confidence. Consolidation of authority has reduced legal uncertainty and administrative inefficiencies. However, the NCLT's performance has not been without criticism. The Tribunal has faced similar issues of case backlogs and limited infrastructure, reminiscent of the very challenges it sought to overcome. This suggests that mere institutional consolidation is not sufficient without operational capacity building. A major improvement lies in the digitalization of processes. Unlike CLB and BIFR, which relied heavily on manual systems, the NCLT has made strides in online case management, although a fully functional e-court system remains aspirational.

The Tribunal has also witnessed stronger appellate scrutiny through NCLAT and the Supreme Court, ensuring accountability and legal consistency. This appellate structure was more limited in the earlier framework, where appellate routes were often ad hoc or delayed. Moreover, the introduction of IBC as a companion framework has significantly empowered the NCLT, allowing it to effectively address corporate distress and promote resolution over prolonged litigation, a weakness of BIFR in particular. Overall, the NCLT marks a qualitative shift from procedural inefficiency and jurisdictional confusion to a more integrated,

competent, and enforceable adjudicatory mechanism. While operational gaps remain, it undoubtedly presents a stronger institutional framework compared to CLB and BIFR.

2.4 Role of the National Company Law Appellate Tribunal (NCLAT)

The National Company Law Appellate Tribunal (NCLAT) was established under Section 410 of the Companies Act, 2013, as the appellate authority to hear appeals from the NCLT. Its formation ensures a two-tier adjudication structure, adding a vital appellate mechanism to the corporate dispute resolution framework. NCLAT hears appeals from orders passed by the NCLT, the Insolvency and Bankruptcy Board of India (IBBI), and the Competition Commission of India (CCI). This broad appellate jurisdiction signifies its critical role in shaping corporate jurisprudence and ensuring consistency across key areas of commercial law. The presence of NCLAT enhances accountability for NCLT decisions, which are subject to appellate scrutiny, thereby minimizing errors or arbitrary interpretations. This check and balance approach contributes to a more robust adjudication process and greater confidence among litigants.

Structurally, NCLAT comprises a chairperson and judicial and technical members. Like NCLT, the blend of legal and technical expertise ensures informed and balanced decisions on complex commercial and corporate matters. NCLAT plays a particularly significant role under the Insolvency and Bankruptcy Code, 2016. Given that NCLT is the adjudicating authority under IBC, appeals arising from insolvency decisions, including admission or rejection of insolvency petitions, resolution plan approvals, and liquidation orders, are reviewed by NCLAT. In several landmark rulings, NCLAT has played a crucial interpretative role, shaping the understanding of key concepts under the IBC. For instance, it has dealt with issues related to time limits, eligibility of resolution applicants, treatment of operational creditors, and intercreditor equity. In matters of oppression and mismanagement, NCLAT's appellate jurisdiction ensures that minority shareholders and aggrieved stakeholders can challenge NCLT orders, providing a second layer of justice and enhancing investor protection. The NCLAT also serves as the appellate body for Competition Commission of India decisions under the Competition Act, 2002. This expansion of its jurisdiction showcases the Tribunal's

importance beyond company law, into competition and market regulation. Appeals from NCLAT decisions lie with the Supreme Court, ensuring a further safeguard against erroneous interpretations. However, the appeal must involve a substantial question of law, indicating the finality and authority of NCLAT in most cases.

Critically, the NCLAT has also contributed to harmonizing conflicting judgments of different NCLT benches, thereby ensuring consistency in legal outcomes across the country. This is essential in a federal system with multiple regional tribunals. The NCLAT has also advocated for the prioritization of creditor rights under IBC while balancing the interests of other stakeholders. Its nuanced rulings have helped evolve a balanced and commercially sound insolvency regime. However, challenges remain in the form of backlog of cases and limited bench strength. With a surge in IBC-related appeals, the NCLAT is often stretched thin, leading to concerns about timeliness and judicial capacity. Stakeholders have emphasized the need for specialized benches within NCLAT to handle IBC and competition law matters separately. This would ensure subject-matter expertise and faster resolution of cases. Another concern relates to the predictability and consistency of decisions. As a relatively new body, NCLAT is still evolving its jurisprudence. A growing corpus of precedent and better coordination with NCLT benches is needed to enhance doctrinal clarity.

Despite limitations, the NCLAT has emerged as a central institution in India's corporate regulatory landscape. Its appellate function is critical in ensuring that the rapid reforms under the Companies Act and IBC are implemented fairly and effectively. Its existence provides litigants a clear appellate mechanism, reducing reliance on High Courts and thereby decluttering the civil judiciary. This specialization is key in an era of complex and high-stakes corporate disputes. In conclusion, the NCLAT strengthens the corporate adjudication framework by providing an appellate mechanism that is specialized, responsive, and accountable. Its continued evolution and institutional strengthening will determine the long-term success of India's company law and insolvency regime.



The National Company Law Tribunal (NCLT) plays a pivotal role in resolving corporate disputes in India, serving as the principal forum for adjudication under the Companies Act, 2013 and the Insolvency and Bankruptcy Code (IBC), 2016. Its intervention encompasses a wide array of issues, including shareholder oppression and mismanagement, mergers and amalgamations, misappropriation of company funds, and boardroom conflicts. By providing a specialized, quasi-judicial mechanism, the NCLT offers a streamlined and focused approach to dispute resolution, reducing the burden on traditional civil courts. The Tribunal's decisions significantly impact corporate governance, creditor-debtor relationships, and investor confidence, often determining the strategic direction of companies facing legal and financial turmoil. Its timely and effective intervention is thus critical in ensuring fairness, legal compliance, and corporate accountability within India's rapidly evolving business environment.

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3.1 Shareholder Disputes and Oppression & Mismanagement

One of the primary legal principles underlying the resolution of shareholder disputes under the Companies Act, 2013 is the protection of minority shareholders from oppression and mismanagement. This principle ensures that the affairs of the company are conducted fairly and in a manner that respects the rights of all shareholders. The law recognizes that in certain situations, especially where the majority's actions are prejudicial or discriminatory, monetary compensation may not be an adequate remedy.

3.2 Mergers, Amalgamations, and Corporate Restructuring

The establishment of the National Company Law Tribunal (NCLT) marked a paradigm shift in India's corporate dispute resolution mechanism. Conceived under the Companies Act, 2013, and operationalized from June 2016, the NCLT serves as a specialized quasi-judicial body that amalgamated the jurisdiction of various erstwhile forums, such as the Company Law Board (CLB), Board for Industrial and Financial Reconstruction (BIFR), and High Courts for certain corporate matters. Its intervention is designed to expedite the resolution of corporate disputes through a focused, expert-driven approach. Corporate disputes in India are typically multifaceted, involving issues such as shareholder disagreements, directorial mismanagement, breach of fiduciary duties, insolvency, and violations of statutory

provisions. The NCLT has assumed a central role in adjudicating such disputes, offering stakeholders a unified legal forum that prioritizes efficiency, consistency, and technical expertise. The Tribunal's ability to deliver speedy redressal in corporate matters has been one of its defining features. One of the critical rationales for NCLT's establishment was to reduce the burden on traditional courts, which were often mired in procedural complexities and delays. The Tribunal, with its specialized benches and streamlined processes, provides a more agile structure to address corporate grievances, thereby promoting business continuity and investor confidence. Scholars have noted that the Tribunal's intervention in corporate disputes is especially crucial in fostering corporate governance norms. The legal environment in India has historically struggled with enforcing accountability in corporate functioning. Through its proactive role in adjudicating directorial misconduct and enforcing corporate compliance, the NCLT contributes to strengthening governance mechanisms. An important area of NCLT's intervention pertains to financial distress and insolvency. With the enactment of the Insolvency and Bankruptcy Code (IBC), 2016, the Tribunal was vested with jurisdiction over insolvency cases concerning companies and limited liability partnerships. This alignment has significantly enhanced the NCLT's relevance in the corporate ecosystem, especially in facilitating timebound resolutions. Moreover, the NCLT plays a significant role in facilitating amicable resolutions through mechanisms such as compromise and arrangements under Sections 230-232 of the Companies Act. It functions not only as an adjudicator but also as a facilitator for corporate restructuring and revival, making it an indispensable pillar of India's corporate legal regime. A key legal innovation attributed to the NCLT is its power to pierce the corporate veil in certain disputes. This empowers the Tribunal to hold individuals personally accountable in cases of corporate fraud, thereby deterring misuse of the corporate form and encouraging ethical practices. Academic literature also underlines the Tribunal's intervention in safeguarding minority interests and preventing the oppression and mismanagement of corporate affairs. This has enabled a more balanced representation of stakeholder interests, particularly in closely held companies where minority shareholders often face marginalization. Critics, however, argue that while the NCLT was envisioned to be an efficient dispute resolution forum, delays still persist due to understaffing, procedural

