

FSIA E-circular dt. 6<sup>th</sup> February 2013  
( OPC = One Person Company )

**Faridabad Small Industries Association**

*The face of Modern Indian MSMEs*

[www.fsiaindia.com](http://www.fsiaindia.com) FSIA Park , Opp. Plot No.23, Sector-24, Faridabad- 121005, Haryana , India

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**Integrated Association of Micro, Small & Medium Enterprises of India**

[www.iamsmeofindia.co.in](http://www.iamsmeofindia.co.in)

E-mail: [fsiaindia@gmail.com](mailto:fsiaindia@gmail.com), [info@iamsmeofindia.co.in](mailto:info@iamsmeofindia.co.in) +91-9711123111 (Executive Secretary);



Dear FSIA Members,

**New Feature of Companies Bill 2012**

(\* as passed by Lok Sabha ), Expected to be passed by Rajya Sabha soon )



The much awaited and talked about Companies Bill 2012 was finally passed in Lok Sabha (lower house of Indian Parliament) on the 18th Dec 2012. The Bill still needs to be approved by the Rajya Sabha (upper house of the Indian Parliament) and thereafter will require President of India's assent before the Bill can be notified as a statute replacing the existing Companies Act, 1956.

We at I-M-SME-of-India, shall bring to you the "new innovative" features to our members via these circulars. Today we bring to you the topic of One Person companies

**One Person Company ( OPC ) in India**

Source: [http://www.mca.gov.in/Ministry/pdf/The\\_Companies\\_Bill\\_2012.pdf](http://www.mca.gov.in/Ministry/pdf/The_Companies_Bill_2012.pdf)

What law says : Section 2 (62) "One Person Company" means a company which has only one person as a member;

**So, For the First time ever, since 1956, you have single member company.**



Small Business are usually run by “single man armies”, i.e. to say that “Entrepreneurs with the zest to push themselves to the new frontiers of industry.

Usually, single person is forced to remain a “Sole Proprietorship”. Till recent past, (till President signs the Companies Bill 2012) they cannot form a Limited or Private Limited company. And one of the disadvantages they face is in Marketing and also in Financing. The Banks usually rely more on a Corporate entity ( as compared to the Sole Proprietorship).

But Single member companies exist in many countries, like UK, Ireland, Australia, Singapore, Pakistan and many states of USA. Even China allows this. Now your wait is coming to a close. You can create a Single Shareholder Company in near future.

Usually, in India, people involve their spouse ( Husband/Wife), or Parents / friends, to become that co-member , and only then they can create that new company.

**Single member Company does not mean there are no staff**

This company can and shall surely have dozens or even hundreds of staff members and workers. The only point is that your “Shareholder” is “one only”.

### Single member Company for Wholly owned Subsidiary

Today as the Indian Businesses are expanding, sometimes you want to open a new company that is almost a division of the main company, but you want a separate legal entity.

In Past → you were forced to keep at least 2 shareholders , even if it was a nominee Shareholder with just 1 share ( and that too held on behalf of the main shareholder )

In future → Single shareholder, that is the parent company is sufficient.

### MNC's working in India →

### One Person Company ( OPC) for Wholly owned Subsidiary

Surely,

Infact, sometimes, it is felt that this feature was incorporated in the Bill, keeping in mind their need too. This foreign company ( Thousands of them exist in India ), was forced to take up “2 shareholders”. So, now things will be more simple.

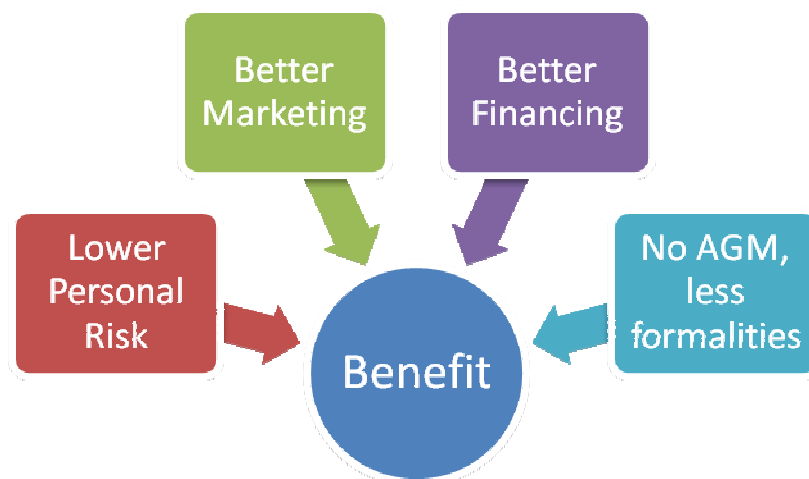
### Will this OPC be forced to comply with 100% of legal requirements ?

