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NRI / OCB Investment in sick Industrial units

In order to encourage investment by NRIs/OCBs under the sick unit scheme and also to further simplify the norms prescribed under the scheme, it has been decided to permit NRIs/OCBs to invest up to 100 per cent of equity capital of a sick company either by purchase of equity shares from the existing shareholders or in the form of subscription to the new equity issue of the sick company subject to the condition that the company is declared as sick or a rehabilitation programme has been approved by a public financial institution/commercial bank/consortium of banks or by the Board for Industrial and Financial Reconstruction (BIFR). There will be no lock-in period for repatriation of capital.

Under the existing provisions, NRIs/OCBs are permitted to undertake revival of sick industrial units by making bulk invest ment in them either by way of purchase of equity shares from existing shareholders or in the form of subscription to new equity issues of the sick units subject to certain terms and conditions.