

CORPORATE LAW

ADT-1 Compliance Anomaly

MCA Portal Applying an Incorrect Deadline for First Auditor Appointment

The Issue in Brief

The MCA (Ministry of Corporate Affairs) portal is incorrectly treating Day 30 from incorporation as the ADT-1 filing deadline — and levying penalty fees from Day 31 onwards. This has no statutory basis. The correct deadline is 15 days from the Board Meeting at which the first auditor was appointed, which can be as late as Day 44.

The Law — What It Actually Says

Provision	What It Says
Section 139(6), Companies Act 2013	Board must appoint first auditor within 30 days of incorporation
Rule 4(2), Companies (Audit & Auditors) Rules 2014	Form ADT-1 must be filed within 15 days of the Board Meeting
Combined reading	If Board Meeting held on Day 29, ADT-1 deadline = Day 44. Company is fully compliant
MCA portal behaviour	Treats Day 30 as ADT-1 deadline. Levies fees from Day 31 — no statutory basis

Key Highlights

- Auditor appointment: within 30 days of incorporation (Section 139(6))
- ADT-1 filing deadline: 15 days from the Board Meeting (Rule 4(2))
- MCA portal wrongly levies fees if ADT-1 is filed after Day 30
- ADT-1 mandatory from 14 July 2025 (G.S.R. 359(E)) — anomaly now affects more filings
- ■300–400 fee often paid without dispute — anomaly goes unnoticed
- Professionals with compliant but penalised filings may have a refund case

Practical Example

Company incorporated: 1 April 2026 (Day 1). Board Meeting held: 29 April 2026 (Day 29 — within 30-day window). ADT-1 due date: 13 May 2026 (15 days from Board Meeting = Day 44). The company is fully compliant. However, the MCA portal treats 30 April 2026 (Day 30) as the ADT-1 deadline and levies a delay fee from 1 May — despite the company having complied with both the Act and Rules.

What Should Professionals Do?

- Document the Board Meeting date and ADT-1 filing date for each new incorporation
- If fees were levied erroneously, consider filing a representation to MCA/ICAI
- Advise clients not to rush ADT-1 beyond what the law requires
- ICAI members may consider raising this as a systemic issue via their regional council
- Keep a record — if MCA acknowledges the anomaly, a refund claim may be possible

Disclaimer: This note is for informational and awareness purposes only. It does not constitute legal advice. The statutory position stated herein is based on our reading of the Companies Act 2013 and Rules thereunder. Consult a qualified professional for guidance specific to your situation.

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