

Note

One Person Company & Multi-Person Company compared



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Note

One Person Company (OPC) is a new concept in the corporate legislative framework in India, sought to be introduced by the Companies Bill, 2012. Here we attempt to draw out the line of distinction between OPCs and companies other than OPCs, say Multi-person companies (MPCs).

Distinction between OPC and MPC

S. No.	Points of Comparison	OPC	MPC
1.	<ul style="list-style-type: none"> • Definition 	Clause 2(62)	Clause 2(20) defines a company. MPC is therefore any “company” other than OPC.
	<ul style="list-style-type: none"> • Class 	Necessarily a private company [Clause 3(1)(c)]	Public or private
	<ul style="list-style-type: none"> • No. of members 	Only 1	Private other than OPC: <ul style="list-style-type: none"> • Minimum: 2 • Maximum: 200 Public: <ul style="list-style-type: none"> • Minimum: 7 • Maximum: No limit
2.	Cash Flow statement [as per Clause 2(40)]	Not mandatory	Mandatory (except for small company and dormant company as well)
3.	Approval of the Financial Statement [Clause 134(1)]	<ul style="list-style-type: none"> • signed only by 1 director 	<ul style="list-style-type: none"> • signed at least by <ul style="list-style-type: none"> • the chairperson so authorised by the Board or by 2 directors (out of which one shall be MD and the CEO, if he is a director in the company), • the CFO, and



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			<ul style="list-style-type: none"> the CS of the company, wherever they are appointed
4.	Filing of Financial Statements (with attachments) with the Registrar [Clause 137(1)]	<ul style="list-style-type: none"> Duly adopted by its member, within 180 days from the closure of the financial year 	<ul style="list-style-type: none"> Duly adopted at the AGM of the company, within 30 days of the date of AGM
5.	Signing of Annual Return [Clause 92(1)]	By the CS, or where there is no CS, by the director of the company	By a director and CS (if there is no CS, by a CS in Practice)
6.	Annual General Meetings [Clause 96(1)]	Not required	<ul style="list-style-type: none"> Mandatory; Maximum gap of 15 months between 2 consecutive AGMs
7.	Inapplicability of certain Provisions	Section 98 and Sections 100 to 111 (both inclusive) [Clause 122(1)]	Section 98, 100-111 all applicable
8.	Minimum Directors [Clause 149(1)]	1 (one)	Public: 3 Private other than OPC: 2
9.	Board Meeting [Clause 173]	<ul style="list-style-type: none"> Minimum 1 in each half of a calendar year Gap between the two meetings: not less than 90 days Not applicable where there is only one 	<ul style="list-style-type: none"> Minimum 4 every year Maximum gap: 120 days [sub-clause (1)]



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		director [sub-clause (5)]	
10.	Quorum for Board Meetings [Clause 174]	Not applicable to OPC where there is 1 director	Higher of: <ul style="list-style-type: none">• 1/3rd of its total strength, or• 2 directors, and the participation of the directors by video conferencing or by other audio visual means to be counted