

Key Changes in formation of Companies and Overview of Form filing requirements

ICAI Tower, BKC, Mumbai
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Raj Sarraf

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Ch. II of CA2013

Incorporation of Company and Matters Incidental thereto

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Incorporation of Company and Matters Incidental thereto

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Key Changes [Ch. II of CA2013]

Amendments

Inserted by The
Companies
(Amendment) Act,
2017

Effective From

9 February 2018

3A. Members **severally** liable in certain cases.

If at any time the number of members of a company is reduced, in the case of a public company, below seven, in the case of a private company, below two, and the company carries on business for more than six months while the number of members is so reduced, every person who is a member of the company during the time that it so carries on business after those six months **and is cognizant of the fact** that it is carrying on business with less than seven members or two members, as the case may be, **shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be severally sued therefor.**

Key Changes [Ch. II of CA2013]

10A. Commencement of business etc.

- (1) A company incorporated after the commencement of the Companies (Amendment) Ordinance, 2019 and having a share capital **shall not commence any business or exercise any borrowing powers unless—**
 - (a) a declaration is filed by a director within a period of 180 days of the date of incorporation of the company with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration; and
 - (b) The company has filed with the Registrar a **verification of its registered office** as provided in sub--section (2) of section 12.

Key Changes [Ch. II of CA2013]

10A. Commencement of business etc.

((2)) In case of Default:

Company shall be liable to a Penalty of Rs. 50,000 and
Every Officer in Default: Rs. 1000 per day [up to Rs. 1 lakh]

(3) Where **no declaration** has been filed with the Registrar under clause (a) of sub-section (1) within a period of 180 days of the date of incorporation of the company and the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may, without prejudice to the provisions of sub-section (2), **initiate action for the removal of the name of the company from the register of companies.**

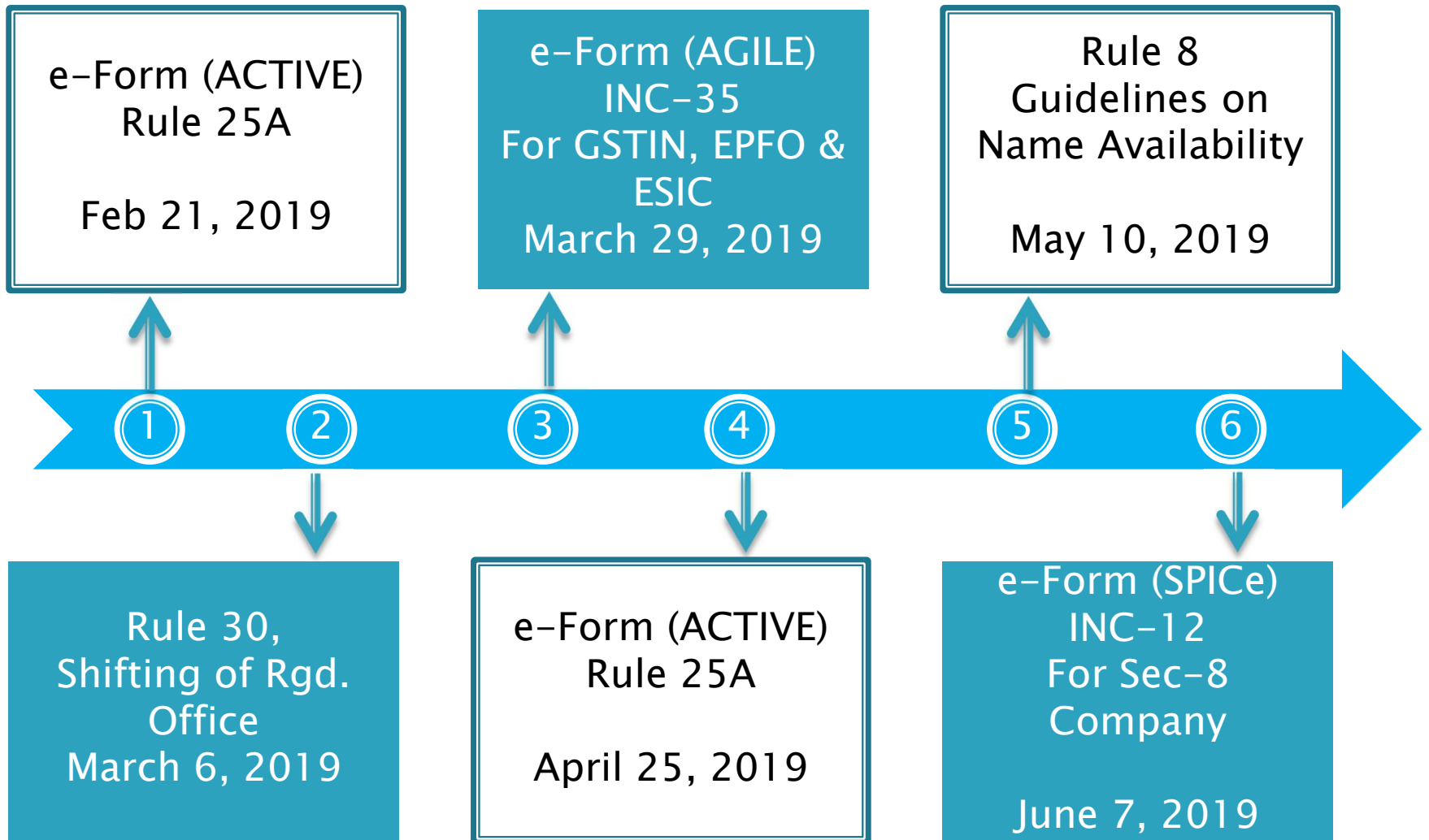
Inserted by the Companies (Amendment) Ordinance, 2019