In India, the JJ Irani Expert Committee recommended the formation of one-person company (OPC). It has also suggested that such an entity may be provided with a simpler legal regime through exemptions so that the single entrepreneur is not compelled to fritter away time, energy and resources on procedural matters. Example : Holding of a AGM – When the number of shareholder is only 1, then what is the exact use of a large AGM ? Similarly, Quorum, EGM etc have been made “non-applicable”.

Section 96. (1) says

Every company **other than a One Person Company** shall in each year hold in addition to any other meetings, a general meeting as **its annual general meeting** and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general

### Benefit as compared to Sole Propreitor ?



### What if that single member dies ?

Section 3(1)(c) lays down :

“ Provided that the **memorandum of One Person Company shall indicate** the name of the other person, with his prior written consent in the prescribed form, who shall, **in the event of the subscriber's death** or his incapacity to contract become the member of the company and the written consent of such person shall also be filed with the Registrar at the time of incorporation of the One Person Company along with its memorandum and articles:”

Means >> Law keeps that on record, that who will inherit or control the company if that first person dies / or incapacitated .

### How will I know that this is a OPC ?

Section 12(3)(d) lays down

Provided further that the words “One Person Company” shall be mentioned in brackets below the name of such company, wherever its name is printed, affixed or engraved.

Means >> Tentative examples :

- Vijay Traders (One Person Company), or
- Suresh Automotive Engineers (One Person Company), or
- Kavita Boutiques (One Person Company)

### Who will sign the Annual Returns ?

Section 92 lays down that it will be signed by the Company Secretary. And if there is no CS, then it will be signed by the Director

### How many Directors in a OPC ?

Section 149 (1) says

Every company shall have a Board of Directors consisting of individuals as directors and shall have—  
(a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and **one director in the case of a One Person Company;**

Minimum

- 1 director

Maximum

- 15 directors

## What Should the I-am-SME-of-India member do ? Appreciate it ?



Yes.

It is a good idea.

Come corporatize yourself.

Grow your business.

The laws are changing to make your life easier.

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### Some Tips and Reminders

- 7<sup>th</sup> Feb 2013 = Last date for TDS deposit for Jan 2013
- Staff TDS = review , call for 80C LIC, NSC , housing loan supports, else warn them for TDS deduction based on evidences already filed. Tell them that Insurance companies will be most happy, if you make the payment due for March 13, in Jan 2013.
- Make Provisional Balance Sheets, and review the advance tax paid, if balance, pay now
- Review your ERP software, if you should upgrade, do it NOW.

#### **For queries, suggestions and feedback , you can e-mail us**

Sangeet Kumar Gupta, FCA, DISA, ACMA, PGDMM, B.Com(Hons), Honorary Consultant, Faridabad Small Industries Association  
93126-08426, Camp Off : H No 63, Sector-15, Faridabad. FSIA Off : FSIA Park, Opp. Plot No.23, Sector- 24, Faridabad- 121005.

#### **Subscription**

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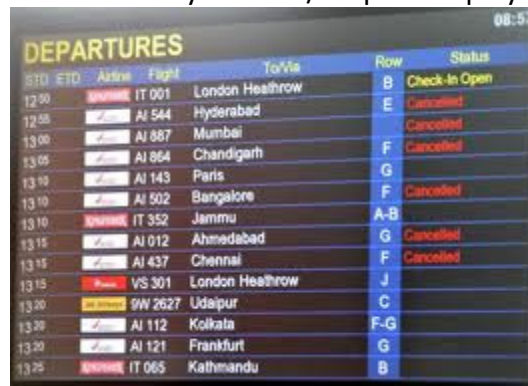
#### **Advt**



Web based Finsys ERP Software for Pharmaceutical Industry. Also for Healthcare, Diagnostics, and Food and Beverage Manufacturing Industry

