NEWS REPORT Dated 14.01.2025 -NCLT MUMBAI STAFF ON STRIKE OVER NON PAYMENT OF SALARY (Reg.) CLARIFICATION

14.01.2025

- 1. The National Company Law Tribunal (Adjudicating Authority/NCLT) has been established for adjudication of disputes with respect to corporate civil disputes arising under the Companies Act 2013 and Insolvency and Bankruptcy Code, 2016. Ministry of Corporate Affairs (MCA) is a facilitator for the NCLT which includes financial support by way of budget allocation.
- 2. In the context of today's news report, it is clarified that there have been several instances of non-payment of salary to Outsourced staff of different Benches of NCLT for several months. NCLT has been addressing this issue with Ministry of Corporate Affairs time and again for release of funds and to direct Pay and Accounts Office (PAO) to honour the bills submitted for payment of salary which includes payment to contractual and outsourced staff under accounting heads of Professional Service and Office expenses respectively. NCLT has been promptly submitting pending salary bill to Pay and Accounts Office month by month.
- 3. MCA has granted the Revised Estimates Budget of 12.32 crore under the Office Expenses Head on 09.01.2025 for payment of salary of the outsourced employees. However, according to PAO, the said amount is not reflecting in the relevant head of Accounts of NCLT. Hence PAO is not honouring the NCLT Bill submitted on 03.01.2025 by Mumbai Bench. Hence it is clarified that this issue is not within the control of NCLT.

- 4. Moreover, MCA has already informed the Pay and Accounts Office in New Delhi, Mumbai, Kolkata and Chennai to "to honour the bills of NCLT" by letter dated 14.11.2024. NCLT has also conveyed this to PAO covering different Benches. While some of the PAO Office have cleared the Bills, the PAO of Mumbai has not honoured the current Bills. This is the cause of the present issue.
- 5. NCLT has taken several steps to remedy the situation from time to time addressing the problem to MCA and also to PAO. The Bills of Mumbai Bench was presented to PAO on 03.01.2025 and if it was honoured by PAO, then this issue could have been resolved.
- 6. The budget under the head of "Office Expenses" is required mainly for salaries of outsourced employees. NCLT has large number of outsourced staff as it does not yet have regular staff for carrying out essential functions of office support and court management. There is an acute shortage of regular staff which has to be filled primarily through deputation or promotion which despite NCLT's best efforts is not happening due to administrative reasons.
- 7. As and when funds are released to the relevant head of accounts, the present issue can be resolved. **NCLT has immediately apprised MCA of the ongoing situation on 14.01.2025.**

Sd/-Registrar NCLT