Dated 12.01.2019

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The Companies (Incorporation) Amendment Rules, 2019



Key Changes in Formation of Companies,

RUN + SPICe

- RUN
- +
 - e-MoA
 - e-AoA
 - Declaration by Professional INC-8
 - Declaration from each Subscribers
 - Dec.. From Dir. Manager, Secretary
 - Address Proof, Identity Proof (Subs & Dir)
 - Particulars of interest of first directors in other firm/body corporate and NoC

Company Formation

SPICe

- e-MoA
- e-AoA
- Declaration by Professional INC-8
- Declaration from each Subscribers
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- Address Proof, Identity Proof (Subs & Dir)
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RUN [Reserve Unique Name]

Application

Proposed name can be reserved for the purpose of incorporation of a company or change of name of an existing company through the RUN service by logging into the MCA portal along with a fee of Rs. 1000/-.

Validity

An approved name is valid for a period of

- (i) 20 days from the date of approval (in case name is being reserved for a new company) or
- (ii) 60 days from the date of approval (in case of change of name of an existing company)

[Pursuant to section 4(4) of the Companies Act, 2013 and pursuant to rule 8 & 9 of the Companies (Incorporation) Rules, 2014]



RUN

Reserve Unique Name

Company Details

Entity Type

Select if you are reserving the name for a Company to be incorporated. ▼

CIN

Enter CIN only if you are applying for change of name for an existing company.

Proposed Name

Enter your proposed name.

Auto Check

Comments

Please make sure to mention the objects of the proposed company and any other relevant comments. Please attach Sectoral Regulator approvals, NOCs or any other required documents below, if applicable.

Rule 8 of Companies (Incorporation) Rule 2014

Companies (Incorporation) Fifth Amendment Rules, 2019

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 10th May, 2019

G.S.R. 357(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely: -

1. **Short title and Commencement.**- (1) These rules may be called the Companies (Incorporation) Fifth Amendment Rules, 2019.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Incorporation) Rules, 2014, for rule 8, the following rules shall be substituted, namely:-

“8. Names which resemble too nearly with name of existing company.-
(1) A name applied for shall be deemed to resemble too nearly with the name of an existing company, if, and only if, after comparing the name applied for with the name of an existing company by disregarding the matters set out in sub-rule (2), the names are same.

Rule 8 of Companies (Incorporation) Rule 2014

Companies (Incorporation) Fifth Amendment Rules, 2019

(2) The following matters are to be disregarded while comparing the names under sub-rule (1):-

(a)

the words like Private, Pvt, Pvt., (P), OPC Pvt. Ltd., IFSC Limited, IFSC Pvt. Limited, Producer Limited, Limited, Unlimited, Ltd, Ltd., LLP, Limited Liability Partnership, company, and company, & co, & co., co., co, corporation, corp, corpn, corp or group;

(b)

the plural or singular form of words in one or both names;

- (i) Green Technology Ltd. is same as Greens Technology Ltd. and Greens Technologies Ltd.
- (ii) Pratap Technology Ltd. is same as Prataps Technology Ltd. and Prataps Technologies Ltd.
- (iii) SM Computers Ltd. **is not** same as SMS Computers Ltd.

Rule 8 of Companies (Incorporation) Rule 2014

Companies (Incorporation) Fifth Amendment Rules, 2019

(2) The following matters are to be disregarded while comparing the names under sub-rule (1):-

(c)

(c) type and case of letters, spacing between letters, punctuation marks and special characters used in one or both names;

(i) ABC Ltd. is same as A.B.C. Ltd. and A B C Ltd.

(ii) TeamWork Ltd. is same as Team@Work Ltd. and Team-Work Ltd.

(d)

use of different tenses in one or both names;

(i) Ascend Solutions Ltd. is same as Ascended Solutions Ltd. and Ascending Solutions Ltd.

