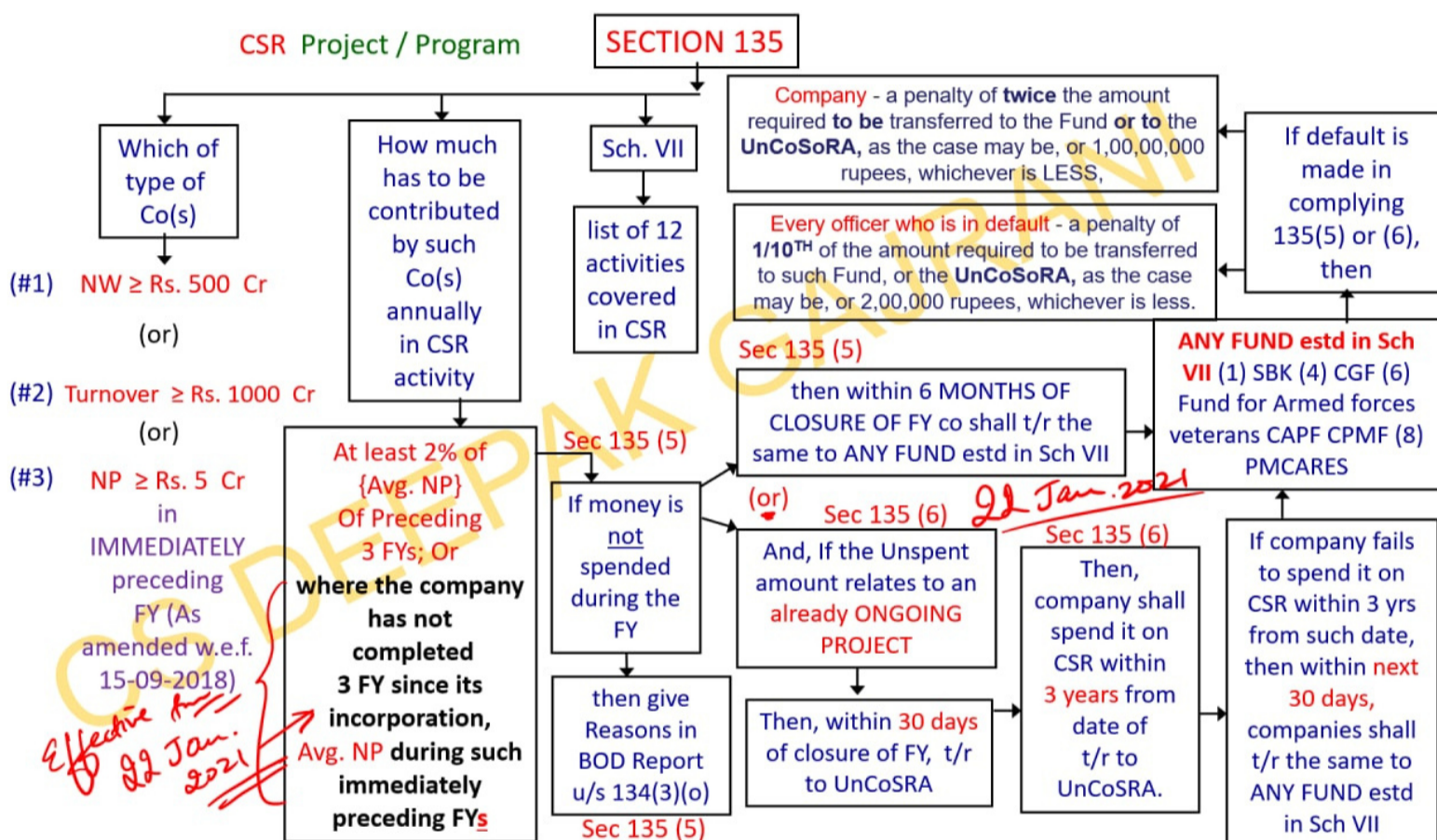


COMPANY LAW AMENDMENTS FOR DEC21 EXAMS



One Person Company

For Dec. 2021 Exams

#1st Concept = ELIGIBILITY CRITERIA FOR MEMBER

• OPC is created by a "SOLO/SINGLE PERSON", and becomes its solo member, and such person shall fulfil the following criteria—

→ Natural person (Not an artificial person)

→ Citizen of India.

→ a major (i.e. not minor)

→ He may or may not be RESIDENT in India.

(Resident means a person who has stayed in India for min. 120 days in previous FY.)