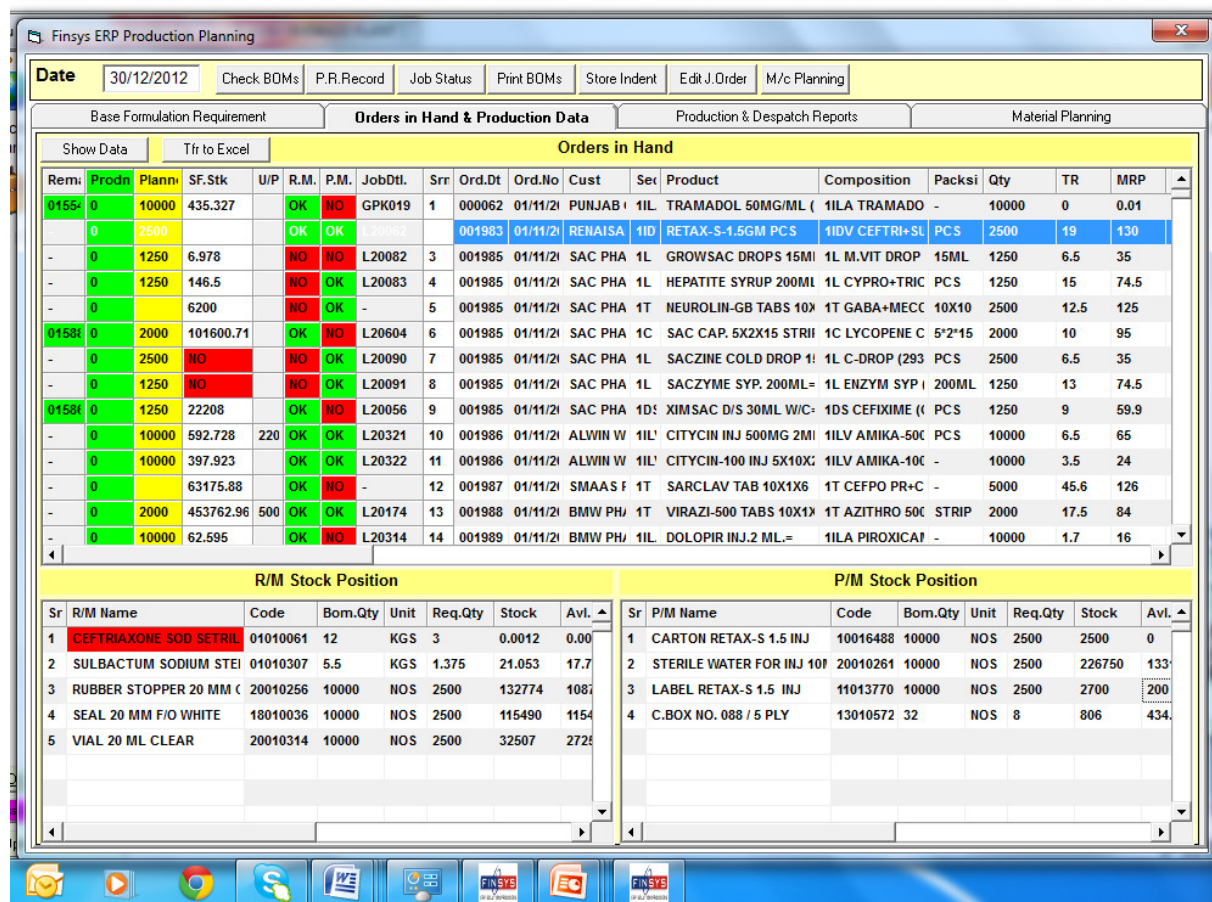
Access Finsys ERP from your Ipad / Mobile phone

See it like a Railway Station / Airport Display Board



S/D	E/D	Airline	Flight	To/Via	Row	Status
12:00		IndiGo	IT 001	London Heathrow	B	Check-in Open
12:05		AI	AI 544	Hyderabad	E	Cancelled
13:00		AI	AI 887	Mumbai	F	Cancelled
13:05		AI	AI 864	Chandigarh	F	Cancelled
13:10		AI	AI 143	Paris	G	Cancelled
13:10		AI	AI 502	Bangalore	F	Cancelled
13:10		IndiGo	IT 352	Jammu	A-B	Cancelled
13:15		AI	AI 012	Ahmedabad	G	Cancelled
13:15		AI	AI 437	Chennai	F	Cancelled
13:15		Virgin	VS 301	London Heathrow	J	Cancelled
13:20		IndiGo	IG 2627	Udaipur	C	Cancelled
13:30		AI	AI 112	Kolkata	F-G	Cancelled
13:30		AI	AI 121	Frankfurt	G	Cancelled
13:35		IndiGo	IT 065	Kathmandu	B	Cancelled

ITO KOWA PHARMA LIMITED : (01/04/2012 To 31/03/2013) User : SANGEET (00) (Ver.Dated 25/12/2012 11:00 am)\*\*



**Finsys ERP Production Planning**

Date: 30/12/2012 | Check BOMs | P.R.Record | Job Status | Print BOMs | Store Indent | Edit J.Order | M/c Planning