backlogs, and the complex nature of some disputes. Nonetheless, empirical studies suggest that NCLT has managed to reduce the average disposal time for many types of corporate litigation compared to the earlier regime. In addition to dispute resolution, the NCLT is also instrumental in enforcing regulatory compliance. It possesses powers to adjudicate non-compliance with financial disclosures, annual returns, and statutory audits, thus playing a watchdog role over corporate conduct. The Tribunal has also shown considerable flexibility in interpreting statutory provisions in light of contemporary business realities. Its decisions reflect a nuanced understanding of commercial practices, thereby aligning legal mandates with business efficacy. Another vital aspect of the NCLT's intervention is its ability to grant interim reliefs, such as stay orders, injunctions, and status quo directions. This ensures that parties do not suffer irreversible harm while proceedings are underway, maintaining the sanctity of legal remedies. Literature suggests that the NCLT has been instrumental in nurturing jurisprudence on corporate accountability and has laid down several precedents that shape the future of corporate law in India. Its judgments often engage with international best practices, thus providing a global dimension to domestic corporate regulation. Judicial review by the National Company Law Appellate Tribunal (NCLAT) and the Supreme Court further adds credibility and accountability to the Tribunal's functioning, ensuring that its intervention remains within the bounds of law and fairness. Overall, the literature converges on the point that NCLT's intervention in corporate disputes has revolutionized the dispute resolution framework in India. Despite initial teething troubles, its contributions to corporate law are widely acknowledged as significant and evolving.

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3.3 Insolvency and Bankruptcy Proceedings under IBC, 2016

One of the most litigated areas under the Companies Act is shareholder disputes, particularly those involving claims of oppression and mismanagement. These disputes often arise in closely held companies where majority shareholders tend to override the interests of minority stakeholders. The NCLT has become the primary forum for addressing such grievances under Sections 241 and 242 of the Companies Act, 2013. Shareholder disputes typically revolve around allegations of exclusion from decision-making, misappropriation of company funds, dilution of shareholding without consent, and arbitrary changes in company policies. The

NCLT has been empowered to examine such grievances and pass orders to restore equity and fairness in the company's operations. Literature highlights the transformative role of the NCLT in addressing oppression by enabling minority shareholders to seek judicial redress without resorting to protracted civil litigation. This is particularly significant in the Indian context, where minority protections have historically been weak in practical enforcement. The Tribunal adopts a broad interpretation of what constitutes 'oppression' and 'mismanagement,' allowing it to address both legal violations and ethical deviations. This allows for more comprehensive scrutiny of the corporate conduct in question, reflecting a shift from purely statutory compliance to fiduciary accountability. Another key area where the NCLT intervenes is in protecting shareholder rights during board appointments, removal of directors, and convening general meetings. It ensures that corporate democracy is upheld, particularly where majority shareholders manipulate internal governance to consolidate power. Case law reveals that the NCLT has exercised its powers to appoint independent directors, alter board compositions, and even regulate future company actions. This reflects its willingness to go beyond remedial orders and institute preventive measures to curb future disputes. Academic commentaries praise the NCLT's proactive stance in dealing with family-run businesses where disputes are often entangled with personal issues. In such scenarios, the Tribunal emphasizes mediation and conciliation, thereby fostering dispute resolution through consensus.

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The Tribunal has also demonstrated sensitivity to the balance between minority rights and business functionality. It is cautious not to interfere with routine business decisions unless there is clear evidence of abuse, thereby avoiding judicial overreach. Importantly, the NCLT is empowered to grant wide-ranging reliefs, including winding up the company as a last resort, or modifying agreements, restoring shareholding patterns, and nullifying wrongful decisions. These powers allow for creative and tailored remedies in complex shareholder disputes. However, critics point out that the Tribunal's reliefs can sometimes lack consistency, particularly in valuation disputes or equitable compensation for prejudiced shareholders. This raise concerns over the standardization of principles governing reliefs. The literature also discusses the procedural requirements for initiating oppression and mismanagement petitions, including minimum shareholding

thresholds. While these thresholds prevent frivolous litigation, they also potentially bar genuine claims by small stakeholders. Despite these challenges, the NCLT's intervention has resulted in significant jurisprudence on corporate fairness, transparency, and fiduciary conduct. Its evolving standards are shaping a new legal culture around shareholder activism and accountability. Some scholars argue for a more refined classification of shareholder grievances, suggesting that the current provisions are too broad and may benefit from subcategorization for targeted redressal mechanisms. Notably, the NCLT also considers noncorporate factors such as family feuds, trust deficits, and psychological considerations in close corporations. This holistic approach allows it to offer more empathetic and sustainable resolutions. The Tribunal's recognition of shareholder agreements and incorporation of their terms in dispute resolution marks a departure from earlier forums which treated such contracts as peripheral. This signals a mature understanding of modern corporate relationships. Finally, literature affirms that the NCLT's interventions in oppression and mismanagement cases are indispensable to maintaining the integrity of corporate governance in India. Its remedial and preventive roles continue to evolve with changing business dynamics and legal norms.

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3.4 Disqualification and Restoration of Directors/Companies

Mergers, amalgamations, and restructuring are essential tools for corporate strategy and business optimization. The Companies Act, 2013 introduced significant reforms in the legal process governing these arrangements, particularly by vesting exclusive jurisdiction in the NCLT under Sections 230 to 240. Corporate restructuring involves complex considerations, including asset valuations, creditor rights, shareholder approvals, and regulatory compliance. The NCLT acts as the supervisory authority ensuring that such processes are legally compliant, equitable, and not detrimental to stakeholders' interests. The literature emphasizes the NCLT's role in balancing business flexibility with legal safeguards. Unlike the earlier system which required High Court approval, the NCLT-led process is considered more streamlined and responsive to corporate needs. One of the NCLT's primary responsibilities is to examine the fairness of the scheme proposed. It scrutinizes the rationale, impact, and terms of the merger or demerger, while ensuring that the scheme complies with statutory requirements and serves the public interest. Significantly, the Tribunal has

the power to convene or dispense with meetings of shareholders and creditors. This authority enables it to fast-track schemes where there is consensus or alternatively, to mediate where conflicts exist. Academic analyses underline that the Tribunal's involvement adds a judicial safeguard to transactions that otherwise may be susceptible to abuse or minority oppression. Its role is not merely procedural but also substantive, ensuring that the restructuring is fair and transparent. The NCLT also collaborates with other regulatory bodies such as SEBI, RBI, and the Competition Commission of India (CCI) to vet mergers involving listed entities or those with anti-competitive concerns. This integrated review strengthens the legal sanctity of corporate restructuring. Moreover, the Tribunal has developed jurisprudence around cross-border mergers and inbound/outbound amalgamations. This is particularly important in a globalizing economy, and literature recognizes the NCLT's interpretive flexibility in accommodating international norms.

