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THE INSTITUTE OF Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

CL:FEB:03:2026

February 10, 2026

Smt. Nirmla Sitharaman
Hon'ble Union Minister of Finance and Corporate Affairs
Government of India
Kartavya Bhawan
New Delhi-110003



Subject: Request for Establishment of National Company Law Tribunal (NCLT) Bench at Patna, Bihar Reference: ICSI Letter dated March 05, 2025

Respected Madam,

Greetings from the Institute of Company Secretaries of India !!!

At the outset, the Institute of Company Secretaries of India extends its heartiest congratulations to your good self and the entire team of the Ministry of Finance for delivering an all-inclusive Union Budget for the Fiscal Year 2026-27 aimed at building *atmanirbharta* in the economy and a *Viksit Bharat*. It is commendable to note that all the initiatives and propositions have the underlying thought of promoting ease of doing business.

We are grateful to your good self and the Officials of the Ministry of Corporate Affairs for having a sensitized approach towards all stakeholders and establishing new offices of Regional Directors and Registrar of Companies Pan-India. The move shall definitely strengthen the governance and compliance framework while promoting ease of doing business for corporates as well as other stakeholders.

The Indian Corporate ecosystem hinges upon various foundational pillars and the adjudication system of NCLT and NCLAT acts as one of these pillars. Undoubtedly it is these quasi-judicial authorities that undertake resolution of matters under the Companies Act 2013 and the Insolvency and Bankruptcy Code, 2016 saving corporates and professionals from facing unnecessary judicial hassles in courts and de-clogging of the courts as well sharing their burden.

The Tribunal has significantly enhanced specialized adjudication of corporate restructuring, insolvency resolution, oppression and mismanagement, mergers, and winding-up matters, thereby strengthening corporate governance and investor confidence. Presently, the NCLT has a total of 15 benches across the country and it is in one of the prior budgets that you had shared the intent of establishing various other benches to cater to the needs of the ever-expanding corporate base and their distinct needs.

Growing Pendency and Systemic Constraints

As per the Economic Survey released on January 29, 2026, the pendency of cases before the NCLT Benches across the country has reached approximately 30,600 cases. This level of pendency has a

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direct bearing on the effectiveness of the corporate adjudication framework, particularly under the Insolvency and Bankruptcy Code, which is premised on strict timelines and time-bound resolution.

Macro-Economic Impacts of delayed resolution

The IBC prescribes a statutory timeline of 330 days for completion of the Corporate Insolvency Resolution Process (CIRP). However, empirical data indicates that cases are taking an average of 713 days, and in the year 2025 the average duration had further extended to about 853 days.

Originally created under the Companies Act in 2013, the NCLT assumed insolvency jurisdiction in December 2016. This has converted it into a forum handling company law disputes, mergers, oppression and mismanagement cases, liquidations, avoidance litigation and personal guarantor matters with largely unchanged institutional strength.

The present capacity allows disposal of only about 500 to 600 insolvency matters annually. Nearly 7,000 cases are stuck at the admission stage alone. Between 10 and 15 lakh crore rupees of capital is estimated to be locked inside pending cases.

Such delays do not come without macro-financial risks. Prolonged insolvency timelines freeze productive capital, depress credit growth, force banks into repeated provisioning cycles and weaken the transmission of monetary policy. The economic logic of insolvency resolution is fundamentally defeated on account of time overruns with enterprise value deteriorating far faster than the conclusion of legal processes.

Remedial action and solution:

The Insolvency and Bankruptcy Board of India has recommended the creation of at least 50 additional NCLT benches to restore time-bound resolution. At current disposal rates, complete clearance of the existing backlog alone could take between eight and ten years even if no fresh filings are added.

IBBI has also proposed separate insolvency-dedicated tribunal verticals so that IBC matters are not crowded out by routine company law litigation.

NCLT Bench at Kolkata (WB) and Need for Bench at Patna (Bihar)

The NCLT Bench Kolkata (West Bengal) holds jurisdiction over the States of Bihar, West Bengal, Jharkhand and Union territory of Andaman & Nicobar Islands. This Bench is singularly catering to the needs of more than 3 lakh Companies registered thereat.

Bihar, being one of the most populous states, has a growing base of companies, LLPs, MSMEs, startups, NBFC-linked entities, and public sector undertakings. At present, matters arising from Bihar fall under the jurisdiction of the Kolkata Bench, compelling stakeholders to undertake long-distance travel, resulting in increased financial burden, loss of productive time, and access-to-justice challenges, especially for MSMEs and small stakeholders.



The absence of a local Bench also contributes indirectly to increased pendency at the Kolkata Bench, which is already handling matters from multiple states.

ICSI Submission

Referring to the ICSI representation made to your goodself on March 05, 2025 on the abovementioned subject, we request you to kindly consider the establishment of a separate NCLT Bench at Patna, Bihar, in the larger interest of corporates, stakeholders, professionals, and the justice delivery system.

Your kind intervention in the matter will add greater impetus to the matter and the new Bench while catering to the growing needs of the State of Bihar, shall add greater impetus to the agenda of promoting ease of doing business by reducing the burden on the existing Benches and providing much needed recourse and relief to all the stakeholders.

We would request your good self to consider the matter favorably and will be pleased to furnish any additional information/clarification required in this matter.

Thanking you,

Yours faithfully,

A handwritten signature in blue ink, which appears to read 'Pawan G. Chandak', is written over a horizontal blue line.

(CS Pawan G. Chandak)

President

The Institute of Company Secretaries of India

Annexure:

ICSI Representation dated March 05, 2025