

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2866
ANSWERED ON:17.12.2004
NATIONAL COMPANY LAW TRIBUNAL
Singh Shri Uday

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Government plans to set up a National Company Law Tribunal to streamline the liquidation proceedings of companies;
- (b) if so, the details thereof and time by which it would be set up;
- (c) whether the liquidation proceedings of companies which take 15-20 years would be curtailed; and
- (d) if so, the extent to which the tribunals would clear such proceedings in a time bound period?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b): Yes, Sir. However, the constitution of National Company Law Tribunal (NCLT) under the Companies Act, 1956 is sub-judice on account of a Special Leave Petition (SLP) filed by the Central Government in the Supreme Court, following a ruling by the Madras High Court on a petition challenging some provisions of the Companies (Second Amendment) Act, 2002. Therefore, no time schedule for setting up of NCLT can be stated at present.

(c) & (d): Yes, Sir. Provisions have been incorporated in the Companies Act, 1956 on the basis of the Companies (Second Amendment) Act, 2002 so as to enable completion of the liquidation proceedings in a time bound manner. However, on account of the NCLT not having been constituted due to the reasons stated at (a) & (b) above, these provisions are yet to be notified.