

# One Person Company (OPS)



Nomination to be a part of MOA and any changes in future to be incorporated in MOA;



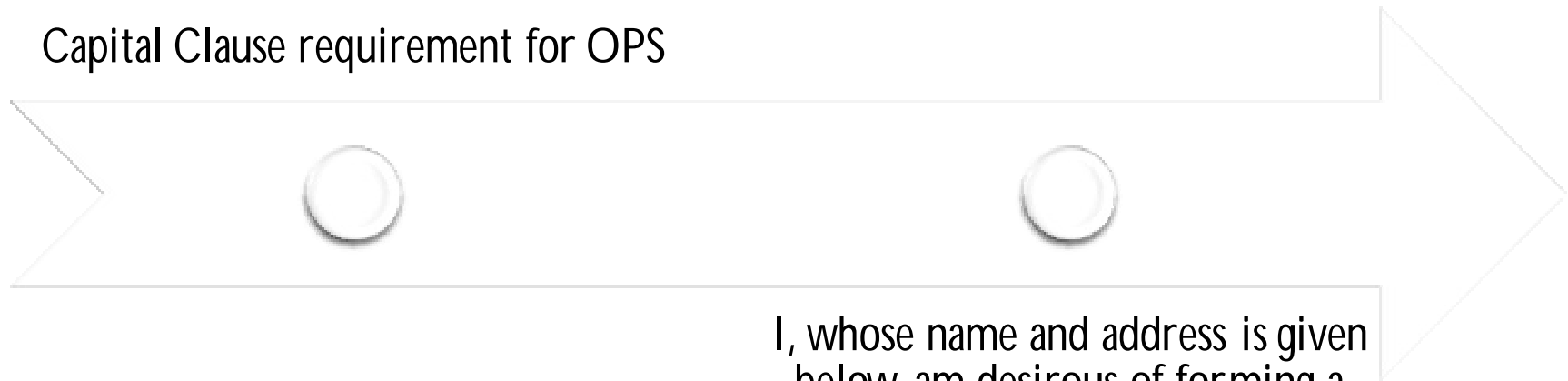
Annual Return filed by such Company to be signed by CS or by Director otherwise;



Exemption from holding AGM to such Companies (Clause 98);

# Memorandum Drafting

Capital Clause requirement for OPS



I, whose name and address is given below, am desirous of forming a company in pursuance of this memorandum of association and agree to take all the shares in the capital of the company

# Memorandum Drafting (Nominee Clause)

8<sup>th</sup> Clause

Shri/Smt.....  
son/daughter of .....,  
resident of..... Aged .....  
Years shall be the nominee in the  
event of death of the sole member

# What Rules says (General Circular 6/2014)

**INC-1**

- Application for Reservation of Name

**INC-2**

- Application for Incorporation

**INC-3**

- Nominee Consent Form

# What Rules says (General Circular 6/2014)

## INC-4

- Change in Member/Nomination in case of Death
- Time limit of 30 days for filing
- To File INC-3 before such change

## INC-5

- Intimation of Cessation
- Time limit of 30 days for filing

## INC-6

- Application for conversion of OPC

# Penalty for Contravention

Company

- Fine up to Rs. 10,000/-

Subsequent  
Contravention

- Rs. 1,000 per day after the first contravention

# On Registration

In case of OPC to be mentioned below the Name of the Company;

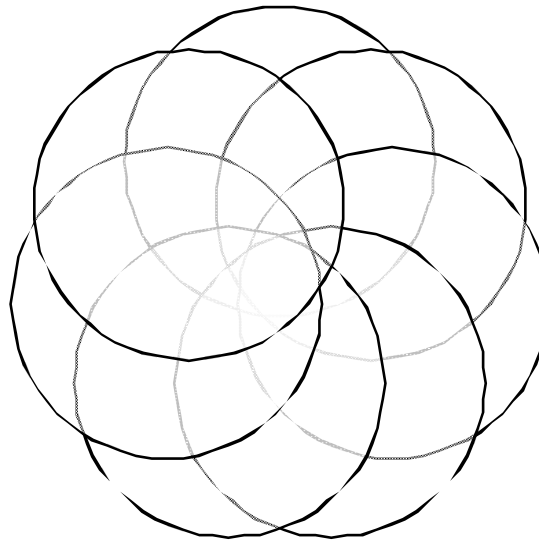
To mention CIN Number printed on the business letter heads and other important documents;

Former name to be mentioned for at least 2 years along with the New Name in all the documents and also on the Paint Board at the Registered Office of the Company;

