



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

**RBI/2014-15/341**

**A.P. (DIR Series) Circular No.47**

**December 8, 2014**

To

All Category – I Authorised Dealer banks

Madam/Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy – Sector Specific conditions- Railway Infrastructure**

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to Annex A and Annex B of Schedule 1 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time. In terms of Annex A of Schedule 1 to the Notification *ibid*, Foreign Direct Investment (FDI) is prohibited in activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems).

2. The extant Foreign Direct Investment (FDI) policy for railways sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now permitted 100% FDI in railway Infrastructure sector under automatic route subject to conditions. Accordingly, it has been decided to permit FDI in the following activities of the Railway Transport sector:

“Construction, operation and maintenance of the following: (i) Suburban corridor projects through PPP, (ii) High speed train projects, (iii) Dedicated freight lines, (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) Railway Electrification, (vi) Signaling systems, (vii) Freight terminals, (viii) Passenger terminals, (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line and (x) Mass Rapid Transport Systems. Further, FDI beyond 49 of the equity of the investee company in sensitive areas from security point of view will be brought before the Cabinet Committee on Security (CCS) for consideration on a case to case basis.”

3. A copy of Press Note No. 8 (2014 Series) dated August 27, 2014 issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India is enclosed.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourteenth Amendment) Regulations, 2014 notified vide [Notification No. FEMA.320/2014-RB dated September 5, 2014](#), c.f. G.S.R. No. 800(E) dated November 13, 2014.

5. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(B.P. Kanungo)**  
**Principal Chief General Manager**