(ii) Speak English Solutions Limited is same as Spoken English Solutions Limited.

Rule 8 of Companies (Incorporation) Rule 2014

Companies (Incorporation) Fifth Amendment Rules, 2019

(2) The following matters are to be disregarded while comparing the names under sub-rule (1):-

(e)

use of different phonetic spellings including use of misspelled words of an expression;

Chemtech Ltd. is same as Chemtec Ltd., Chemtek Ltd., Cemtech Ltd., Cemtek Ltd., Kemtech Ltd., and Kemtek Ltd.

(f)

use of host name such as 'www' or a domain extension such as 'net', 'org', 'dot' or 'com' in one or both names;

Ultra Solutions Ltd. is same as Ultrasolutions.com Ltd.

(g)

the order of words in the names;

Ravi Builders and Contractors Ltd. is same as Ravi Contractors and Builders Ltd.

Rule 8 of Companies (Incorporation) Rule 2014

Companies (Incorporation) Fifth Amendment Rules, 2019

(2) The following matters are to be disregarded while comparing the names under sub-rule (1):-

(h)

use of the definite or indefinite article in one or both names;

(i) Congenial Tours Ltd. is same as A Congenial Tours Ltd. and The Congenial Tours Ltd.

(ii) Isha Industries Limited **is not** the same as Anisha Industries Limited.

(i)

a slight variation in the spelling of the two names including a grammatical variation thereof;

(i) Color Technologies Ltd. is same as Colour Technologies Ltd.

(ii) Disc Solutions Ltd. is same as Disk Solutions Ltd. but it is not same as Disco Solutions Ltd.

(j)

complete translation or transliteration, and not part thereof, of an existing name, in Hindi or in English;

(i) National Electricity Corporation Ltd. is same as Rashtriya Vidyut Nigam Ltd.

(ii) Hike Construction Ltd. is not the same as Hike Nirman Ltd.

Rule 8 of Companies (Incorporation) Rule 2014

Companies (Incorporation) Fifth Amendment Rules, 2019

(2) The following matters are to be disregarded while comparing the names under sub-rule (1):-

(k)

addition of the name of a place to an existing name, which does not contain the name of any place;

- (i) If Salvage Technologies Ltd. is an existing name, it is same as Salvage Technologies Delhi Ltd and Salvage Delhi Technologies Ltd.
- (ii) Retro Pharmaceuticals Ranchi Ltd. is not the same as Retro Pharmaceuticals Chennai Ltd.

(l)

addition, deletion, or modification of numerals or expressions denoting numerals in an existing name, unless the numeral represents any brand;

- (i) Thunder Services Ltd is same as Thunder11 Services Ltd and One Thunder Services Ltd
- (ii) Style Garments11 Ltd. is same as Style Garments Ltd and Style12 Garments Ltd.
- (iii) One 11 Power Equipment Ltd **is not** the same as One Power Equipment Ltd, if One 11 represents a brand:

Provided that clauses (f) to (h) and clauses (k) and (l) shall not be disregarded while comparing the names, if a no objection by way of a Board resolution has been provided by an existing company.

Rule 8A: Undesirable names

Companies (Incorporation) Fifth Amendment Rules, 2019

(1) The name shall be considered undesirable, if–

- (a) it is prohibited under the provisions of section 3 of the Emblems and Names (Prevention and Improper Use) Act, 1950 (12 of 1950), unless a previous permission has been obtained under that Act;
- (b) save as provided in section 35 of the Trade Marks Act, 1999 (47 of 1999), the name includes a trade mark registered under the Trade Marks Act, 1999 and the rules framed thereunder in the same class of goods or services in which the activity of the company is being carried out or is proposed to be carried out, unless the consent of the owner or applicant for registration, of the trade mark, as the case may be, has been obtained and produced by the promoters;
- (c) it includes any word or words which are offensive to any section of the people;
- (d) the proposed name is identical with or too nearly resembles the name of a LLP: Provided that the provisions of rule 8 shall apply *mutatis mutandis* while determining whether a proposed name is too nearly resembling the name of a limited liability partnership;

Rule 8A: Undesirable names

Companies (Incorporation) Fifth Amendment Rules, 2019

(1) The name shall be considered undesirable, if–

(e) **the proposed name is identical** with or too nearly resembles **with a name which is for the time being reserved in accordance with rule 9:**

Provided that the provisions of rule 8 shall apply *mutatis mutandis* while determining whether a proposed name is too nearly resembling with a reserved name;

(f) the company's main business is financing, leasing, chit fund, investments, securities or combination thereof, but the **proposed name is not indicative of such related financial activities**, viz., Chit Fund or Investment or Loan, etc.;