# One-Person Company

One  
shareholder/one  
director company

Conversion from  
sole proprietor to  
OPC



Avoids need of  
second person

Director vs.  
shareholder

- Concept of succeeding shareholder

Meetings

Formation



# EXEMPTION

EGM convening exempted (Clause 100);



Notice of meeting not required (Clause 101);



Statement annexed to the Notice not required (Clause 102);



No requirements of Quorum for the meeting (Clause 103);

# EXEMPTION

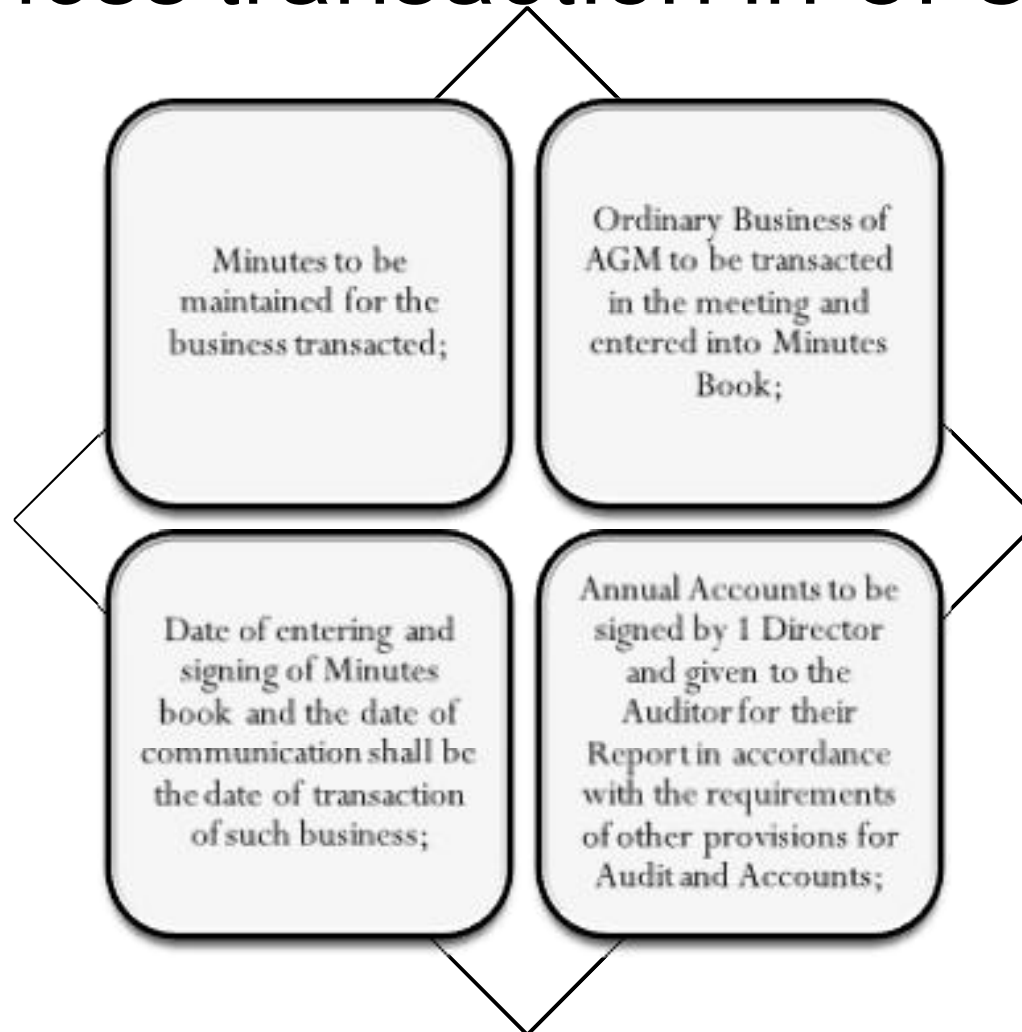
Chairman of the meeting not required  
(Clause 104);

Voting and Restriction of voting rights  
not applicable (Clause 105 to 109);

Exempted from Postal Ballot voting  
(Clause 110);

No Notice required for passing a Special  
Resolution (Clause 111).

# Business transaction in OPC



# Business transaction in OPS

CFS to be approved by one Director;

Any Adverse Remark or Qualification by the Auditor only to be in the Director's Report;

Annual Report & Annual Return to be filed within 180 days from the end of the financial year with MCA;

1 Meeting of BOD to be held every half year;

Gap between two meetings not to be more than 90 days;

# Related Party Contracts

The  
Contracts  
can be  
entered by  
Director  
and  
Company

- Should be in writing;
- If not, the terms and conditions to be noted in the Minutes Book;
- Minutes to be adopted in the next meeting;
- Filing with the Registrar for Special Resolution.

