Plan a family business handover

Start with the records, then choose a route the family can support.

1. Establish the facts

Map ownership, business assets, debt and guarantees. Record each family member's goals, residence and income needs. Identify urgent gaps in management or banking authority.

2. Choose the ownership direction

Stay together

Retain shared ownership. Agree who leads, how owners receive information and how future exits will work.

Arrange an exit

Identify the buyer. Review the exiting owner's interest, an appropriate valuation and a realistic payment plan.

Separate or sell

Test a viable business separation or outside sale. Review assets, people, contracts, approvals and net proceeds.

3. Review the preferred route before signing

Bring together cash flow, tax, legal documents, required consents and any NRI or overseas issues.

Check the price and the funding

Illustration only. All parties are resident in India. Amounts exclude costs and any interest.

Assumed equity value: **₹24 crore**. Exiting interest: **25%**. The parties accept proportionate pricing for this illustration.

Agreed share price	-	Buyers' own available funds	=	Funding still to arrange
₹6 crore		**₹1.5 crore**		**₹4.5 crore**

Run the operating cash check

Provide for salaries, suppliers, tax, existing loans and essential investment. Test delayed collections and lower sales. Review any proposed use of company funds through a lawful route.

4. Confirm the funding

Name the buyer and payer. Review personal funds, lender finance and any lawful distribution assumptions. Agree an affordable schedule.

5. Protect the agreement

Set payment dates, security and default terms. Obtain required lender releases. Check tax and FEMA before commitments.

Put the plan into practice

An indicative 12-week planning programme. Consents and registrations can take longer.

WEEKS 1-3

Gather and discuss

Collect ownership records, financial statements, loans and guarantees. Record family goals and deal with urgent continuity gaps.

Output: facts and priorities

WEEKS 4-6

Compare and test

Review value, cash needs and realistic options. Identify the proposed buyer or payer and shortlist an affordable route.

Output: preferred route

WEEKS 7-9

Review and prepare

Coordinate tax, legal, company-secretarial, funding and overseas reviews. Prepare documents and identify completion conditions.

Output: reviewed action plan

WEEKS 10-12

Execute as conditions are met

Progress consents, signatures, payments, registrations and record updates. Confirm management roles and pending items.

Output: completion checklist

Review regularly Track payments, authority, cash and compliance. Update the plan after major changes.

Plan your family's next business chapter.

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Legal checks: Companies Act, RBI foreign-investment directions and applicable tax and property law.