

DISCLOSURE ON SIGNIFICANT BENEFICIAL OWNERSHIP

1. **EFFECTIVE DATE:** June 14th, 2018
2. **APPLICABILITY:** All Companies
3. **REFERENCE:** Section 90 of the Companies Act, 2013 read with the Companies (Significant Beneficial Owners) Rules 2018
4. **DECLARATIONS, NOTICE, RETURNS, FILING AND MAINTENANCE OF DOCUMENTS PURSUANT TO THE ABOVE SAID RULES:**

A. Declaration of Significant beneficial ownership in shares under section 90 by significant beneficial owner (Who is holding ultimate beneficial interest or control) to the Company.

i. Initial Disclosure

Every significant beneficial owner shall file Form No. BEN-1 within 90 days from commencement of these rules i.e. 14th June, 2018

ii. Continual Disclosure

In case of any change in the significant beneficial ownership every significant beneficial owner shall file Form No. BEN-1 within 30 days

iii. Acquisition of significant beneficial ownership after the Commencement of the said rule:

Every significant beneficial owner shall file Form No. BEN-1 within 30 days from the date of acquisition of the significant beneficial ownership or in case of any change in such significant beneficial ownership

B. Return to be filed by the Company to Registrar.

Where any declaration is received by the Company in Form BEN-1, the Company shall a return in Form BEN-2 within 30 days from the receipt of disclosures from the significant beneficial owner.

C. Register of Significant beneficial Owners

- Company shall maintain register in **Form No. BEN-3.**
- Register shall be open for at least Two Hours during business hours on every working day
- Company may charge fee but not exceeding Rs. 50/- for each inspection.

D. Notice seeking information by Company about significant beneficial owner

As and when required the Company shall send Notice in form No. BEN-4 to any person (whether or not a member of the company) whom the company knows or has reasonable cause to believe—

- to be a significant beneficial owner of the company;
- to be having knowledge of the identity of a significant beneficial owner or another person likely to have such knowledge; or
- to have been a significant beneficial owner of the company at any time

during the three years immediately preceding the date on which the notice is issued, and who is not registered as a significant beneficial owner with the company as required under this section.

Time line for replying the Notice

The information required by the notice shall be given by the concerned person within a period not exceeding thirty days of the date of the notice.

DEFINITION:

SIGNIFICANT BENEFICIAL OWNER

An individual as referred to in section 90(1), holding ultimate beneficial interest of not less than 10 % of the share capital but whose name is not entered in the register of members of as company as the holder of such shares.

IN CASE SIGNIFICANT BENEFICIAL OWNER IS OTHER THAN INDIVIDUAL OR NATURAL PERSONS

- In case Member is **Company**:
The **Significant Beneficial Owner** is the natural person **who holds not less than 10 % share capital of the company** acting alone or together with other natural person, or through one or more other persons or trusts or **who exercise significant influence or control** in the company through other means.
- In case Member is **Partnership Firms**:
The **Significant Beneficial Owner** is the natural person **who holds not less than 10 % of the Capital** acting alone or together with other natural person, or through one or more other persons or trusts or **has entitlement to 10 % of profits in partnership**.
- Where **no Natural Person** is identified:
Who holds the position of senior managing official.
- In case Member is trust (Through Trustee):
The identification of the beneficial owner shall include identification of the Author of the trust, the trustee, the beneficiaries with not less than 10% interest in the trust and other natural

person exercising ultimate effective control over the trust through the chain of control or ownership.

- Shares, for this purpose, shall include GDR, CCPS, and CCD.

5. APPLICATION TO TRIBUNAL

The company may make an application to the Tribunal within 15 days from the expiry of the period specified in the notice for an order directing the shares in question for:

- Restriction on transfer of interest attached to the shares.
- Suspension of the right to receive dividend
- Suspension of Voting Rights
- Any other restrictions on all or any of the rights

6. NON-APPLICABILITY:

These rules are not made applicable to the holding of shares of companies/body corporates, in case of pooled investment vehicles/investment funds such as Mutual Funds, Alternative Investment Funds (AIFs), Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) regulated under SEBI Act.

7. PENAL PROVISIONS FOR DEFAULT

- **For Non-Filing of BEN-1**

Person shall be punishable with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.

- **For Non-Filing of Form BEN-2 and maintaining the Register thereof**

The company and every officer of the company who is in default shall be punishable with fine which shall not be less than ten lakh rupees but which may extend to fifty lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.

- **For Furnishing False Information**

If any person wilfully furnishes any false or incorrect information or suppresses any material information of which he is aware in the declaration made under this section, he shall be liable to action under section 447.