

Dormant Company

Q1 [Sec 455] - Meaning of DC No business By Company
DC = Inactive Company or no significant Ac'ing Transaction in last 2
or No Annual Filing (By ROC) Fin Yrs.

Q2 Significant Accounting Transaction = Transaction Other than (ROC Fee or Office maintain expenditure or Act comply exp - or Alot shares to sub^s.)

Q3 Methods of Obtaining Status of DC (Suo Motu or By ROC)
Application No Annual Filing
By Filing MSC-1 to ROC

Q4 Conditions for Obtaining Status of DC
(206-229) X + Prosecution X + Deposits Default X + Unsecured Loan X ✓ (Consent)
Listed X + Workmen wages Default X + Govt. Outstanding Liab X
+ Mgt-Ownership Dispute X (Certificate)

Q5 Procedure to Obtain Status of DC & Vice-Versa

- ① MSC-1 + Fee + SR or 3/4th Consent in Value + No Ownership Dispute + Consent Letter of Unsecured Creditor = To ROC.
- ② Certificate of DC by ROC to Co. in MSC-2
- ③ Info uploaded by ROC on mca.gov.in
- ④ Company needs to comply (MinDir + 2BM + Casual returns + MSC-3 Annual Return in 30 days from end of FY).
- ⑤ Exemptions to DC (4BM X + CFS X + Auditor's rotate X + Low Cost ✓ + IPR hold ✓ + Remain Dormant for 5 consecutive yrs.)
- ⑥ MSC-4 + Fee + MSC-3 (for such part of yr) = To ROC
- ⑦ Certificate of Active Company by ROC to Co. in MSC-5.

No Company to remain Dormant beyond 5 yrs: 5 yrs lapse & No Work = ROC will strike off

3 Imp-Points

- If Co. has violated term of DC, intimate ROC in MSC-4 in 7 days & become Active Company
- If ROC discovered that DC is actually working ↓ Treat Active Company