The new section 90 of the Act as well as the Companies (Significant Beneficial Owners) Rules, 2018 contain detailed provisions of the self-disclosures:

1. These provisions are applicable to:
2. Individuals who acts alone or together with one or more persons
3. Trusts
4. Person resident in India or outside India.
5. Every individual, Trust and or Person resident outside who either himself or with others directly or indirectly holds beneficial interests of 10% or more shares in a company will be considered a significant beneficial holder.
6. Such significant beneficial holder should exercise “significant influence” in relation to an associate company – meaning control of atleast 20% of the total voting power or “control” in decision making. “Control” shall mean the right to appoint majority of the Board of directors or policy decisions exercisable by person or persons by virtue of their shareholding or through shareholder agreements.
7. When an individual attracts the above conditions, then he is obligated to make declaration of the same to the company within 90 days from the date of introduction of the provision. In case of change in such beneficial ownership, he has to make the declaration within 30 days from date of such change.
8. On receipt of such declaration, the Company has to file the same with the Registrar of Companies within 30 days from date of receipt. A Register of significant beneficial owners is also to be maintained by the company.
9. In the event the significant beneficial owner is not registered, then the company, if it has reason to believe such person to be an SBO, the company has to give 30 days’ notice to the SBO for intimation of the same at the earliest, If the person fails to furnish such information within 15 days from the closure of the 30 days period, then, the company can apply to the NCL requesting such information and also for other directions like suspension of all rights attached to the shares, restriction on transfer of shares etc.
10. Determination of Significant Beneficial ownership: When the member or shareholder is:
11. Company: The SBO will be a person, who individually or together with other person’s holds 10% or more of the Indian company; or who exercises significant influence or control in the Indian company. If no natural person is found applicable, then the senior most managing official shall be considered as SBO

1. Partnership Firm: Any individual, who either individually or jointly with other persons holds 10% or more of the capital or is entitled to not less than 10% of the profits of the partnership firm. If no natural person is found applicable, then the senior most managing official shall be considered as SBO.
2. Trust: Author of the Trust, Trustee or beneficiary holding equal to or more than 10% interest in the Trust. Natural person exercising effective control of the trust through the chain of control of ownership.
3. The Rules expressly contain that for the purpose of calculating percentage of shareholding, other than equity shares, instruments such a Global Depository Receipts (GDR’s), Compulsorily convertible preference shares (CCPS) or debentures (CCD’s) shall be considered as shares
4. The Rules have also expressly exempted Mutual Funds, Trusts governed by SEBI (Investment trusts, real estate trusts) from disclosing and filing returns under the Companies Act, 2013