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## National Company Law Appellate Tribunal (NCLAT)

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The National Company Law Appellate Tribunal (NCLAT) on Wednesday allowed the board of Infrastructure Leasing & Financial Services (IL&FS) declare **'amber' companies as 'green'** companies.

- The new board at IL&FS had classified IL&FS group companies into three categories, namely **'green'**, **'amber'** and **'red'** based on their financial health and ability to service debt obligations to secured and unsecured creditors.
  - **Red Companies:** are those with no cash and not in a position to pay any creditor.
  - **Amber companies:** are those with enough to pay secured creditors but not unsecured creditors.
  - **Green companies:** are those firms which have enough money to service all their debts, to the secured as well as unsecured creditors.
- So far, 55 companies have been placed under the green category and 13 have been placed under the amber category. A total of 82 companies have been placed under the red category, while 11 are yet to be classified.
- NCLAT has allowed the board of IL&FS to declare 'amber' companies or those able to partially pay off their loans as 'green' companies or those that can continue to meet all their payment obligations.
- It was constituted under **Section 410 of the Companies Act, 2013** for hearing appeals against the orders of National Company Law Tribunal.
  - NCLAT is also the Appellate Tribunal for hearing appeals against the orders passed by NCLT(s) under Section 61 of the **Insolvency and Bankruptcy Code, 2016 (IBC)**.
  - NCLAT is also the Appellate Tribunal for hearing appeals against the orders passed by Insolvency and Bankruptcy Board of India under **Section 202 and Section 211 of IBC**.
- NCLAT is also the Appellate Tribunal to hear and dispose of appeals against any direction issued or decision made or order passed by the **Competition Commission**

**of India (CCI).**