Base Formulation Requirement | **Orders in Hand & Production Data** | Production & Despatch Reports | Material Planning

Show Data | Tfr to Excel | **Orders in Hand**

Rem:	Prodn	Plann	SF.Stk	U/P	R.M.	P.M.	Job.Dtl.	Srr	Ord.Dt	Ord.No	Cust	Sec	Product	Composition	Packs	Qty	TR	MRP
0156	0	10000	435.327		OK	NO	GPK019	1	000062	01/11/21	PUNJAB	11L	TRAMADOL 50MG/ML (	1ILA TRAMADO	-	10000	0	0.01
	0	2500			OK	OK	000062		001983	01/11/21	REHAISA	11D	RETAX-S-1.5GM PCS	1IDV CEFTRI+SL	PCS	2500	19	130
-	0	1250	6.978		NO	NO	L20082	3	001985	01/11/21	SAC PHA	1L	GROWSAC DROPS 15MI	1L M.VIT DROP	15ML	1250	6.5	35
-	0	1250	146.5		NO	OK	L20083	4	001985	01/11/21	SAC PHA	1L	HEPATITE SYRUP 200ML	1L CYPRO+TRIC	PCS	1250	15	74.5
-	0	6200			NO	OK	-	5	001985	01/11/21	SAC PHA	1T	NEUROLIN-GB TABS 10X	1T GABA+MECC	10X10	2500	12.5	125
0158	0	2000	101600.71		OK	NO	L20604	6	001985	01/11/21	SAC PHA	1C	SAC CAP. 5X2X15 STRIP	1C LYCOPENE C	5*2*15	2000	10	95
-	0	2500	NO		NO	OK	L20090	7	001985	01/11/21	SAC PHA	1L	SACZINE COLD DROP 1L	1L C-DROP (293	PCS	2500	6.5	35
-	0	1250	NO		NO	OK	L20091	8	001985	01/11/21	SAC PHA	1L	SACZYME SYP. 200ML=	1L ENZYM SYP I	200ML	1250	13	74.5
0158	0	1250	22208		OK	NO	L20056	9	001985	01/11/21	SAC PHA	1D	XIMSAC D/S 30ML W/C-	1DS CEFIXIME (I	PCS	1250	9	59.9
-	0	10000	592.728	220	OK	OK	L20321	10	001986	01/11/21	ALWIN W	11L	CITYCIN INJ 500MG 2MI	11LV AMIKA-50C	PCS	10000	6.5	65
-	0	10000	397.923		OK	OK	L20322	11	001986	01/11/21	ALWIN W	11L	CITYCIN-100 INJ 5X10X	11LV AMIKA-10C	-	10000	3.5	24
-	0	63175.88			OK	NO	-	12	001987	01/11/21	SMAAS F	1T	SARCLAV TAB 10X1X6	1T CEFPO PR+C	-	5000	45.6	126
-	0	2000	453762.96	500	OK	OK	L20174	13	001988	01/11/21	BMW PH	1T	VIRAZI-500 TABS 10X1X	1T AZITHRO 50C	STRIP	2000	17.5	84
-	0	10000	62.595		OK	NO	L20314	14	001989	01/11/21	BMW PH	11L	DOLOPR INJ.2 ML=-	1ILA PIROXICA	-	10000	1.7	16

R/M Stock Position							P/M Stock Position								
Sr	R/M Name	Code	Bom.Qty	Unit	Req.Qty	Stock	Avl.	Sr	P/M Name	Code	Bom.Qty	Unit	Req.Qty	Stock	Avl.
1	CEFTRIAZONE SOD SETRIL	01010061	12	KGS	3	0.0012	0.00	1	CARTON RETAX-S 1.5 INJ	10016488	10000	NOS	2500	2500	0
2	SULBACTAM SODIUM STE	01010307	5.5	KGS	1.375	21.053	17.7	2	STERILE WATER FOR INJ 100	20010261	10000	NOS	2500	226750	133
3	RUBBER STOPPER 20 MM C	20010256	10000	NOS	2500	132774	1087	3	LABEL RETAX-S 1.5 INJ	11013770	10000	NOS	2500	2700	200
4	SEAL 20 MM F/O WHITE	18010036	10000	NOS	2500	115490	1154	4	C.BOX NO. 088 / 5 PLY	13010572	32	NOS	8	806	434
5	VIAL 20 ML CLEAR	20010314	10000	NOS	2500	32507	2725								

Contact Finsys Team at [info@finsys.in](mailto:info@finsys.in) or 9312608426 [www.finsys.co.in](http://www.finsys.co.in)