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Scholars argue that while NCLT has streamlined the merger process, delays still occur due to valuation challenges and objections from stakeholders. However, the Tribunal's capacity to adjudicate on such objections ensures transparency and fairness. Restructuring through compromise and arrangement under Section 230 is another area where NCLT plays a crucial role. It oversees debt restructurings, asset sales, and business reorganizations, especially in distressed companies. The Tribunal's ability to supervise schemes during insolvency also enhances its utility. Under the IBC, the NCLT often deals with resolution plans involving mergers or asset transfers, merging insolvency laws with corporate restructuring. Critics point out the need for standardized valuation guidelines and financial disclosures during mergers to reduce the Tribunal's dependence on expert reports. This would make the approval process more objective and efficient. Nevertheless, the NCLT's oversight has introduced a culture of transparency and documentation in corporate restructuring. It has curtailed abusive practices like siphoning of assets or disguised mergers for tax avoidance. Importantly, the Tribunal ensures that employee interests are considered in restructuring schemes. This socio-economic lens is increasingly reflected in its rulings, contributing to corporate social responsibility. Legal literature identifies the NCLT's role as both facilitator and regulator in corporate

restructuring. It enables strategic business decisions while ensuring legal accountability and stakeholder inclusiveness.¹



¹ Rajiv Luthra, "Corporate Governance Post-NCLT," Indian Bar Review, 2023. Vinod Dhall, "NCLT and Competition Law Interface," India Law Journal, 2022



CHAPTER 4: JUDICIAL

INTERPRETATION AND CASE STUDIES

LEGAL

The judicial interpretation of the powers and jurisdiction of the National Company Law Tribunal (NCLT) has significantly evolved since its inception. Courts have played a pivotal role in clarifying the extent of the Tribunal's authority, especially in the context of the Companies Act, 2013 and the Insolvency and Bankruptcy Code (IBC), 2016. These interpretations have had a transformative impact on corporate governance, insolvency resolution, and shareholder protection. The judiciary has largely emphasized the Tribunal's expansive jurisdiction in addressing various kinds of corporate disputes including oppression, mismanagement, and insolvency matters, positioning the NCLT as a central adjudicatory body in Indian corporate law. One of the key areas where judicial interpretation has clarified NCLT's authority is in the resolution of shareholder disputes. Indian courts have underscored that the Tribunal, unlike traditional civil courts, can look beyond strict legal rights and adopt an equitable approach in resolving disputes involving minority shareholder oppression and mismanagement. This flexibility, recognized by higher courts, enables the NCLT to mould its relief to suit the needs of justice in specific cases, which marks a significant departure from the rigid civil litigation framework. Another noteworthy aspect of judicial interpretation concerns the interplay between the NCLT and the High Courts, particularly in terms of writ jurisdiction under Article 226 of the Constitution. While High Courts have acknowledged that NCLT is a specialized body, they have also ruled that its decisions can be subjected to judicial review in cases of gross illegality or violation of natural justice. This interpretation reinforces the rule of law while respecting the Tribunal's autonomy, thus creating a balanced framework for corporate adjudication. The Supreme Court has also clarified the Tribunal's role in matters under the IBC, particularly in determining the existence of a default and initiating corporate insolvency resolution processes. The landmark ruling in Innoventive Industries Ltd. v. ICICI Bank reaffirmed that the NCLT is not required to investigate disputes beyond the scope of default and existence of debt. This streamlined approach reflects a conscious judicial effort to uphold the IBC's objective of timebound resolution and financial discipline. In corporate restructuring cases, courts have interpreted the Tribunal's powers liberally to facilitate mergers, demergers, and amalgamations in a manner consistent with the Companies Act, 2013. Judicial interpretations have supported the NCLT's discretion to approve schemes of arrangements that comply with statutory requirements and safeguard stakeholder interests. This pro-business stance has encouraged a more efficient restructuring environment in India's corporate sector. Furthermore, judicial commentary has also shaped NCLT's role in cases of class action and derivative suits. The courts have recognized the NCLT's authority to adjudicate claims brought by shareholders against errant managements, thereby promoting

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accountability and transparency in corporate affairs. The judiciary has emphasized the Tribunal's power to grant wideranging remedies including damages, injunctions, and removal of directors. In matters involving foreign investments and cross-border insolvency, judicial interpretations have extended NCLT's role beyond domestic confines. Indian courts have signaled that the Tribunal can act in coordination with foreign jurisdictions where appropriate, reinforcing India's commitment to global insolvency norms. This cross-border capability marks a major leap in India's corporate legal framework. The judiciary has also played a role in determining the extent of procedural flexibility available to the NCLT. In several cases, courts have upheld the Tribunal's right to adopt procedures suited to the facts of each case, without being constrained by the Code of Civil Procedure. This allows for a more pragmatic and less formalistic approach, in line with the spirit of specialized dispute resolution. Importantly, judicial interpretations have underscored the need for judicial restraint in interfering with NCLT's findings of fact. The appellate jurisdiction of the NCLAT and limited scope of judicial review by High Courts ensures that the Tribunal's autonomy is preserved. The courts have emphasized that appeals must be based on questions of law rather than reapplication of facts, thus reinforcing the Tribunal's credibility. In terms of corporate governance, judicial guidance has allowed the NCLT to serve as a gatekeeper for ethical corporate behavior. Decisions that penalize directors for breaches of fiduciary duties, nondisclosure, or siphoning of funds have found support from the judiciary, thereby legitimizing the Tribunal's proactive approach. The courts have consistently reiterated the importance of promoting good governance through NCLT's rulings. Judicial interpretations have also refined the Tribunal's role in approving compromise and arrangement schemes. The emphasis has been on ensuring that such schemes are fair, equitable, and do not adversely affect minority shareholders. The courts have thus directed the NCLT to exercise due diligence and ensure procedural compliance in such cases. Finally, the body of case law interpreting the Tribunal's jurisdiction continues to grow, offering further clarity on the legal and procedural nuances of corporate dispute resolution. The dynamic interpretation of the law by the courts has empowered the NCLT to evolve into a robust institution capable of addressing India's complex corporate disputes in a timely and effective manner.

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4.1 Landmark Judgments Interpreting NCLT Powers

The landmark judgments of Indian courts have played a pivotal role in shaping the contours of the NCLT's powers and functions. Among the earliest and most influential decisions is Innoventive Industries Ltd. v. ICICI Bank, where the Supreme Court emphasized the primacy of the IBC and upheld the NCLT's limited but focused jurisdiction in insolvency matters. The judgment set a precedent that the Tribunal must confine itself to examining whether a default has occurred and whether a debt is due, and not go into extraneous issues. In Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., the Supreme Court further elaborated on the concept of a "dispute" under Section 9 of the IBC. The Court ruled that if a dispute is real and not spurious or illusory, the NCLT must reject the insolvency application. This case clarified the threshold of judicial scrutiny applicable to operational creditor applications and strengthened the Tribunal's gatekeeping role in insolvency proceedings. In Swiss Ribbons Pvt. Ltd. v. Union of India, the apex court upheld the constitutional validity of the IBC and praised the institutional architecture, including the NCLT. The judgment recognized the Tribunal's role in balancing interests of creditors, debtors, and other stakeholders while safeguarding the economic interests of the country. It also reaffirmed the separation of adjudicatory powers between the NCLT and NCLAT. A critical judgment interpreting the NCLT's scope in oppression and mismanagement matters is Shashi Prakash Khemka v. NEPC Micon. The Supreme Court affirmed that the Tribunal must examine whether the affairs of the company were being conducted in a manner prejudicial to any member or public interest. This case emphasized the Tribunal's equitable jurisdiction and its responsibility to protect minority shareholder rights. In ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta, the Court held that ineligibility under Section 29A of the IBC must be strictly enforced by the NCLT. This interpretation empowered the Tribunal to scrutinize resolution applicants and prevent defaulting promoters from regaining control of companies, thus reinforcing the integrity of the insolvency process. The decision in Essar Steel India Ltd. v. Satish Kumar Gupta further affirmed the commercial wisdom of the Committee of Creditors and limited judicial interference by the NCLT to grounds specified in the statute. The Court clarified that the Tribunal cannot rewrite resolution plans and must respect the decisions of financial creditors unless legal provisions are violated In Phoenix ARC Pvt. Ltd. v. Spade Financial Services, the Supreme Court emphasized that the NCLT must lift the corporate veil to determine the genuineness of financial claims. The case highlighted the Tribunal's power to disregard sham transactions and maintain the integrity of the insolvency resolution mechanism. The case of Tata Consultancy Services Ltd. v. Cyrus Investments Pvt. Ltd. delved into the issue of oppression and mismanagement at the highest level of corporate governance. While the NCLAT had ordered reinstatement of Cyrus Mistry, the Supreme Court reversed the decision and reinstated the business judgment rule, thereby limiting NCLT's intervention in boardroom decisions unless blatant oppression is proven. In

