

# What's new

## Regulatory News Alert



December 2014

### **Liberalisation of FDI norms in Construction Development Sector**

In continuation of our [news alert dated 31 October 2014](#), on the grant of approval by the Union Cabinet to amend the existing Foreign Direct Investment (FDI) policy on 'Construction Development Sector', the Government has now notified amendments to the aforementioned policy *vide* Press Note 10 of 2014. The following are the 3 changes that have been noted *vis-a-vis* the press release dated 29 October 2014.

#### **Lock-in/ Exit**

Lock in for investments linked to **completion of project or development of trunk infrastructure** (roads, water supply street lighting, drainage and sewerage). The three year lock in post last date of investment has now been removed

#### **Affordable Housing parameters**

- Minimum **40% FAR/ FSI** (Affordable Housing FSI) to be utilised for dwelling units having **floor area** of maximum **140 square meter** (as against 60% FAR/ FSI and carpet area of maximum 60 square meter specified in earlier press release in October 2014).
- **25%** of Affordable Housing FSI to be utilised for dwelling units having **floor area** of maximum **60 square meter** (as against 35% and carpet area of 21 - 27 square meter specified in earlier press release in October 2014).

#### **Minimum area development**

In case of combination project, minimum development of 20,000 sq metres of floor area will be required

*Source: Press Note No. 10 (2014 Series)*

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With Best Regards  
PwC TRS Team

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