

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 3524  
ANSWERED ON MONDAY, THE 16<sup>th</sup> MARCH, 2020  
PHALGUNA 26, 1941 (SAKA)**

**ONE PERSON COMPANIES  
QUESTION**

**3524. SHRI D.M. KATHIR ANAND:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether the formation and implementation of One Person Companies (OPCs) is seen as a milestone in Indian scenario and if so, the details thereof;**
- (b) who is responsible for formulating CSR policies in case of OPCs and what would be the membership criteria for those in the CSR formulation committee;**
- (c) the steps taken by the Government to encourage foreign direct investment in India through One Person Company method; and**
- (d) the other steps that have been taken by Government during past two years to promote self-employment?**

**ANSWER**

**THE MINISTER OF STATE FOR FINANCE  
AND CORPORATE AFFAIRS**

**(SHRI ANURAG SINGH THAKUR)**

(श्री अनुराग सिंह ठाकुर)

वित्त एवं कॉर्पोरेट कार्य मंत्रालय में राज्य मंत्री

**(a) to (d):- Companies Act, 2013 has brought in various significant reforms in company law in India allowing a more progressive and competitive approach to do business in India. The concept of One Person Company (OPC) has been introduced in India vide Section 2(62) of the Companies Act, 2013 which enables a single individual to conduct business in corporate form thus having the benefit of limited liability, perpetual succession etc. This concept has provided opportunities to the small entrepreneurs to corporatize their business activities, grow and contribute towards the economy of the Country. It further encourages self-employment by providing legal protection in the form of limited**

**liability to the small entrepreneurs by allowing them to move towards the organized sector from unorganized sector subject to specific provisions applicable in case of OPCs. Such companies are considered as private companies under the Companies Act, 2013. Further, as per Section 135 of the Companies Act, 2013 ('Act'), the CSR Committee of a company is responsible for formulating and recommending to its Board the CSR policy of the Company. Every company eligible for CSR shall have three or more directors in its CSR Committee where at least one director shall be an independent director and where a company is not required to appoint an independent director, shall have two or more directors in its CSR Committee. The above provision, mutatis mutandis, applies to a One Person Company (OPC) being a private company. Further, the Department of Promotion of Industry & Internal Trade, Ministry of Commerce and Industry stated that Government reviews the FDI Policy on an ongoing basis and makes changes from time to time, to ensure that India remains an attractive & investor friendly destination. It has been the endeavor of the Government to put in place an enabling and investor friendly FDI policy. The intent is to make the FDI policy more investor friendly and remove the policy bottlenecks that have been hindering investment inflows into the country. However, no such provision is available in extant FDI policy with regard to encouraging foreign direct investment in India through One Person Company method.**

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