(g) the company's name is indicative of activities financing, leasing, chit fund, investments, securities or combination thereof, but the company's main business is not related to such activities;

(h) it resembles closely the popular or abbreviated description of an existing company or limited liability partnership;

Rule 8A: Undesirable names

Companies (Incorporation) Fifth Amendment Rules, 2019

(1) The name shall be considered undesirable, if–

- (i) the proposed name is identical with or too nearly resembles the name of a company or limited liability partnership incorporated outside India and reserved by such company or limited liability partnership with the Registrar;
- (j) any part of the proposed name includes the words indicative of a separate type of business constitution or legal person or any connotation thereof e.g. co-operative, sehkari, trust, LLP, partnership, society, proprietor, HUF, firm, Inc., PLC, GmbH, SA, PTE, Sdn, AG, etc.;
- (k) the proposed name contains the words 'British India';
- (l) the proposed name implies association or connection with an embassy or consulate of a foreign government;
- (m) the proposed name includes or implies association or connection with or patronage of a national hero or any person held in high esteem or important personages who occupied or are occupying important positions in the Government;

Rule 8A: Undesirable names

Companies (Incorporation) Fifth Amendment Rules, 2019

(1) The name shall be considered undesirable, if–

- (n) the proposed name is identical to the name of a company dissolved as a result of liquidation proceeding and a period of two years has not elapsed from the date of such dissolution:
- (o) it is identical with the name of a LLP in liquidation or the name of a limited liability partnership which is struck off up to a period of five years;
- (p) the proposed name include words such as 'Insurance', 'Bank', 'Stock Exchange', 'Venture Capital', 'Asset Management', 'Nidhi', 'Mutual Fund', etc., unless a declaration is submitted by the applicant that the requirements mandated by the respective regulator, such as IRDA, RBI, SEBI, MCA, etc. have been complied with by the applicant;
- (q) the proposed name includes the word "State", in case the company is not a Government company;
- (r) the proposed name is containing only the name of a continent, country, State, city such as Asia limited, Germany Limited, Haryana Limited or Mysore Limited;

Rule 8A: Undesirable names

Companies (Incorporation) Fifth Amendment Rules, 2019

(1) The name shall be considered undesirable, if–

- (s) Use of descriptive names, where the name merely consists of commonly used words to describe an activity.
- (t) the proposed name includes name of any foreign country or any city in a foreign country, the same shall be allowed if the applicant produces any proof of significance of business relations with such foreign country like memorandum of understanding with a company of such country:
- (u) the proposed name of a section 8 company under the Act does not include the words Foundation, Forum, Association, Federation, Chambers, Confederation, Council, Electoral Trust and the like, etc.
- (v) the proposed name of a Nidhi company under the Act does not have the last words “Nidhi Limited” as a part of its name.
- (w) the proposed name has been released from the register of companies upon change of name of a company and three years have not elapsed since the date of change unless a specific direction has been received from the competent authority in the course of compromise, arrangement or amalgamation.

Rule 8B:

Companies (Incorporation) Fifth Amendment Rules, 2019

Word or expression which can be used only after obtaining previous approval of Central Government.

