

# SBO Electronic Register Goes Digital

April 1, 2026: V3 Portal, BEN-2 30-Day Filing, Rs 10 Lakh Penalty Under Section 90(11)

A Compliance Map for Indian Companies, Founders, and Their Professionals

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SBO

SECTION 90

COMPANIES ACT 2013

V3 PORTAL

CORPORATE COMPLIANCE



# What Has Changed: The Mandate

The Companies (Significant Beneficial Owners) Rules, 2018 amendment **kills the paper SGT-4/5/6 register**. From **April 1, 2026**, every covered Indian company maintains its SBO data in an **electronic V3 portal register**, integrated with BEN-2 SRNs.

**Scope:** Approximately 14 lakh active companies — Private, Public, OPCs, Section 8 entities. Only wholly-owned subsidiaries of *listed* companies are exempt under Rule 8.

## 14L

### Companies in Scope

Active Indian companies covered under the mandate

## 30

### Days: BEN-2 Window

Filing window after BEN-1 receipt from individual

## 15

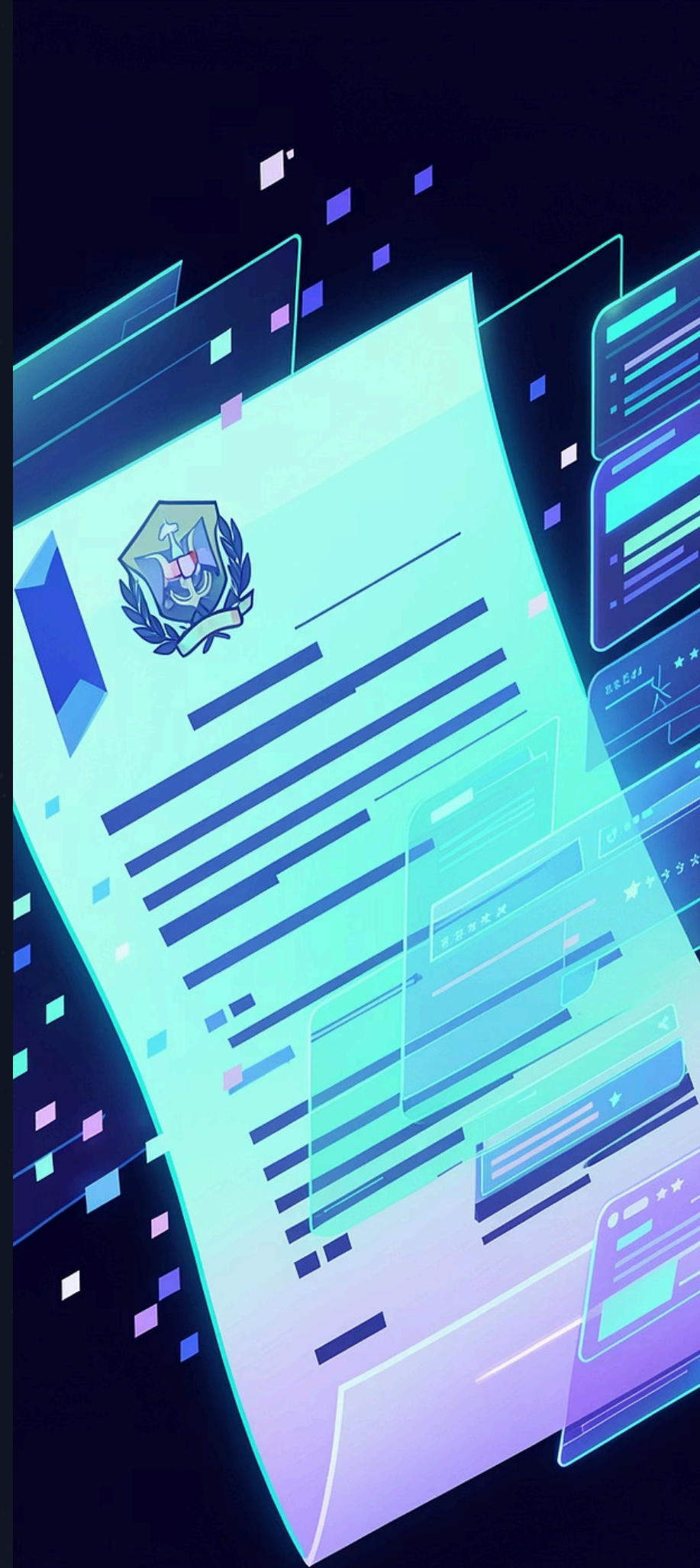
### Days: V3 Update

Update window after any change in SBO holding

## ₹10L

### Penalty Floor

Section 90(11) penalty for register failure + Rs 1,000/day uncapped



# Who Qualifies as an SBO?

## THE 10% INDIRECT THRESHOLD

An individual is an SBO when, **alone or in concert**, they hold **INDIRECTLY** any of the following:

### 10%+ of Shares

Indirect shareholding crossing the threshold

### 10%+ of Voting Rights


Indirect voting power in the reporting company


### 10%+ of Dividends

Right to 10% or more of distributable dividends

### Significant Influence

Control through indirect means regardless of equity %

 **Key Trap:** Direct-only shareholders are OUTSIDE SBO scope. The 10% test applies to *indirect* holdings; direct holdings aggregate ONLY after the 10% indirect benchmark is crossed.

 **Example:** 9% indirect + 5% direct = **NOT an SBO**. The threshold is exclusively on the indirect leg. Do not conflate direct and indirect holdings when assessing SBO status.

