DORMANT COMPANY

(Section 455)

The term Dormant itself defines an inactive, non-functional or suspended state. Keeping in line, the Section 455 of The Companies Act, 2013 also describes a Dormant Company as a company which has no significant accounting transaction. The term Significant Accounting Transaction indicates transaction other than:-

(a) The payment of fees to Registrar,
(b) The payment made to fulfill requirements of the Act,
(c) The payment made in order to maintain office or record, and
(d) Allotment of shares.

Moreover, a Dormant Company must have:-

(a) 3 Directors in case of Public Company,
(b) 2 Director in case Private Company, and
(c) 1 Director in case of One Person Company

How does a Company get Dormant State?

In order to obtain the status of a Dormant Company, such company needs to file an application to the Registrar in **Form MSC-1**.

After considering the application filed in **Form MSC-1**, the Registrar issues the certificate in **Form MSC-2** to allow the Dormant status.

The Registrar shall maintain a register of Dormant Company under the portal maintained by the **Ministry of Corporate Affairs (MCA).**

In some cases, when a company fails to file Financial Statement or Annual Returns in immediately 2 financial years, then the Registrar has the authority to declare such company as Dormant & shall give notice to the company for entering the name of such company in the register maintained for dormant companies.

What are the documents required to be attached while filing form?

The following are documents are required to be attached:-

1. Latest Financial Statement
2. Statement of Accounts
3. List of Shareholders
4. List of Directors
5. Notice of EGM
6. Special Resolution
7. Auditor's Certificate

How to revitalize a Dormant company?

- For obtaining the status of an Active company an application shall be made in **Form MSC-4** and shall also file return in **Form MSC-3** of financial year in which application for obtaining the status of Active Company is being filed.

- The Registrar shall, after considering the application in **Form MSC-4,** issue a certificate in **Form MSC-5** allowing the status of an Active company to the applicant.

Other related information

Return of Dormant Company:	A Dormant company shall file return annually in **Form MSC-3** indicating financial position duly audited by a Chartered Accountant in Practice within a period of 30 days from the end of financial year.
Rotation of Auditor:	Not Applicable on Dormant Companies.
Return of allotment & change in director:	As specified in the Act.
Consequences of failure in compliance:	Removal of name from register of Dormant Companies.