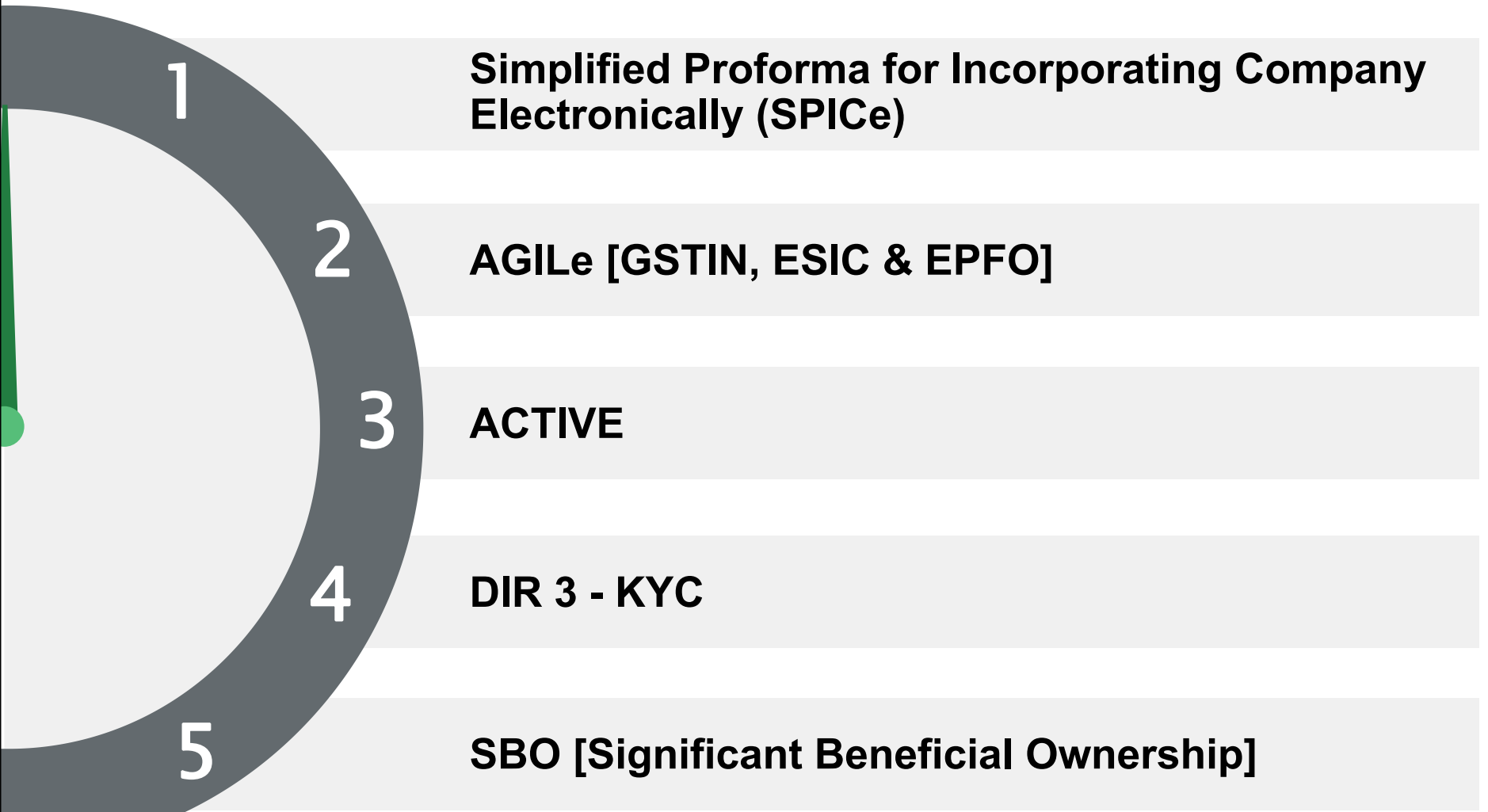
(a) Board;, (b) Commission
(c) Authority; (d) Undertaking;
(e) National; (f) Union;
(g) Central; (h) Federal;
(i) Republic; (j) President;
(k) Rashtrapati;
(l) Small Scale Industries;
(m) Khadi and Village Industries Corporation;
(n) Financial Corporation
(o) Municipal; (p) Panchayat;

(q) Development Authority;
(r) Prime Minister or Chief Minister;
(s) Minister;
(t) Nation;
(u) Forest corporation;
(v) Development Scheme;
(w) Statute or Statutory;
(x) Court or Judiciary;
(y) Governor;
(z) the use of word Scheme with the name of Government (s),
(za) Bureau.”

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Overview of Form Filing Requirements



Simplified Proforma for Incorporating Company Electronically (SPICE)

[Pursuant to sections 4, 7, 12, 152 and 153 of the Companies Act, 2013 read with rules made thereunder] - FORM NO. INC-32

SPICE

(Simplified Proforma for Incorporating Company Electronically)

Form language English Hindi

Refer the instruction kit for filing the form.

*Whether name is already approved by Registrar of Companies Yes No

1. (a) *State the type of company

(b) *State the class of company Public Private One Person Company

(c) *State the category of company

(d) *State the sub-category of company

(e) *Whether proposed company is an IFSC company Yes No

(f) *Company is Having share capital Not having share capital



Adobe Acrobat Document

Simplified Proforma for Incorporating Company Electronically (SPICe)

9. *Additional Information for applying Permanent Account Number (PAN) and Tax Deduction Account Number (TAN)

Information specific to PAN

Area code	AO type	Range code	AO No.

Information specific to TAN

Area code	AO type	Range code	AO No.

Source of Income

- Income from Business/profession
 Capital Gains
 Income from house property
 Income from other source
 No Income

Business/Profession code

10. *Additional Information for Employer registration under Employee State Insurance Corporation (ESIC)

Type of Unit Factory Establishment

Exact nature of Work/ Business carried on

Work Sub category

11. ^Does the Employees Provident Fund and Miscellaneous Provisions Act 1952

apply to the establishment EFP and MP Act Voluntary Coverage

12. ^Number of employees to be covered under Employees Provident Fund Act

13. ^Number of Employees earning wages less than Rupees fifteen thousand employed directly or through contractor to

be covered under Employees State Insurance Act

14. ^Do you need Importer Exporter code

Yes No

15. ^Particulars of Investment

^ The information in Serial number 10-15 are mandatorily required for Employees State Insurance Corporation registration, Employee Provident Fund, Employees State Insurance registration, Importer Exporter Code Registration in case of applicants desirous of applying for these services at the time of incorporation of a company and this facility is available at e-Biz Portal only as per separate procedure prescribed by e-Biz Portal. These services (Serial number 10-15) will not be available for forms filed on MCA21 Portal and no cognizance will be taken of entries in those fields if the form is filed on MCA21 Portal.