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Ruchi Soya Industries Ltd. v. Union Bank of India, the NCLT's jurisdiction in approving resolution plans was once again affirmed. The court emphasized the need for timely resolution and upheld the Tribunal's role in implementing plans that are compliant with the IBC framework. Another significant judgment is State Bank of India v. V. Ramakrishnan, where the Supreme Court ruled that personal guarantors of corporate debtors could be proceeded against even during moratorium under the IBC. The ruling reinforced the Tribunal's jurisdiction over personal guarantors when corporate insolvency resolution is underway. Landmark Judgments Interpreting NCLT Powers (continued)In K. Sashidhar v. Indian Overseas Bank, the Supreme Court further defined the NCLT's jurisdiction in scrutinizing resolution plans. The Court reiterated that the NCLT cannot question the commercial wisdom of the Committee of Creditors once the procedural requirements are met. This judgment limited the Tribunal's intervention to legal and procedural compliance, reinforcing the creditor-driven nature of insolvency resolution.²

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² Lalit Kumar Jain v. Union of India, (2021) 9 SCC 321. Embassy Property Developments Pvt. Ltd. v. State of Karnataka, (2020) 13 SCC 308

insolvency cases, even over other statutory laws.

The case of Lalit Kumar Jain v. Union of India extended the scope of the NCLT by upholding the government's notification bringing personal guarantors under the IBC framework. The Court upheld that proceedings against personal guarantors can be initiated before the NCLT, recognizing its comprehensive jurisdiction over insolvency proceedings related to corporate debt. In Embassy Property Developments Pvt. Ltd. v. State of Karnataka, the Supreme Court ruled that the NCLT cannot adjudicate upon disputes involving public law elements or state authorities, especially in matters of land ownership. This landmark decision clarified that the Tribunal's jurisdiction is confined to private corporate law disputes and does not extend to public law issues. The NCLT's power to entertain class action suits was elaborated in Rajeev Saumitra v. Neetu Singh, where the Tribunal entertained a claim by minority shareholders against majority misconduct. The case reinforced the right of minority shareholders to seek redressal before the Tribunal under Sections 241 and 242 of the Companies Act, 2013. In Monnet Ispat and Energy Ltd. v. Union of India, the Supreme Court upheld the overriding effect of the IBC under Section 238, thereby affirming the primacy of the NCLT's jurisdiction in corporate

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This judgment solidified the Tribunal's supremacy in insolvency matters. Another key judgment is Binani Industries Ltd. v. Bank of Baroda, where the NCLAT and later the Supreme Court emphasized the principle of equitable treatment of all creditors. The case demonstrated that the NCLT must ensure that resolution plans do not discriminate unfairly between similarly placed creditors. In Standard Chartered Bank v. Satish Kumar Gupta, the Court reiterated the principle that the NCLT's role is limited to examining the legal compliance of the resolution plan, and that it cannot sit in appeal over commercial decisions made by creditors. In SPICE-JET Ltd. v. Credit Suisse AG, the Supreme Court addressed issues related to the enforceability of international arbitration awards in the context of IBC proceedings. The Court ruled that the NCLT can adjudicate such disputes where insolvency is triggered by a default in satisfying an arbitral award, thereby harmonizing domestic and international legal frameworks. In Alchemist Asset Reconstruction Company Ltd.

v. Hotel Gaudavan Pvt. Ltd., the NCLT's order admitting insolvency was upheld despite pending proceedings before the Debt Recovery Tribunal. This judgment confirmed that the IBC and NCLT proceedings take precedence over earlier recovery mechanisms under the SARFAESI Act. Finally, in Pioneer Urban Land and Infrastructure Ltd. v. Union of India, the Supreme Court affirmed that homebuyers can initiate insolvency proceedings before the NCLT

as financial creditors under the IBC. This landmark ruling expanded the scope of financial creditor definitions and empowered the Tribunal to adjudicate disputes involving real estate developers and allottees.³

4.2 Case Studies on Corporate Disputes Resolved by NCLT

The National Company Law Tribunal (NCLT) has played a critical role in resolving high-stakes corporate disputes across various sectors in India. One of the most prominent cases was the insolvency of Jet Airways (India) Ltd., where the NCLT admitted the insolvency application filed by a Dutch creditor. The case was notable for involving cross-border insolvency elements and marked the first instance of coordinated proceedings between Indian and Dutch authorities under the concept of international cooperation in insolvency. Another significant case was that of IL&FS (Infrastructure Leasing & Financial Services Ltd.), where the NCLT was instrumental in approving a government-backed restructuring plan. The Tribunal played a pivotal role in enabling a revival of the financially stressed group, while ensuring protection of public interest, given the systemic importance of IL&FS in the Indian financial ecosystem. The case of Bhushan Steel Ltd. is another milestone in the NCLT's adjudicatory history. The Tribunal admitted insolvency proceedings against the company and later approved the resolution plan submitted by Tata Steel. The swift resolution under the NCLT framework led to the recovery of over Rs. 35,000 crores for creditors and reinforced the effectiveness of the IBC. In the matter of Electrosteel Steels Ltd., the NCLT approved Vedanta Ltd.'s resolution plan, allowing a successful takeover. The Tribunal's decision was pivotal in ensuring the continuity of operations and employment, showcasing the NCLT's capacity to balance commercial and social interests in insolvency resolutions. In Essar Steel

³ Binani Industries Ltd. v. Bank of Baroda, 2018 SCC OnLine NCLAT 521. Standard Chartered Bank v. Satish Kumar Gupta, 2019 SCC OnLine SC 617.

India Ltd., the NCLT admitted the insolvency application and eventually approved ArcelorMittal's resolution plan, which involved the payment of Rs. 42,000 crore to creditors. The case became a landmark example of a successful resolution under the IBC, involving legal scrutiny at all levels including the NCLT, NCLAT, and Supreme Court.

Reliance Communications Ltd. (RCom) became a high-profile insolvency case before the NCLT, where the Tribunal admitted the insolvency petition following the company's default on massive debts. The case highlighted the Tribunal's role in resolving complex financial distress in the telecom sector. In Siva Industries and Holdings Ltd., the NCLT rejected a one-time settlement proposal from the promoters and upheld the sanctity of the insolvency process. The Tribunal's ruling was seen as a stand against backdoor entries and upholding the discipline of the IBC framework. Videocon Industries Ltd. was one of the largest group insolvencies admitted by the NCLT. The Tribunal dealt with consolidation of multiple group companies under one resolution process, thereby addressing the complexities of group insolvency. The NCLT also played a major role in DHFL (Dewan Housing Finance Corporation Ltd.), which was the first financial services company to be admitted for insolvency under special provisions of the IBC.

The case reflected the Tribunal's evolving jurisdiction in dealing with NBFCs and large public deposits. In the Tata-Mistry dispute, although the final decision rested with the Supreme Court, the NCLT was the first forum to hear the oppression and mismanagement claim filed by Cyrus Mistry. The Tribunal's ruling, and subsequent reversal by the NCLAT, highlighted the complexity of boardroom battles and the evolving jurisprudence of shareholder rights. The case of Binani Cement Ltd. further reflected the NCLT's intervention in ensuring equitable treatment of creditors. The Tribunal refused to approve a resolution plan that was found discriminatory and directed that creditor be treated fairly. Lastly, in Ametek Auto Ltd., the NCLT played a central role in managing a failed resolution process and later permitting a fresh round of bidding. The case illustrated the practical challenges in implementing the IBC and the NCLT's adaptability in revisiting resolution processes to protect creditor interests.

4.3 Challenges in Timely Disposal and Judicial Consistency

The establishment of the National Company Law Tribunal (NCLT) was aimed at ensuring the speedy adjudication of corporate disputes and reducing the burden on traditional courts.