# On Registration

To mention CIN  
Number printed on  
the business letter  
heads and other  
important documents;

In case of OPC to be  
mentioned below the  
Name of the  
Company;

Former name to be  
mentioned for at least  
2 years along with the  
New Name in all the  
documents and also on  
the Paint Board at the  
Registered Office of  
the Company;

# Conversion of OPC into PVT/PLC

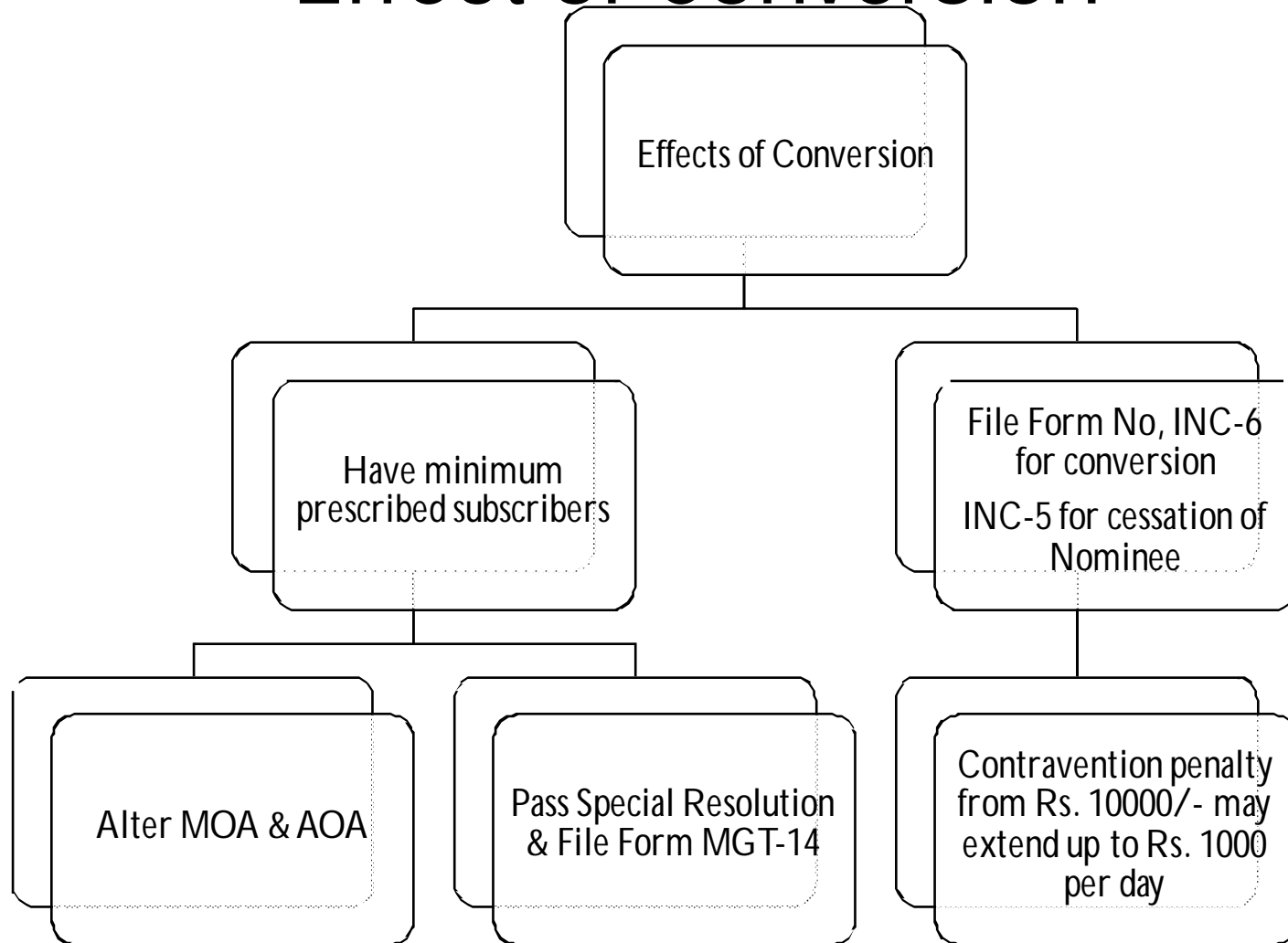
## Compulsory

- Paid Up Capital increased beyond Rs. 50 Lacs
- Turnover exceeds Rs. 2Crores
- Time limit of six months given