Simplified Proforma for Incorporating Company Electronically (SPICe)

Application	Support Docs	Pub Co	Pvt. Co	OPC	S.8 Co.	Col
Application		INC-32 (SPICe)				INC-11
	e-MoA	INC-33			INC-13	
	e-AoA	INC-34			INC-31	
For	Allotment of DIN for upto three Directors					
	Reservation of Name - (if reserved already under Rule 9, the same is to be shown)					
	Incorporation of Company					
	Appointment of Directors					
Fee	Rs. 500 (in addition to the registration fee as specified in the Companies (Registration of Offices and Fees) Rules, 2014)					
	No Fee required, if Nominal Capital is less than Rs. 15 Lacs OR in case Company not having share capital, number of members is less than 20.					
Clarity:	The promoter or applicant of the proposed company shall propose only one name					
	Subscribers and witnesses shall affix their digital signatures to the e-MoA and e- d in accordance of Rule 13					

AGILE

The Companies (Incorporation) Third Amendment Rule, 2019

Inserted by the Companies (Incorporation) Third Amendment Rule, 2019 dated 29.03.2019

FORM NO. INC-35

AGILE

[Pursuant to rule 38A of the
Companies (Incorporation) Rules,
2014]

Application for **G**oods and services tax
Identification number , employees state
Insurance corporation registration p**L**us
Employees provident fund organisation
registration)

(This AGILE form is part of SPICe eform for GST/ EPFO / ESIC)

1. * Do you want to apply for additional services like GSTIN / EPFO / ESIC? Yes No
2. * Select the service you want to apply for: GSTIN EPFO ESIC
3. * State (Same as entered in SPICe)
4. * District (Same as entered in SPICe)



Adobe Acrobat
Document

e-Form ACTIVE

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, dated 21st February, 2019

G.S.R.(E). In exercise of the powers conferred by sub-section (9) of section 12 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely: -

1. (1) These rules may be called the Companies (Incorporation) Amendment Rules, 2019.

(2) They shall come into force with effect from **25th February, 2019**
2. In the Companies (Incorporation) Rules, 2014 (hereinafter referred to as the said rules), after rule 25, the following shall be inserted, namely:-

e-Form ACTIVE

“25A. Active Company Tagging Identities and Verification (ACTIVE).-(1) Every company incorporated on or before the 31st December, 2017 shall file the particulars of the company and its registered office, in e-Form ACTIVE (Active Company Tagging Identities and Verification) **on or before 25.04.2019.**” *

Provided that any company which has not filed its due financial statements under section 137 or due annual returns under section 92 or both with the Registrar shall be restricted from filing e-Form-ACTIVE, unless such company is under management dispute and the Registrar has recorded the same on the register:

Provided further that companies which have been struck off or are under process of striking off or under liquidation or amalgamated or dissolved, as recorded in the register, shall not be required to file e-Form ACTIVE:

*on or before 15.06.2019”
The Companies (Incorporation) Fourth Amendment Rule 2019

e-Form ACTIVE

Provided also that in case a company does not intimate the said particulars, the Company shall be marked as “ACTIVE-non-compliant” on or after 26th April, 2019 and shall be liable for action under sub-section (9) of section 12 of the Act:

Provided also that no request for recording the following event based information or changes shall be accepted by the Registrar from such companies marked as “ACTIVE-non-compliant”, unless “e-Form ACTIVE” is filed -

- (i) SH-07 (Change in Authorized Capital);
- (ii) PAS-03 (Change in Paid-up Capital);
- (iii) DIR-12 (Changes in Director except cessation);
- (iv) INC-22 (Change in Registered Office);
- (v) INC-28 (Amalgamation, de-merger)

(2) Where a company files “e-Form ACTIVE” **on or after 26th April, 2019** ^{*} the company shall be marked as “ACTIVE Compliant”, on payment of fee of ten thousand rupees”.