However, one of the most pressing issues it faces is the delay in the timely disposal of cases. Despite statutory mandates under the Insolvency and Bankruptcy Code (IBC) to resolve matters within specific timelines (180 days extendable to 330 days), many cases continue to linger for years due to procedural bottlenecks and capacity constraints. The increasing

number of cases filed before the NCLT has led to an overburdened system, where limited judicial members are unable to cope with the mounting caseload. The delays are particularly acute in high-profile insolvency matters where multiple stakeholders are involved. The lack of adequate infrastructure, staff shortages, and the unavailability of technical members in some benches further exacerbate the problem. Judicial inconsistency across various NCLT benches is another significant concern. Despite being a specialized tribunal, NCLT benches have often delivered conflicting decisions on similar issues, leading to legal uncertainty and unnecessary litigation. These inconsistencies undermine the tribunal's credibility and force litigants to approach the appellate tribunal (NCLAT) or the Supreme Court for clarity. One notable example of inconsistency can be observed in the interpretation of related party transactions under Section 29A of the IBC. Different NCLT benches have adopted divergent views on whether a promoter connected through a trust or partnership firm could participate in the resolution process, thereby creating confusion among resolution applicants. The delays also stem from frequent adjournments and procedural inefficiencies, such as poor case management systems and lack of digitization in some benches. Unlike the regular judiciary which is slowly adopting e-filing and virtual hearings, NCLT has lagged behind in fully implementing such reforms, especially in regional benches. Moreover, the NCLT's dual role as an adjudicating authority under both the Companies Act, 2013 and the IBC has contributed to the backlog. Cases related to mergers, oppression and mismanagement, and insolvency are all heard by the same tribunal, stretching its already limited resources.⁴ Stakeholders have expressed concerns over the quality of adjudication, especially due to the absence of welltrained judicial and technical members. Some appointments have faced criticism due to lack of experience or inadequate understanding of commercial and financial complexities involved in corporate disputes. The absence of a robust system of precedent tracking and a centralized repository of judgments makes it difficult for professionals and litigants to rely on past decisions. This further adds to the unpredictability of outcomes, leading to forum shopping and appeals,

which congest higher forums like the NCLAT. The NCLAT itself faces a huge pendency, which has a direct impact on the effectiveness of the NCLT. If orders passed by NCLT are

frequently stayed or reversed on appeal, it raises questions about the consistency and robustness of its adjudication process. This scenario erodes confidence among investors and business stakeholders. In light of these challenges, there is an urgent need to restructure the institutional framework of NCLT, ensure the appointment of competent members, introduce digitization, and streamline procedures. Judicial consistency can be enhanced by issuing binding circulars or guidelines for benches, and developing a strong precedent following mechanism to reduce arbitrary adjudication.⁵



⁴ Shankhadeep Roy, "Delays in NCLT and NCLAT," Bar and Bench, 2022. IBBI Quarterly Newsletter, Q1 2023.

⁵ Swiss Ribbons Pvt. Ltd. v. Union of India, (2019) 4 SCC 17. Reserve Bank of India, "Report on Trend and Progress of Banking in India," 2023. ICRA Ratings, "Performance of CIRP Cases," 2023.



CHAPTER 5: CONTEMPORARY CHALLENGES AND REFORMS



The corporate legal landscape in India has undergone a dramatic transformation with the introduction of the IBC and the strengthening of NCLT's role. However, the tribunal faces contemporary challenges that hinder its efficiency, such as complex cross-border insolvency issues, increasing promoter interference, and the need for regulatory synchronization across agencies like SEBI, RBI, and ED. One of the primary modern challenges is the lack of a comprehensive crossborder insolvency framework. Although India has adopted certain UNCITRAL Model Law principles, it still does not have an independent cross-border insolvency law. As a result, NCLT often struggles to deal with multijurisdictional insolvency cases, affecting foreign investor confidence and slowing down resolutions. Another emerging challenge is the strategic misuse of the insolvency framework by operational and financial creditors. Some creditors initiate insolvency proceedings not as a means of genuine recovery but as a pressure tactic, resulting in undue hardships to operational companies and unnecessary congestion in tribunals. The increasing complexity of corporate frauds and forensic accounting issues has outpaced the tribunal's current capability. Matters involving shell companies, tax evasion, and money laundering require not just legal interpretation but also technical and financial expertise, which many benches currently lack. Despite the intention to avoid delays, the NCLT often becomes a battleground for prolonged litigation due to loopholes in laws and clever maneuvering by defaulting promoters. The doctrine of natural justice is frequently misused to seek repeated adjournments, file frivolous applications, and obstruct resolution plans. The need for capacity building and training for members is another critical reform area. Members must be equipped with legal, financial, and technical acumen to deal with increasingly complex corporate cases. Regular training workshops, exposure to international best practices, and a dedicated research wing within the NCLT could help in this regard. On a positive note, several reform initiatives have been undertaken. The Ministry of Corporate Affairs has proposed the expansion of NCLT benches, introduction of e-courts, and better case management systems. Further, there is a growing push toward integrating Artificial Intelligence tools for document review, scheduling, and analytics in case management.

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The idea of alternate dispute resolution (ADR) in corporate disputes is also gaining momentum. Mediation and arbitration mechanisms, if encouraged by NCLT before formal proceedings, can reduce the burden on the tribunal and facilitate faster dispute resolution, especially in shareholder disputes and contractual disagreements. Coordination between regulatory authorities remains an unresolved concern. For example, overlapping jurisdiction between NCLT and SEBI in capital market-related matters creates confusion and delays. A

clear demarcation of powers or a joint working mechanism would help in avoiding regulatory conflicts. In conclusion, while NCLT has made significant contributions to corporate jurisprudence in India, it must adapt to the changing contours of business law. Contemporary reforms must not only address structural and procedural shortcomings but also anticipate future challenges such as digital frauds, ESG compliance disputes, and blockchain-related corporate issues. A futuristic, well-resourced, and autonomous NCLT will be central to India's ambition of becoming a globally competitive business destination.

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5.1 Procedural and Structural Challenges in NCLT Functioning

The National Company Law Tribunal (NCLT) was envisaged as a quasi-judicial body to handle matters related to company law efficiently, especially after the enactment of the Companies Act, 2013. While the establishment of the NCLT aimed to streamline corporate adjudication, several procedural and structural challenges have impeded its effectiveness. These include inadequate infrastructure, lack of digital integration, and procedural ambiguities which have hindered its overall objective of quick and fair dispute resolution. One of the primary procedural challenges faced by the NCLT is the lack of uniformity in filing and hearing procedures across different benches. Although the Companies Act and accompanying rules provide a broad procedural framework, in practice, varying interpretations and procedural preferences by different benches lead to inconsistencies. This lack of standardization complicates the litigation process for stakeholders, particularly for multinational corporations and law firms practicing across jurisdictions.

The structure of the NCLT, despite its pan-India reach, is plagued by insufficient benches and inadequate distribution of jurisdiction. India has only a limited number of NCLT benches relative to the growing number of corporate disputes. This uneven geographical distribution burdens certain benches disproportionately, particularly in metros like Delhi and Mumbai, resulting in backlogs and operational inefficiencies. Another significant issue is the shortage of judicial and technical members. While the Companies Act mandates that each bench must comprise a judicial and a technical member, many benches operate without a full quorum. The delay in appointments and frequent vacancies adversely affect adjudication timelines. Additionally, the lack of specialized training for technical members limits their ability to effectively analyze complex commercial and financial matters. There is also an ongoing debate over the appointment process of NCLT members. The appointment is largely controlled by the

executive, raising concerns about the independence of the tribunal. Critics argue that such executive dominance potentially undermines the impartiality of the NCLT, especially when government entities are involved in disputes. Reforms are necessary to ensure transparency and merit-based selections. A structural flaw that also hinders the NCLT's effectiveness is the lack of integration with allied regulatory bodies like the SEBI, RBI, and MCA. In cases involving overlapping regulatory jurisdictions, delays occur due to poor coordination between agencies. Establishing a more collaborative approach with these bodies is essential to foster smoother

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and more efficient adjudication. Procedural delays also stem from the lack of digitization in documentation and hearings. Despite the advancement of digital courts in other areas of Indian judiciary, many NCLT benches still rely on manual records and offline procedures. This

hampers the speed and accuracy of filings and order dissemination, particularly in high-volume

cases like those under the Insolvency and Bankruptcy Code (IBC).Moreover, the procedural

rules do not provide for robust mechanisms to penalize frivolous filings or abuse of the legal

process. As a result, certain litigants file repetitive or vexatious petitions, further clogging the

system. Procedural reforms must include strict guidelines to discourage such practices and

safeguard the tribunal's time and resources.