# The Three Critical Deadlines

## FILING CALENDAR

Trigger Event	Filing	Window	Form
Receipt of BEN-1 from individual	BEN-2 to MCA	30 days	BEN-2 (V3)
Any change in SBO holding or chain	V3 register update	15 days	V3 portal entry
Financial year-end	Annual verification at AGM	Along with MGT-7/7A	MGT-7 tick-box

- ⊗ Continuing failure on any of these triggers **daily penalties** under Section 90(10), 90(11), and 92(5). Each missed deadline compounds independently.



**BEN-1  
Receipt**

**Change in  
Holding**

**Year-End  
AGM**

# Penalty Architecture: Section 90

## THE COST OF NON-COMPLIANCE

### Register Non-Maintenance

#### Section 90(11)

- Company: Rs 10 LAKH + Rs 1,000/day — **UNCAPPED**
- Officer in default: Rs 1L–10L + Rs 1,000/day, capped Rs 5L per officer

### BEN-2 Filing Delay

#### Section 90(10)

- Company: Rs 1 lakh + Rs 500/day, capped Rs 5 lakh
- Officer: Rs 25,000–1 lakh + Rs 200/day, capped Rs 1 lakh

### False Declaration

#### Section 90(12)

- Imprisonment up to **1 YEAR**
- Fine Rs 25,000 to Rs 1 lakh
- Or both — criminal liability

### Annual Verification Failure

#### Section 92(5)

- Rs 50,000 + Rs 100/day
- Capped at Rs 5 lakh total
- Triggered at every AGM cycle



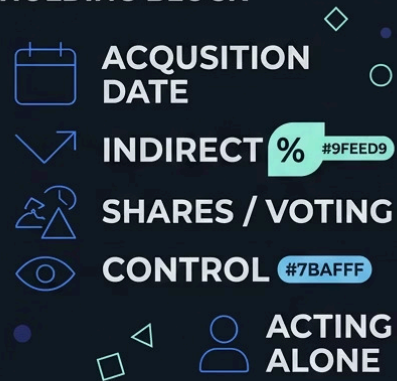
# V3 Portal Data Map

## WHAT EVERY ENTRY MUST CARRY

### IDENTITY BLOCK



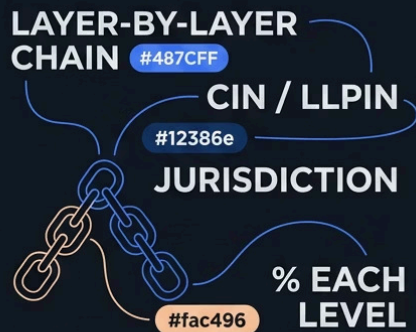
### HOLDING BLOCK



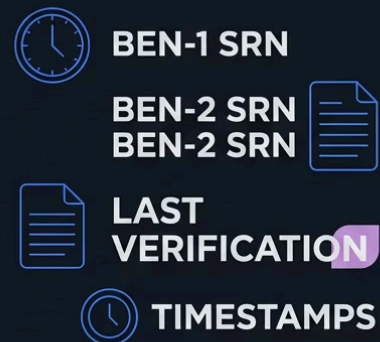
**Identity Block:** Full name, father/spouse name, DOB, nationality, PAN, last-4 Aadhaar (masked), passport for foreign nationals, residential address.

**Holding Block:** Acquisition date, indirect % (shares / voting / dividends / control basis), acting alone or in concert flag.

### OWNERSHIP CHAIN BLOCK



### AUDIT TRAIL BLOCK



**Ownership Chain Block:** Layer-by-layer chain to reporting company — CIN/LLPIN at every node, jurisdiction, % at each level.

**Audit Trail Block:** BEN-1 SRN, BEN-2 SRN, latest verification date, timestamps for every modification.

# High-Risk Structures: Pre-Audit These

## WHERE SBOS HIDE



### Family HUFs and Trusts

Multiple beneficiaries crossing 10% indirectly through family holding vehicles and discretionary trusts.



### PE/VC-Backed Startups

Multi-class shares, founder vehicles, ESOP trusts, and foreign LP layers create complex indirect chains.



### Multi-Layer Holdings

3–4 tier structures with Singapore, Mauritius, UAE intermediaries — multiplicative test applies at each layer.



### JV / Control Arrangements

Veto rights, board nominations, reserved-matter voting at sub-10% equity STILL trigger SBO under control limb.



### Foreign Nominee Holders

Foreign individuals behind Indian shareholder masks — nominee arrangements do not extinguish SBO obligations.



### Discretionary Managers

Foreign LLC manager with zero equity = SBO under the "control" limb. Equity is not the only trigger.

# 10-Week Implementation Roadmap

## PRACTICAL STEPS BEFORE FIRST FILING



# Action Plan & Cross-Regime Trap

WHAT TO DO THIS WEEK

## Immediate Actions

01

Pull cap table and ownership chain for every group entity

02

Identify potential SBOs using the 10% indirect test

03

Check DSC re-association status on V3 (7–10 days lead time)

04

Calendar June 30, 2026 V2 cutoff alongside SBO go-live April 1

⊗ **The Cross-Regime Trap:** Income-tax Act 2025 Sections 92D and 285BA now align beneficial ownership disclosures with V3 data. Transfer-pricing assessments will **CROSS-CHECK BEN-2 V3 records** against master file beneficial ownership details. Discrepancies trigger **ADVERSE assessments.**

## Need Help Mapping Your Structure?

Talk to **A S Banka Advisors Private Limited** for expert guidance on SBO identification, V3 portal filing, and cross-regime compliance alignment.

[Book a 30-Min Consultation](#)

