

Transfer of Equity Shares of Unlisted Companies Subject to Permission of RBI

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Abstract—*Transfer from Resident to Non-residents by way of sale where*

- a) *Where there is a deferment of payment of consideration to the extent of 25% of total consideration payable for a period not exceeding 18 months from the date of agreement by non –resident*
 - b) *Transfer is done within the specified guidelines and for a price which falls outside the pricing guidelines and does not fall under specific exception.*
1. *Transfer by way of gift by a Resident to Non-resident*
 - a) *The transferee a non resident is subject to FEMA regulations*
 - b) *Gift value does not exceed 5% of paid up capital of the Indian company*
 - c) *Transfer should be with reference to the sec 2(77) of companies act 2013*
 - d) *Transfer as gift should not exceed USD 50000 during financial year*
 - e) *The transfer is subject to submission of certain documents as per list*
 - i. *Details such as name and address of donor and done*
 - ii. *Done and donor relationship*
 - iii. *Valid reason for making the gift*
 - iv. *Share value certificate from chartered account in specified format*
 - v. *Certificate issued subject to confirmation of FDI cap by Indian company*
 2. *Transfer of shares from NRI to non-resident*
 - a) *Subject to permission of RBI*