## Voluntary

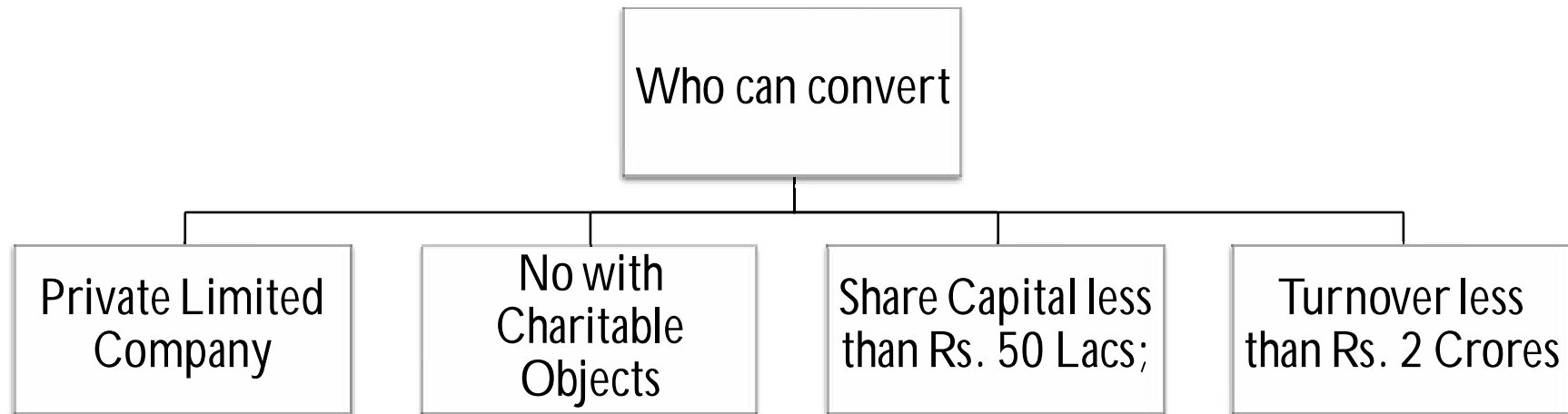
- Can be done any time after 2 years from the date of incorporation

# Effect of Conversion





# Conversion of Existing Companies into OPC



# Effect of Incorporation

Acquisition of Corporate Status and can exercise all functions;

Subscribers to become debtors of the Company and money can be recovered by the Company;

No commencement of business allowed, in case of non contribution by subscribers;

Any default in non compliance liable for penalty extending up to ` 5000 on Company & ` 1000 per day to the officer in default.

# Provision Related To Company's Stationery

- As per the Companies Act , 2013 the Companies are required to get the following **items printed in all its business letters, billheads, letter papers, letter heads and in all its notices and other official publications** from 01/04/2014 ;
- Name of the company,
- Address of the company's registered office,
- **Corporate Identity Number**,
- Telephone number,
- Fax number(if any),
- E- mail addresses,
- Website addresses (if any);

# Procedure

- Obtain NOC from Members and Creditors
- Pass Special Resolution for Conversion
  - Time Limit of Filing 30 days
  - Form MGT-14 to be filed
- Form INC-6 for conversion Application
- Affidavit by Directors about consent from Members & Creditors, Capital and Turnover;
- List of Members & Creditors
- Latest Audited Statement of Accounts
- NOC from Secured Creditors

# Seven Punishments

## Section 447

- Punishment for fraud
- Penalty upto the fraud amount extendible upto 3 times;
- Imprisonment not less than 6 months extendible upto 10 years

## Section 448

- **Punishment for false statement. Includes Attestation & Certification**
- Penalties on the lines of Section 447

## Section 449

- **Punishment for false evidence**
- Fine upto Rs. 10 Lakhs;
- Imprisonment not less than 3 years extendible upto 7 years

# Seven Punishments

## Section 450

- **Punishment where no specific penalty or punishment is provided**
- Fine extendible upto Rs. 10000/- for first time and subsequent contravention Rs. 1000/- per day;

## Section 451

- **Punishment for Repeated Defaults**
- if a company or an officer of a company commits an offence punishable either with fine or with imprisonment and where the same offence is committed for the second or subsequent occasions within a period of three years, then, both shall be punishable with twice the amount of fine for such offence in addition to any imprisonment provided for that offence

## Section 452

- **Punishment for wrongful with-held of Property**
- Fine Rs 1 Lakh extendible upto Rs. 5 Lakhs;
- Imprisonment extendible upto 2 years

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