

Condonation of Delay Scheme, 2018

A large number of companies had been non-compliant with regard to filing of financial statements and annual return under the Companies Act 1956 and/or Companies Act, 2013. The said default would result in disqualification for the appointment of new directors as well a ground for vacation of office of existing directors. Condonation of Delay Scheme, 2018 (“CODS” or “Scheme”) was introduced by the Ministry of Corporate Affairs (“MCA”) on 29th December, 2017 as a relief to those companies who had not filed its financial statements or annual returns for the last three financial years or more as required under the Companies Act 2013 and/or the Companies Act, 1956. This scheme was valid from 1st January 2018 to 1st May 2018.

The salient features of the Scheme are summarised below:

Documents which can be filed under CODS with the Registrar of Companies-

- Forms AOC-4, AOC-4 XBRL, 23AC, 23AC XBRL, 23ACA and 23ACA XBRL – for filing financial statements;
- Form 21A/ MGT-7/ 20B – for filing annual returns;
- Form 23B/ADT-1 regarding appointment of auditors; and
- Form 66 regarding filing of compliance certificate.

Cut-off date of the overdue documents which is covered under the Scheme-

A defaulting company is permitted to file its overdue documents under the Scheme which were due for filing till 30th June, 2017.

Procedure to file overdue documents under the Scheme-

The Director Identification Number (DIN) of directors of the defaulting companies were temporarily activated so as to enable the defaulting companies to make filings of overdue documents. Post filing of overdue documents, the companies were required to file form e-CODS to condone the delay in filings.

Benefits of the CODS-

- Once Form e-CODS is approved by the MCA, the defaulting companies will not be penalised under the provisions of the Companies Act, 1956 and/or Companies Act, 1956 for delay in filing the financial statements,



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- annual returns and other forms as covered under the Scheme.
- The Registrar concerned shall withdraw the prosecution(s), if any, before the concerned Court(s) for all documents filed under the Scheme.