DORMANT COMPANY

Pursuant to the provisions of Section 455 of Companies Act, 2013
read with Companies (Miscellaneous) Rules, 2014

Who Can Make Application?

[A]. A Company is Formed and Registered under this Act :

- for a future project or to hold an asset or intellectual Property, and
- has no significant accounting transaction.

or

[B]. An "**Inactive Company"** may make an application to the Registrar in Such manner as may be prescribed for obtaining the status of a dormant company.

Explanation: - for the purpose of this Section,-

- "**Inactive company**" means a company which has not been carrying on any business or operation or has not made any **significant accounting transaction** during the last two financial years, or has not filed financial statements and annual return during the last two financial years;
    - "**Significant accounting transaction**" means any transaction other than-
        a) Payment of fees by a company to Registrar;
        b) Payments made by it to fulfill the requirements of this Act or any other law;
        c) Allotment of shares to fulfill the requirements of this Act; and
        d) Payments for maintenance of its office and records

Conditions for making Application:

Following Conditions should be fulfilled before making application for obtaining the status of dormant company:

- No inspection, inquiry or investigation has been ordered or taken up or carried out against the company;
- no prosecution has been initiated and pending against the company under any law;
- the company is neither having any public deposits which are outstanding nor the company is in default in payment thereof or interest thereon;
- the company is not having any outstanding loan, whether secured or unsecured:
    - Provided that if there is any outstanding **unsecured loan**, the **company may apply** under this rule after **obtaining concurrence of the lender** and enclosing the same with Form**;**
- There should not be any dispute in the management or ownership of the company (a certificate in this regard is enclosed with Application);
- the company does not have any outstanding statutory taxes, dues, duties etc. payable to the Central Government or any State Government or local authorities etc.;
- the company has not defaulted in the payment of workmen's dues;
- the securities of the company are not listed on any stock exchange within or outside India.

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PROCEDURAL PART

E-Forms	Purpose	Documents Required	Time Limit
MSC-1	Application to ROC for obtaining the status of "**Dormant Company**"	• Certified true copy of Board Resolution authorizing for making of this application **(Mandatory)** • Certified true copy of Special Resolution authorizing for obtaining Dormant Status **(Mandatory)** • Auditor's certificate regarding Inoperative business transaction. **(Mandatory)** • Copy of approval or No Objection Certificate (NOC) from the regulatory authority in case company is regulated by such authority. • Latest Financial Statement and Annual Return of the company is mandatory to attach in case the same is filed to Registrar. • Consent of the lender if any loan is outstanding.(Including Unsecured Loans) • Certificate regarding no dispute in the Management or Ownership; • Notice of EGM & Statement pursuant to section 102 of the Act. • Any other information can be provided as an optional attachment(s).	Within 30 days of passing Special Resolution.
MGT-14	For Filing Special Resolution authorizing for obtaining "Dormant Status".	• Certified true copy of Special Resolution authorizing for obtaining Dormant Status. **(Mandatory)** • Notice of EGM & Statement pursuant to section 102 of the Act.	Within 30 days of passing Special Resolution.
MSC-3	Return of Dormant Companies	Need to be filled every year: • Certified true copy of Board Resolution authorizing making of this application **(Mandatory)** • Duly audited statement of financial position by a chartered accountant in practice. **(Mandatory)** • Any other information can be provided as an optional attachment(s).	Within 30 days from the end of each financial year. i.e. **30th April every year**
MSC-4	Application for seeking status of active Company	• Certified true copy of Board Resolution authorizing filing application. (**Mandatory)** • Any other information can be provided as an optional attachment(s).	N.A.

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IMPORTANT NOTES

Important Note 1:

This is Very Important.

Provided that the Registrar shall initiate the process of **striking off** the name of the company if the company remains as a dormant company for a Period of consecutive **five years**.

Important Note.2:

Where a dormant company does or omit to do any act mentioned in the ground of application in form MSC-1 submitted to registrar for obtaining the status of dormant company, affecting its status of dormant company, the directors shall within **seven days** from such event file an application, under sub rule (1) of this rule, for obtaining the status of an active company.

Important Note.3:

Where the Registrar has reasonable cause to believe that any company registered as 'dormant company' under his jurisdiction has been functioning in any manner, directly or indirectly, he may initiate the proceedings for enquiry under section 206 of the act and if after giving a reasonable opportunity of being heard to the company in this regard , it is found that the company has actually been functioning , the Registrar may remove the name of such company from register of dormant companies and treat it as active company.

FEES STRUCTURE

MSC-1 & MSC-4

S. No	Application Made	Other than OPC & Small Companies	OPC & Small Companies
1	By a Companies having a authorised Share Capital of:		
	a) Up to Rs. 25,00,000/-	2,000/-	1000/-
	b) Above Rs. 25,00,000 but up to Rs. 50,00,000	5,000/-	2500/-
	c) Above Rs 50,00,000 but up to Rs. 5,00,00,000	10,000/-	
	d) Above Rs. 5,00,00,000 but up to Rs. 10 crore or more	15,000/-	
	e) Above Rupees 10 crore	20,000/-	
2	By a company limited by guarantee but not having a share capital	2,000/-	N/A

For MSC-3

Fees for Form MSC-3 will be same as normal form filling fees depending upon the authorize share capital & status of the Company.

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