OPC OLD CONCEPT

LIMITS ON PAID UP CAPITAL AND TURNOVER

PAID UP CAPITAL \leq Rs. 50 Lacs

AND

AVERAGE TURNOVER OF
PRECEEDING 3 CONSECUTIVE FYs \leq Rs. 2 Crores

(Note :- If OPC jumps anyone of the above two limits then it is compulsory to convert OPC into private/public company.)

OPC (NEW CONCEPT)

LIMITS ON PAID UP CAPITAL AND TURNOVER

PAID UP CAPITAL \longrightarrow No Limit

AND

AVERAGE TURNOVER OF \longrightarrow No Limit

PRECEEDING 3 CONSECUTIVE FYs

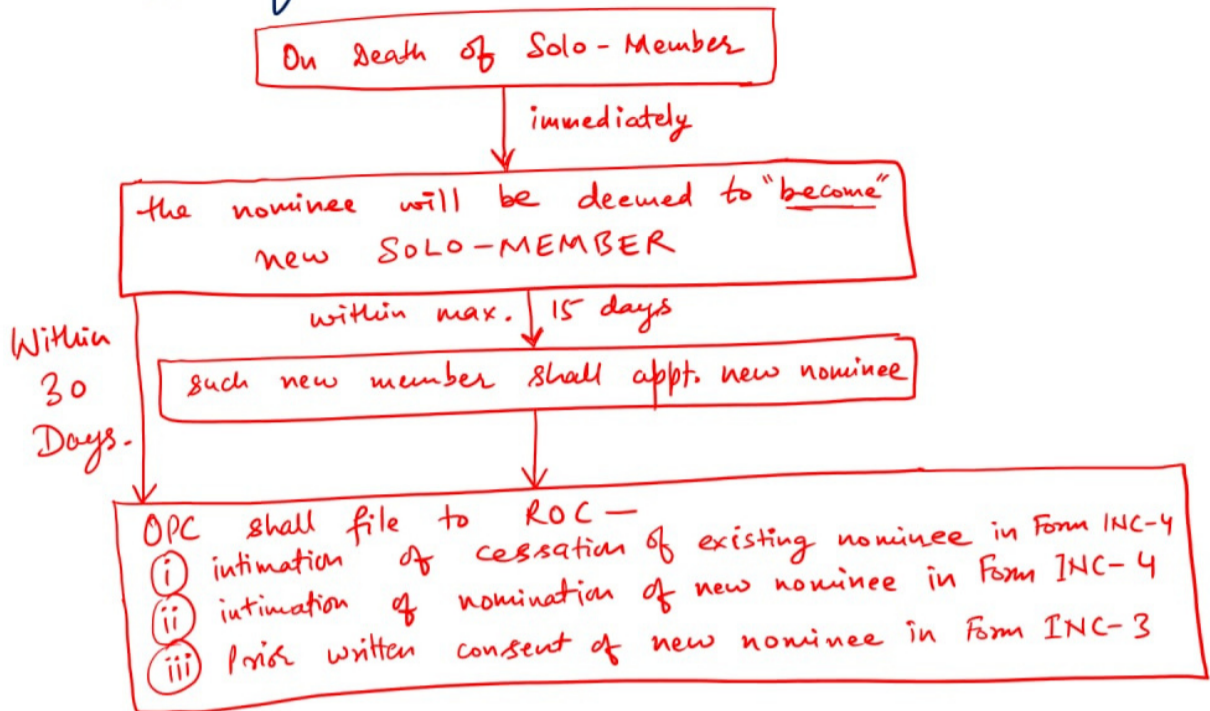
Two Important Restrictions:-

- OPC can't be incorporated under Sec. 8. And, an existing OPC can not be converted into sec. 8 Company.
- OPC can't carry Non-banking FINANCIAL INVESTMENT ACTIVITIES including the investment in the "SECURITIES" of any "BODY CORPORATE" u/s 2(11).