Another concern is the lack of a specialized bar of legal practitioners. While the Companies Act allows for representation by legal professionals, accountants, and company secretaries, there is a need for greater specialization and training in company law litigation. A more standardized accreditation or training system for practitioners can enhance the quality of legal assistance and representation before the tribunal. Finally, the absence of a comprehensive performance review mechanism for the NCLT limits accountability. Regular audits of case disposal rates, stakeholder satisfaction, and compliance with timelines could help improve tribunal functioning. The implementation of a strong monitoring and feedback system is necessary to continuously enhance procedural and structural efficiency.

5.2 Impact of Delays and Capacity Constraints

Delays in the adjudication of corporate disputes have become a persistent issue within the NCLT framework, undermining the very purpose for which it was established. The NCLT was designed to expedite the resolution of company-related matters, particularly under the Insolvency and Bankruptcy Code (IBC), 2016. However, overburdened benches and infrastructural deficiencies have caused significant backlogs, delaying justice for numerous stakeholders. One of the primary reasons for delays is the disproportionate caseload compared

to the tribunal's capacity. The increasing number of cases filed under the IBC, especially in the aftermath of the COVID-19 pandemic, has overwhelmed the existing infrastructure. Corporate insolvency resolutions, which are supposed to be resolved within 330 days, often take much longer, defeating the purpose of time-bound resolution. The impact of these delays is particularly detrimental for creditors and investors. Extended timelines for resolution erode asset value and reduce recovery rates, making the insolvency process less effective. This not only discourages investment but also diminishes the confidence of financial institutions in the efficacy of legal remedies available under corporate law. Delays also have serious implications for companies undergoing restructuring or merger processes. Regulatory approvals that are contingent on NCLT orders get stalled, leading to uncertainty in business operations. This affects employment, supply chain continuity, and market reputation, particularly in sensitive industries like pharmaceuticals and infrastructure. Furthermore, capacity constraints have resulted in limited hearing dates and longer adjournments. The lack of judges and support staff has caused simple matters, such as approval of schemes or rectification of registers, to remain pending for months. This creates a ripple effect where even noncontentious applications face delays, undermining the business-friendly image of India's corporate legal environment. The delays also disrupt the timeline of justice in shareholder disputes and cases of oppression and mismanagement. For minority shareholders seeking urgent relief, such delays can be catastrophic, often resulting in irreversible damage to shareholder value. In such cases, justice delayed is truly justice denied. Another consequence is the rising cost of litigation. The prolonged litigation timeline increases the legal and administrative expenses borne by the parties, thereby deterring smaller firms and startups from pursuing legitimate claims. This makes access to justice inequitable, favoring larger entities with greater financial resources. There is also a psychological impact on stakeholders due to the prolonged litigation process. The uncertainty surrounding the outcome and timeline of cases creates stress for entrepreneurs, employees, and creditors. This affects the overall business climate and entrepreneurial risktaking capacity, especially in the MSME sector. Moreover, international investors closely monitor the dispute resolution mechanisms in emerging economies. The reputation of NCLT as a timely dispute resolution body is critical for attracting foreign direct investment (FDI). Prolonged delays send negative signals to global investors, who may perceive the Indian regulatory environment as inefficient or unpredictable. Addressing the capacity constraints requires not just increasing the number of benches but also investing in modern infrastructure, hiring trained professionals, and adopting technology-driven solutions. Digital case management systems, AI-assisted scheduling, and hybrid hearings can ease the burden and

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improve case flow efficiency. Such innovations, coupled with reforms in appointment and performance monitoring, can ensure the NCLT regains its intended efficiency and credibility.

5.3 Recommendations for Strengthening NCLT's Effectiveness

The National Company Law Tribunal (NCLT) plays a central role in the adjudication of corporate disputes in India. However, its effectiveness is often hindered by systemic and institutional challenges. One of the primary recommendations is to increase the number of benches and members across the country. The current infrastructure is insufficient to handle the volume of cases, leading to significant delays in proceedings. Expansion will not only reduce the pendency but also ensure quicker access to justice for stakeholders. There is a pressing need to enhance the administrative efficiency of the NCLT. Administrative bottlenecks, such as delays in listing cases, uploading orders, and managing files, can be streamlined through digital integration. Implementing a more robust and user-friendly case management system would enable litigants, lawyers, and tribunal members to manage cases more effectively. Training and capacity building of NCLT members are vital. While many members come with legal or accounting expertise, the tribunal's quasi-judicial nature requires continuous orientation on corporate governance, insolvency frameworks, and financial restructuring. Specialized training sessions, workshops, and international exchange programs can strengthen their decision-making capacity and keep them abreast of global best practices. An essential recommendation is the standardization of procedures across different benches. Currently, there are procedural inconsistencies in how cases are handled from one bench to another. Issuing a uniform code of practice or procedural manual would foster consistency, predictability, and transparency, thereby enhancing institutional credibility. To increase efficiency, it is recommended that the NCLT adopt a time-bound framework for different categories of cases. While the Insolvency and Bankruptcy Code (IBC) prescribes timelines, other types of cases under the Companies Act often face inordinate delays. Introducing statutory deadlines for all types of cases with provisions for extensions under exceptional circumstances can help in time-bound resolution.

The tribunal must also consider adopting Artificial Intelligence (AI) tools for legal research, case clustering, and pattern recognition in disputes. With technologydriven support, tribunal members can focus more on adjudication and less on manual analysis. This would not only expedite judgments but also improve the quality of orders through data-backed insights. There is a need for better coordination between the NCLT and regulatory bodies such as the Securities

and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and Serious Fraud Investigation Office (SFIO). Establishing structured inter-agency communication channels would reduce conflicting interpretations and promote uniform enforcement of corporate laws. Another structural reform involves strengthening the role of the National Company Law Appellate Tribunal (NCLAT). Faster disposal of appeals and the use of a judicial filter mechanism to curb frivolous appeals will reduce the burden on both tribunals. Moreover, timely pronouncements from the appellate authority are essential for maintaining business confidence. From a policy perspective, the government should review and periodically revise the thresholds and jurisdictional limits of the NCLT. The current system compels the tribunal to handle minor matters that could be settled through alternative dispute resolution (ADR) mechanisms or specialized regulators. Delegating certain functions to other authorities will unburden the NCLT.A robust grievance redressal mechanism should be put in place for stakeholders to raise concerns about procedural delays, ethical conduct, or administrative inefficiencies. A dedicated ombudsman for the NCLT system would enhance accountability and offer corrective pathways without undermining judicial independence. The government should consider allocating more budgetary resources towards strengthening infrastructure. Many NCLT benches operate with limited office space, inadequate staffing, and outdated technology. Enhancing physical and digital infrastructure would significantly contribute to faster and more reliable functioning. Legal aid mechanisms should be integrated with the NCLT system, especially for small shareholders, workers, and MSMEs who often find it financially burdensome to litigate. A dedicated legal aid cell within each bench could ensure that justice is accessible irrespective of the litigant's financial capacity. The NCLT can benefit from periodic performance audits conducted by independent bodies. These audits can assess the average time for case resolution, quality of judgments, stakeholder satisfaction, and compliance with procedural norms. Publishing these findings would enhance transparency and help in continuous institutional improvement.

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It is also recommended that NCLT judgments be published in a structured online repository that is searchable and categorized by subject matter, bench, and outcome. Such a system would improve presidential value, help legal professionals prepare more efficiently, and enhance academic engagement with the tribunal's jurisprudence. Finally, stakeholder consultations must be institutionalized within the NCLT system. Periodic meetings with representatives from industry bodies, legal communities, academia, and government departments would provide feedback and discuss trends.



