

### **FDI in Construction soon**

Indian government is planning to ease up norms for Foreign Direct Investment (FDI) in Construction sector. Currently, 100% FDI through automatic route in development of townships, housing, and built-up infrastructure and construction-development projects is allowed subject to some stringent conditions like fixed minimum areas to be developed, minimum capitalization of US \$10 million for wholly owned subsidiaries & US \$ 5 million for joint ventures with Indian partners; at least 50% of each such project to be developed within a period of five years from the date of obtaining all statutory clearances, etc.

Government is considering removing or greatly easing up minimum size and minimum capitalizations requirements. Also, possibility of removing all FDI conditionalities for small cities is being looked into. Further, the new law may provide for easier exit windows too, either, at the completion of the project or with (Foreign Investment Promotion Board) FIPB's approval.

This is being done to attract investment for government's plan of developing 100 smart cities and affordable housing facilities. The government is planning to come up with smart cities and affordable housing projects with all sorts of modern amenities, education and job opportunities.

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### **It is going to be easier to do business in India**

The Indian government with an intention to make India a more business friendly destination is set to ease up norms and reduce red-tapism. To increase the pace of regulatory approvals, the government plans to bring out reforms such as setting up single window clearance system where the business man can get several approvals from one source and mostly apply for it online. Also, the government is greatly keen to facilitate Foreign Direct Investment (FDI) and is thus attempting to secure easy routes for it. Further, intended reforms include setting up a time bound panel for speedy processing of the necessary issues which will be resolved within a time span of 48 hours. To overhaul the entire system, the government also plans to majorly modify the other related legislations such as labour laws, environment laws, etc.

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### **MCA issues notification to amend Companies (Appointment & Qualification of Directors) Rules,**

25 Sep 2014

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## 2014

On 18th September 2014 Ministry of Corporate Affairs (MCA) notified Companies (Appointment & Qualification of Directors) Amendment Rules, 2014. The effect of such amendment on the original Companies (Appointment & Qualification of Directors) Rules, 2014 ("Original Rules") is as under :

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- In rule 6 (2) of Original Rules following changes were made:
  - i. Clause (c) is omitted, which means that now the Independent directors are not required to furnish Income Tax PAN details to become eligible and willing to be appointed as Independent Director.
  - ii. In clause (d) the words "and mother's name and Spouse's name (if married)" are omitted, thus Independent directors are not required to provide the mother's name and spouse's name.
- In rule 6 (4) of Original Rules, the words "in form DIR-1" are omitted, which means that now, any person wanting to get his name included in the data bank of the Independent Directors is no longer required to make an application in Form DIR-1.
- Rule 9 (3) (a) of Original Rules is amended as below: "The applicant shall download Form DIR-3 from the portal, fill in the required particulars sought "therein verify and sign the form" and after attaching copies of the following documents, scan and file the entire set of documents electronically."
- Rule 9 (3) (a) (iv) of Original Rules is omitted, therefore now, Form DIR-4 for verification by the applicant for allotment of DIN is not required to be furnished.
- After sub-rule (3) of Rule 9 of Original Rules, sub-rule (4) is inserted as below: "In case the name of the person does not have a last name, then his or her father's or grandfather's surname shall be mentioned in the last name along with the declaration in Form No. DIR-3A."
- As per the amendment in Rule 10 (1) of Original Rules, now an application number shall be generated by the system automatically instead of a provisional DIN.
- Rule 10 (2) of Original Rules shall be amended as below: "After generation of the "application number", the Central Government shall process the applications received for allotment of DIN under sub-rule (2) of rule 9, decide on the approval or rejection thereof and communicate the same to the applicant along with the DIN allotted in case of approval by way of a letter by post or electronically or in any other mode, within a period of one month from the receipt of such application".

- In Rule 10 (4) of Original Rules, the words “the provisional DIN so allotted by the system shall get lapsed automatically and” are omitted.
- After Rule 10 of Original Rules, the Rule 10 A shall be inserted as below:  
“(1) Every director, functioning as a director in one or more companies on or before the 30th June, 2007 and who has not yet intimated his DIN to such Company or Companies shall, within one month of receipt of Director Identification Number from the Central Government, intimate his Director Identification Number to the Company or all the Companies wherein he is a director as per Form DIR-3B. (2) The intimation by the Company of Director Identification Number of its directors under section 157 of the Act shall be furnished in Form DIR-3C within fifteen days of receipt of intimation under Section 156.”
- In rule 11 of Original Rules, after the words "application received", the words "alongwith fee as specified in Companies (Registration Offices and Fees) Rules, 2014" is inserted.
- In Rule 12 (1) (i) of Original Rules is amended as below:  
"the applicant shall download Form DIR-6 from the portal and fill in the relevant changes, verify the Form and attach the duly scanned copy of the proof of the changed particulars and submit electronically."
- The existing Form DIR-1 is omitted.
- Form DIR-3 shall be downloaded in the latest version which is available under the forms tab at the website.
- After Form DIR-3, the following forms shall be inserted namely:
  - a. DIR – 3A : Declaration
  - b. DIR – 3B : Intimation of allotment of Director Identification Number (DIN) to the Company by the Director
  - c. DIR – 3C : Intimation of Director Identification Number by the Company to the Registrar

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