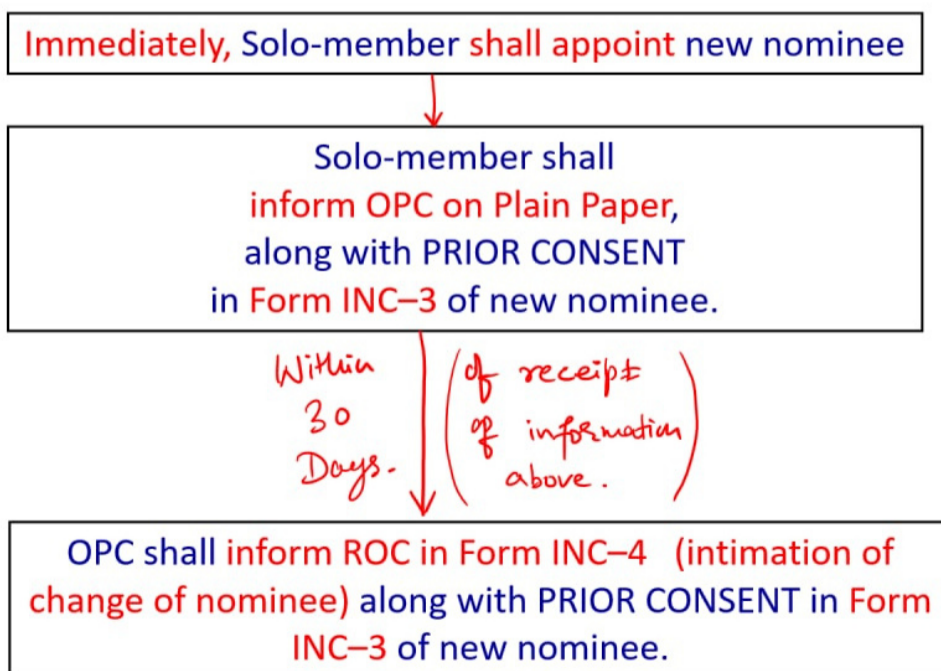
Nominee:-

- SOLO MEMBER SHALL APPOINT ONE NOMINEE.
- Nominee shall also fulfil the requirements of ELIGIBILITY CRITERIA of MEMBER. (i.e. Citizen, majority etc.).
- Initially the nominee is appointed at the time of incorporation of OPC Co- by → (a) naming him "Nominee Clause" in MOA, and (b) naming him applⁿ of incorporation to ROC [i.e. in webform SPICE⁺ = (INC 32)]
- Solo member specifies that in the event of his death or incapacity, his nominee will immediately become new member in his place.

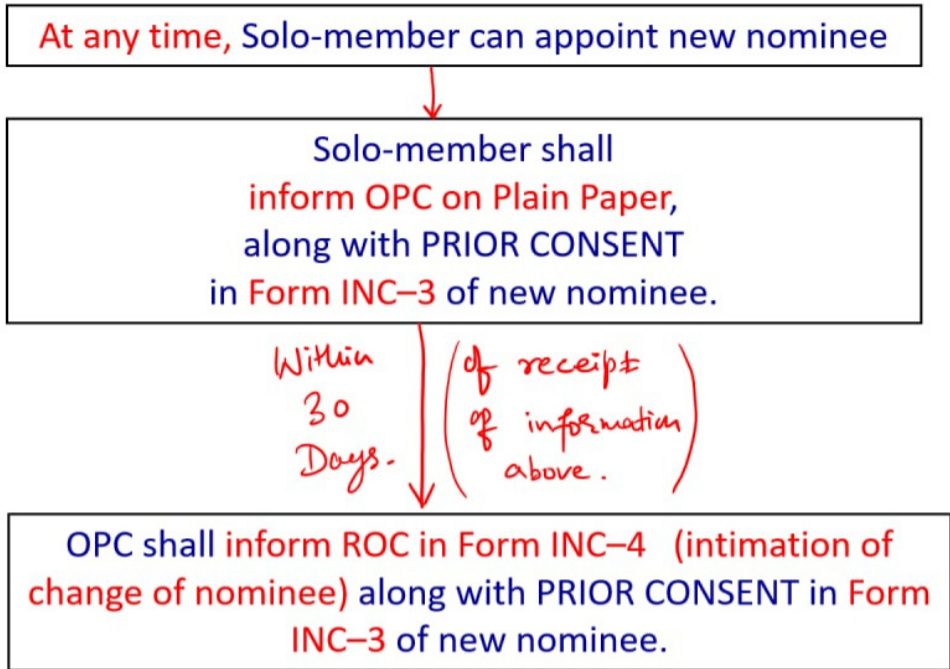
[Situation #1] = If Solo Member dies



[Situation #2] = IF NOMINEE DIES or Nominee is INCAPACITATED TO ENTER INTO CONTRACT.



[Sit #3] = If Solo-member of OPC voluntarily changes Nominee :



[Sit #4] = If Nominee wants to withdraw his Consent :-

