Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion

Press Note No. 2(2013 Series)

Subject: Foreign Direct Investment Policy – definition of ‘group company’

1.0 The Government has decided to incorporate the following definition of ‘group company’ in
the FDI Policy contained in ‘Circular 1 of 2013 - Consolidated FDI Policy', effective from 05-04-
2013:

<table>
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<th>2.1</th>
<th>Definitions</th>
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| 2.1.15 bis | “Group company” means two or more enterprises which, directly or indirectly, are in a position to:
  (i) exercise twenty-six per cent, or more of voting rights in other enterprise; or
  (ii) appoint more than fifty per cent, of members of board of directors in the other enterprise. |

2.0 The above decision will take immediate effect.

(D.V. Prasad)  
Joint Secretary to the Government of India

D/o IPP File No.: No. 5/3/2005-FC.I dated: 3 June, 2013

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