CHAPTER 6: CONCLUSION AND SUGGESTIONS

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The National Company Law Tribunal (NCLT) has significantly transformed the corporate dispute resolution landscape in India. By integrating multiple functions that were previously dispersed across various institutions such as the Company Law Board (CLB), the Board for Industrial and Financial Reconstruction (BIFR), and High Courts (for merger and amalgamation matters), the NCLT has established itself as a centralized authority for adjudicating company-related disputes. Its establishment under the Companies Act, 2013, and the subsequent operationalization in 2016 marked a pivotal shift in the Indian corporate regulatory framework, aiming to streamline processes and reduce pendency in corporate litigation. One of the most notable contributions of the NCLT has been its role under the Insolvency and Bankruptcy Code (IBC), 2016. By acting as the Adjudicating Authority for corporate insolvency resolution processes (CIRP), the NCLT has expedited insolvency resolutions and facilitated creditor recoveries. This has provided a structured framework for distressed companies and offered creditors a transparent and time-bound mechanism to resolve insolvency, thereby strengthening investor confidence and corporate governance in India. Despite these significant strides, the NCLT faces several systemic challenges. The tribunal is often overburdened due to an ever-increasing caseload and an insufficient number of benches and judicial members. This congestion has led to delays in case resolution, which undermines the very purpose of having a time-bound tribunal. This issue is further compounded by procedural lapses, adjournments, and frequent transfers of members, all of which hamper the efficiency of the NCLT. Another concern pertains to the lack of domain-specific expertise among some tribunal members. While NCLT benches are supposed to consist of both judicial and technical members, there have been instances where complex financial and technical matters were presided over without the requisite expertise. This sometimes results in inconsistent decisions, which may be overturned by the appellate tribunal or higher courts, thereby creating legal uncertainty. The relationship between the NCLT and the National Company Law Appellate Tribunal (NCLAT) is also of critical importance. While the NCLAT provides an essential appellate mechanism, the high rate of appeals and reversals highlights the need for more rigorous reasoning and jurisprudential consistency at the NCLT level. Furthermore, the growing number of appeals to the Supreme Court suggests a lack of finality in decisions rendered by the tribunal system. One of the major challenges faced by the NCLT is its dual role of handling insolvency matters under the IBC and corporate disputes under the Companies Act. This dual jurisdiction has led to administrative complexities and workload imbalances. In many cases, corporate disputes that are not strictly related to insolvency take a backseat, thus denying timely relief to stakeholders involved in shareholder oppression cases,

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directorial disputes, and corporate restructuring matters. A significant recommendation for improving the effectiveness of the NCLT is the urgent need for capacity building. This includes increasing the number of benches across the country, particularly in underserved regions, and ensuring the timely appointment of qualified members. Establishing dedicated benches for insolvency matters and corporate disputes separately can also help streamline the workflow and reduce pendency. In addition to infrastructure and staffing, the use of technology and digitization in NCLT proceedings must be further enhanced. While steps have been taken towards online filing and virtual hearings, especially during the COVID-19 pandemic, these systems require robust technological support and user-friendly interfaces to be truly effective. Digital platforms must be made more secure, transparent, and accessible to all stakeholders, including small companies and litigants without high-end legal representation. Judicial training and specialization should be emphasized to enhance decision-making quality. Periodic training sessions and legal workshops focusing on complex issues like cross-border insolvency, group insolvency, and digital assets in insolvency resolution should be mandated for NCLT and NCLAT members. This will ensure jurisprudential consistency and instill greater confidence in the tribunal's rulings. Another area of improvement is the harmonization of procedural rules. Currently, there is inconsistency in how different NCLT benches interpret and apply procedural norms. A unified code of procedure, or at least comprehensive guidelines for all benches, can ensure uniformity and predictability in proceedings. This would not only help litigants but also reduce the rate of appeals. Further, a systematic review mechanism should be institutionalized to assess the performance of the NCLT and its members. Performance indicators such as case disposal rates, pendency statistics, reversal rates by appellate bodies, and stakeholder satisfaction must be regularly monitored to ensure accountability. This review process must also be used to make data-driven policy changes. The tribunal must also proactively promote alternative dispute resolution (ADR) mechanisms in corporate disputes. Mediation and conciliation, particularly in shareholder and management conflicts, can help reduce the burden on the NCLT while fostering a more collaborative dispute resolution culture. Establishing mediation cells within the tribunal and encouraging pre-litigation mediation can be effective steps in this direction. From a legislative perspective, the government must also revisit the statutory framework governing the NCLT. Periodic amendments to the Companies Act and the IBC must reflect ground realities and judicial experiences. Statutory clarity on jurisdictional overlaps, procedural timelines, and appeal rights can greatly enhance the effectiveness of the tribunal system. A more nuanced approach is required when it comes to corporate restructuring and mergers. These matters often involve complex economic, legal, and social implications.

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The NCLT should be equipped with interdisciplinary panels comprising legal experts, financial analysts, and economists to evaluate such schemes comprehensively. This will help in achieving a balance between legal compliance and economic efficiency. Lastly, fostering stakeholder engagement and feedback is vital. The Ministry of Corporate Affairs (MCA) and the NCLT administration should conduct regular consultations with practitioners, corporate representatives, and academia to solicit inputs on tribunal performance. Such participatory governance can help the NCLT stay adaptive and responsive to the evolving corporate landscape. In conclusion, while the NCLT has emerged as a critical institution in India's corporate legal regime, its long-term success hinges on continuous institutional reforms, capacity enhancement, technological integration, and jurisprudential development. With proactive policy interventions and stakeholder collaboration, the NCLT can truly fulfill its role as an efficient and equitable forum for corporate dispute resolution in India.

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6.1 Summary of Findings

The National Company Law Tribunal (NCLT) has significantly reshaped the corporate legal landscape of India since its inception under the Companies Act, 2013. The consolidation of various quasi-judicial bodies into one cohesive institution has enhanced efficiency and streamlined dispute resolution mechanisms in corporate matters. The Tribunal has emerged as a specialized forum addressing a wide range of issues including insolvency, mergers, oppression and mismanagement, and winding-up petitions. This integrated framework offers corporations a single-window clearance for multiple legal grievances.

One of the most notable achievements of the NCLT has been its role under the Insolvency and Bankruptcy Code (IBC), 2016. The Tribunal has become the adjudicating authority for corporate insolvency resolution processes (CIRPs), which has led to the timely resolution of non-performing assets (NPAs). The speed and decisiveness with which the NCLT has operated in this area underscore its importance in reviving financially distressed companies or facilitating their exit through liquidation. The Tribunal has made a substantial contribution to shareholder protection, particularly in cases of oppression and mismanagement under Sections 241 and 242 of the Companies Act, 2013. It has allowed minority shareholders to voice their concerns against the tyranny of majority shareholders or directors. The NCLT has often provided effective reliefs such as board reconstitution, appointment of independent directors, or injunctions against certain transactions, thereby reinforcing the principles of corporate democracy and

fiduciary responsibility.