^{*}on or after 16.06.2019”
The Companies (Incorporation) Fourth Amendment Rule 2019

e-Form ACTIVE

Company/LLP Master Data

CIN
Company Name
ROC Code
Registration Number
Company Category
Company SubCategory
Class of Company
Authorised Capital(Rs)
Paid up Capital(Rs)
Number of Members(Applicable in case of company without Share Capital)
Date of Incorporation
Registered Address
Address other than R/o where all or any books of account and papers are maintained
Email Id
Whether Listed or not
ACTIVE compliance
Suspended at stock exchange
Date of last AGM
Date of Balance Sheet
Company Status(for e-filing)

ACTIVE compliant



Adobe Acrobat
Document

DIR 3 – KYC

Rule 12A Directors KYC

Companies (Appointment and Qualification of Directors) Rules, 2014

Last amended by

Companies (Appointment and Qualification of Directors) Amendment Rules, 2019.dated. 30th April, 2019

Every individual who has been allotted a Director Identification Number (DIN) as on 31st March of a financial year as per these rules shall, submit e-form DIR-3-KYC to the Central Government **on or before 30th June of immediate next financial year.**

Provided that every individual who has already been allotted a Director Identification Number (DIN) as at 31st March, 2018, shall submit e-form DIR-3 KYC on or before 5th October,2018

30 April, every Financial Year



30 June, every Financial Year

Revised Forms are yet to be notified for FY 18-19

31-Aug-2018



15-Sep- 2018



5-Oct-2018

SBO Rules

The Companies (Significant Beneficial Owners) Rules,2018

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

NEW DELHI, 14th June,2018

GSR (E) __. In exercise of the powers conferred by Section 90 read with sub-section (l) of section 469 of the Companies Act,2013 (18 of 2013), the Central Government hereby makes the following rules, namely :-

1.Short title and commencement.-

(1) These rules may be called the Companies (Significant Beneficial Owners) Rules,2018.

(2) They shall come into force on the date of their publication in the Official Gazette

SBO Rules

The Companies (Significant Beneficial Owners) Rules, 2018

1

Every reporting company shall take necessary steps to find out if there is any individual who is a significant beneficial owner, in relation to that reporting company, and if so, identify him and cause such individual to make a declaration in

Form No. BEN-1.

Rule 2A (1)

2

Every reporting company shall in all cases where its member (other than an individual), holds not less than ten per cent of its Shares, Rights in Voting or Dividend; - give notice to such member, seeking information in accordance with subsection (5) of section 90, In Form No. BEN-4

Rule 2A (2)

3

every individual who is a significant beneficial owner in a reporting company, shall file a declaration in Form No. BEN-1 to the reporting company within ninety days from such commencement

4

Every individual, who subsequently becomes a SBO, or where his significant beneficial ownership undergoes any change shall file a declaration in FORM BEN-1 to the reporting company, within thirty days of acquiring such SB ownership or any change therein

SBO Rules

The Companies (Significant Beneficial Owners) Rules, 2018

5

Upon receipt of the Declaration,

Reporting Company shall file a Return in Form BEN-4 to the ROC within 30 days from the date of receipt

Rule 4

6

The company shall maintain a register of significant beneficial owners in FORM BEN -3

Rule 5.

7

A company shall give notice seeking information in accordance with under sub-section (5) of section 90, in FORM BEN-4 (Majority Stake)
Rule 6

8

The reporting company shall apply to the Tribunal,
(i) where any person fails to give the information required by the notice in FORM BEN-4, within the time specified therein; or
(ii) where the information given is not satisfactory,

SBO Rules

an individual is considered to hold a right or entitlement indirectly in the reporting company, if he satisfies any of the following criteria, in respect of a member of the reporting company, namely:

If the member is a body corporate (Indian or foreign) –

the individual holding majority stake in that body corporate or majority stake in the ultimate holding company of such body corporate member

