Mrs. E. Pappulakshmi, M.com., M.Phil., SET.
Assistant Professor,
PG & Research Department of Commerce,
Cardamom Planters' Association College,
Bodinayakanur.

Introduction to One Person Company (OPC)

- **What is OPC?**
  - A type of company where a single individual owns the business.
  - Created to help small entrepreneurs start businesses with limited liability.
- **Importance of OPC**
  - Allows individuals to form a company without needing partners.
  - Balances personal control with legal protection.

Characteristics of OPC

- **Single Shareholder**: Only one person holds 100% ownership.
- **Limited Liability**: The owner’s personal assets are protected.
- **Separate Legal Entity**: OPC is legally distinct from its owner.
- **Continuity**: OPC continues even if the owner is no longer available.

Advantages of OPC

- **Full Control**: Owner has complete control over decisions.
- **Easy Compliance**: Fewer regulatory requirements than other companies.
- **Legal Recognition**: Recognized by law, making it credible for loans and partnerships.
- **Tax Benefits**: Eligible for deductions and tax benefits under corporate law.

Limitations of OPC

- **Only One Owner**: Cannot have more than one shareholder.
- **Limited Fundraising**: Limited options to raise funds from investors.
- **Business Restrictions**: OPCs cannot carry out non-banking financial investment activities.
- **Conversion Rules**: Must convert to a private limited company if annual turnover exceeds a certain limit.


Thank you!