In matters of corporate restructuring, including mergers, demergers, and amalgamations under Sections 230–232 of the Companies Act, the NCLT has played a crucial supervisory and approving role. It ensures that the schemes are fair, in public interest, and not prejudicial to the interests of shareholders or creditors. The Tribunal has also actively examined objections from regulators like the SEBI and RBI before approving any corporate restructuring scheme, thereby adding a layer of scrutiny and accountability. The NCLT's judicial activism has been observed in several landmark rulings where it has interpreted and applied corporate law principles in a dynamic and progressive manner. These decisions have shaped the understanding of law and provided necessary clarifications on complex corporate governance issues. The Tribunal's judgments have added jurisprudential depth to Indian corporate law, promoting predictability and legal certainty for companies and investors. The institutional framework of the NCLT, although revolutionary, still suffers from infrastructural and manpower challenges. There are delays in appointment of members, inadequate number of benches across the country, and insufficient support staff, which affect the Tribunal's efficiency. Despite the statutory timelines for disposal of cases (particularly under IBC), procedural bottlenecks and lack of coordination between stakeholders often cause delays. A comparative study with predecessor institutions like the Company Law Board (CLB), Board for Industrial and Financial Reconstruction (BIFR), and High Courts reveals that the NCLT has far surpassed these bodies in terms of case disposal rate and effectiveness. The unified jurisdiction and specialized nature of the NCLT has improved access to justice for corporate litigants and reduced forum-shopping and multiplicity of proceedings. The relationship between the NCLT and its appellate body, the National Company Law Appellate Tribunal (NCLAT), has also evolved into a functional two-tier system of judicial scrutiny. While NCLT handles fact-finding and first-level adjudication, the NCLAT plays an essential corrective role, addressing errors in application of law and ensuring consistency in judicial pronouncements. This appellate mechanism contributes to the robustness of the Tribunal system. Despite being a quasi-judicial authority, the NCLT has exercised powers akin to civil courts in terms of summoning witnesses, taking evidence, and passing binding orders.

This has given it considerable strength in handling complex disputes. However, concerns remain regarding adherence to principles of natural justice and procedural fairness, especially in expedited insolvency cases where stakeholders may be left unheard. The NCLT has had a

mixed record in terms of balancing speed with justice. While the time-bound nature of proceedings under IBC has improved creditor recovery, there have been concerns that the quality of adjudication sometimes suffers due to excessive caseloads and pressure to adhere to deadlines. This tension between efficiency and thoroughness poses a challenge to the Tribunal's long-term credibility. The Tribunal has also taken significant steps in digitalizing its functioning. E-filing of cases, virtual hearings, and online publication of orders have enhanced transparency and accessibility. However, technological adoption is still uneven across benches, and further investments in digital infrastructure are required to ensure uniform efficiency across the country. The NCLT's role in protecting creditor rights has been commendable, especially in the insolvency resolution process. By enabling the Committee of Creditors (CoC) to play a decisive role in the restructuring of companies, the NCLT has empowered financial institutions and contributed to better financial discipline among borrowers. This marks a shift from debtor-friendly to creditor-friendly jurisprudence in India.

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Another significant finding is the growing body of case law emerging from NCLT decisions, which is influencing contract structuring, corporate governance, and investment strategies. Legal advisors and corporate entities now factor in potential NCLT scrutiny while drafting shareholder agreements, board resolutions, and restructuring plans. This shows the normative influence of the Tribunal beyond dispute resolution. The NCLT has also assumed an important role in regulating cross-border mergers and insolvencies, an area previously outside the purview of Indian regulatory authorities. Through judicial cooperation with foreign courts and recognition of foreign insolvency proceedings, the Tribunal has laid the groundwork for future legal developments in international corporate law. In conclusion, the NCLT has transformed the corporate adjudication framework in India. Its wide- ranging powers, coupled with its evolving jurisprudence, have made it an indispensable pillar of corporate law enforcement. However, its long-term success will depend on resolving structural issues, maintaining judicial independence, and ensuring that procedural speed does not compromise substantive justice.

6.2 Future Research Directions

The establishment of the National Company Law Tribunal (NCLT) was a transformative development in India's corporate legal framework, but future research must critically assess its evolving jurisprudence and institutional maturity. A key area of future exploration could be the long-term impact of NCLT decisions on the behavior of corporate actors and promoters,

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particularly in terms of compliance culture and corporate governance standards.

Scholars may employ both doctrinal and empirical methods to investigate how tribunal rulings influence boardroom decisions, investor confidence, and market behavior. Another significant avenue for research lies in the comparative study of the NCLT's performance with insolvency tribunals and corporate courts in other jurisdictions, such as the United States' Bankruptcy Courts or the UK's Insolvency and Companies Court. Such comparative studies can reveal gaps in the Indian model and suggest improvements. Focus areas might include adjudication timelines, accessibility for small stakeholders, transparency of proceedings, and the standard of legal reasoning in judgments. The relationship between the NCLT and other regulatory and judicial institutions—particularly the Securities and Exchange Board of India (SEBI), the Competition Commission of India (CCI), and the High Courts—offers fertile ground for research. Scholars could explore the jurisdictional overlaps and conflicts among these institutions and examine the implications for regulatory efficiency and legal certainty. This is especially important in light of the principle of harmonious construction that governs institutional interaction in complex corporate disputes. One of the persistent challenges with the NCLT has been the issue of delay in adjudication, despite statutory timelines prescribed under the Insolvency and Bankruptcy Code (IBC). Future research may quantitatively evaluate how long disputes take to be resolved and what factors contribute to delays—be it shortage of members, procedural complexities, or high caseloads. The findings could help design reforms that prioritize fast-track mechanisms or alternative dispute resolution frameworks. Researchers could also investigate how the NCLT addresses stakeholder interests, especially those of minority shareholders, unsecured creditors, and employees, in corporate restructuring and insolvency cases. As the Tribunal's decisions often involve redistributive consequences, a normative framework assessing the fairness and equity of outcomes would add significant value to policy debates. Digitalization and the use of technology in NCLT procedures is another emerging field of inquiry. With the increasing use of virtual hearings e-filing systems. scholars could explore how these developments affect accessibility, efficiency, and transparency. Are virtual proceedings effective in ensuring due process? How do digital divides affect litigants, especially small businesses or those from rural areas? The effectiveness of the appellate mechanism—primarily the National Company Law Appellate Tribunal (NCLAT) and the Supreme Court of India—in correcting errors or refining the jurisprudence of the NCLT is another area ripe for scholarly attention. Studies could explore the rate of reversal or modification of NCLT orders and the broader implications for doctrinal consistency and legal development in corporate law.

The NCLT's role in adjudicating matters of oppression and mismanagement under Sections 241 and 242 of the Companies Act, 2013, could be further studied with a focus on evolving interpretations and their alignment with global best practices. In particular, research could delve into how effectively the tribunal balances control



rights and remedies for minority shareholders while preserving corporate autonomy. There is also room for academic work on the procedural evolution of the NCLT, particularly regarding its flexibility in adopting Civil Procedure Code (CPC) principles versus its quasi-judicial discretion. The balance between procedural informality and judicial discipline remains a critical issue, especially when tribunals aim to promote expeditious resolution without compromising legal rig-ours. A sociological or anthropological approach to the study of NCLT proceedings could yield valuable insights into the lived experiences of litigants, advocates, and tribunal members. How do power dynamics play out in these forums? What are the perceptions of fairness among various stakeholders? Such qualitative research could influence policy reforms toward a more user-friendly tribunal system. The jurisprudence emerging from the NCLT on issues like cross-border insolvency, group insolvency, and pre-packaged insolvency mechanisms is still in its nascent stages. Future research could track developments in these areas and evaluate their compatibility with international frameworks like the UNCITRAL Model Law. This would be particularly relevant as India considers integrating cross-border insolvency provisions formally into its legal regime. The institutional capacity of the NCLT, including infrastructure, member expertise, administrative support, and regional disparities, is an area where empirical studies could guide resource allocation and administrative reform. A study comparing the functioning of different NCLT benches may reveal best practices that can be standardized across the system. Research could also explore the impact of NCLT rulings on creditors' rights in insolvency processes, particularly secured versus unsecured creditors. A critical analysis of how the Tribunal navigates conflicts between different classes of creditors, especially in light of the waterfall mechanism under the IBC, would contribute meaningfully to insolvency scholarship. The effectiveness of NCLT orders in terms of enforceability and compliance could be examined. This includes how well NCLT decisions are implemented on the ground and what enforcement bottlenecks exist. Questions related to contempt jurisdiction, enforcement mechanisms, and cooperation with other enforcement agencies could be addressed in this context.

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Finally, there is potential for normative legal scholarship that evaluates the underlying principles guiding NCLT jurisprudence—such as commercial expediency, stakeholder maximization, and corporate accountability—and critiques whether these principles align with constitutional and economic goals. Such theoretical work could provide the foundational basis for large-scale policy reforms in India's corporate dispute resolution systems.

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