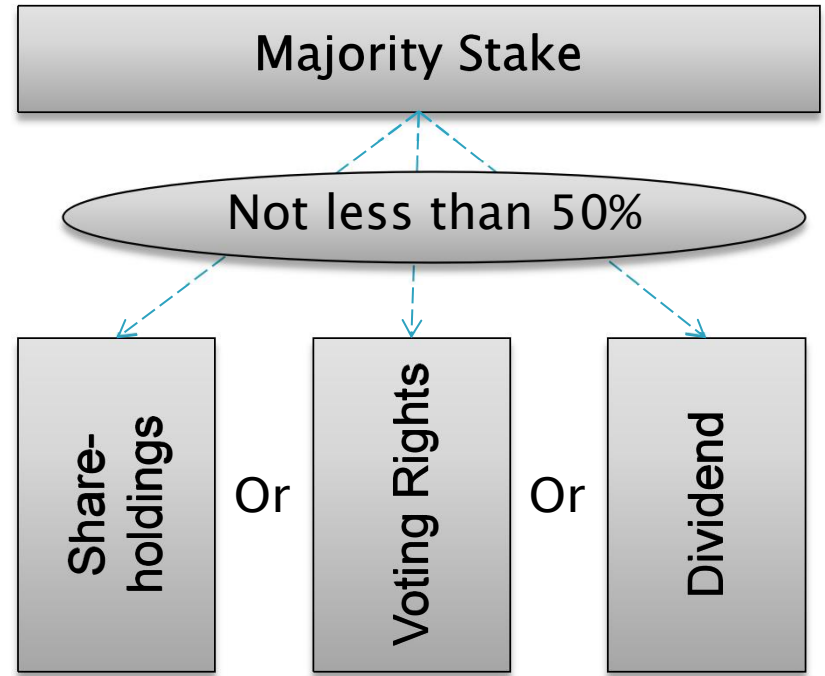
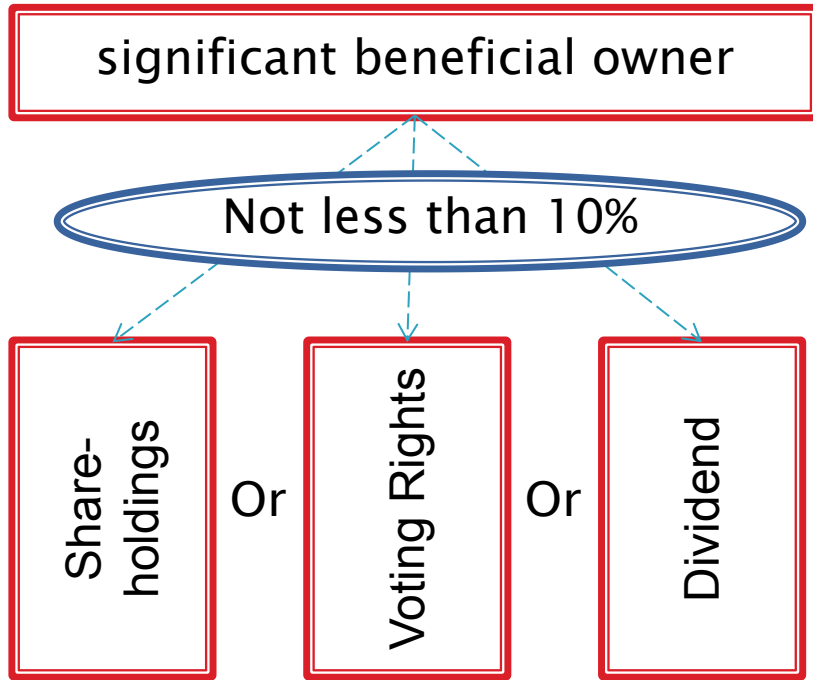
If the member is a HUF – the individual who is the karta of the HUF

If the member is a partnership entity – the individual is a partner or holding majority stake in a body corporate which is a partner or majority stake in the ultimate holding company of such body corporate which is a partner

If the member is a trust – the individual who is a trustee (discretionary or charitable trust), beneficiary (Specific trust), Author/settlor (revocable trust)

If the member is a pooled investment vehicle or an entity controlled by the pooled investment vehicle – the individual who is a general partner or investment manager or CEO where the investment manager of such pooled vehicle is a body corporate or a partnership entity

SBO Rules



"significant influence"

The power to participate, directly or indirectly, in the financial and operating policy decisions of the reporting company but is not control or joint control of

Substituted by the Companies (Significant Beneficial Owners) Amendment Rules, 2019 Dated 08.02.2019

SBO Rules

The Companies (Significant Beneficial Owners) Rules, 2018

Non-applicability of this requirement:

These rules shall not apply if the shares of a reporting company are held by the following entities:

1. Investor Education and Protection Fund
2. Holding Reporting Company of the Reporting Company (however, details of such holding company have to be filed in Form No. BEN-2)
3. the Central Government, State Government or any local Authority
4. any entity controlled by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments;
5. Investment Vehicles such as mutual funds, alternative investment funds (AIF), Real Estate Investment Trusts (REITs), Infrastructure Investment Trust (InVITs) regulated by the Securities and Exchange Board of India;
6. Investment Vehicles regulated by Reserve Bank of India, or Insurance Regulatory and Development Authority of India, or Pension Fund Regulatory and Development Authority.

Caution

Punishment for False Statement

448. Save as otherwise provided in this Act, if in any return, report, certificate, financial statement, prospectus, statement or other document required by, or for, the purposes of any of the provisions of this Act or the rules made thereunder, any person makes a statement,—

(a) which is false in any material particulars, knowing it to be false; or

(b) which omits any material fact, knowing it to be material,

he shall be liable under [section 447](#).

Punishment for False Evidence

449. Save as otherwise provided in this Act, if any person intentionally gives false evidence—

(a) upon any examination on oath or solemn affirmation, authorized under this Act; or

(b) in any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Act, or otherwise in or about any matter arising under this Act,

he shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to seven years and with fine which may extend to ten lakh rupees.

Thank you