

Government approves payment of Rs. 117.75 crore to RITES Limited for project in Iraq

The payment is intended to be made in cash in 2008-2009, through additional budget allocation provided by the Ministry of Finance to the Ministry of Railways for outstanding payments against the project executed by the Company in Iraq on deferred payment basis.

Mumbai, Maharashtra, IND, 2008-04-08 12:17:30 (IndiaPRwire.com)The Government of India has recently approved a payment of Rs. 117.75 crore along with interest w.e.f. October 2001 to RITES, a Government of India enterprise under the Ministry of Railways. The payment is intended to be made in cash in 2008-2009, through additional budget allocation provided by the Ministry of Finance to the Ministry of Railways for outstanding payments against the project executed by the Company in Iraq on deferred payment basis.

RITES Ltd. executed an operation and maintenance project in Iraq during 1988 to 1990. Payments under the project were held up due to imposition of UN sanctions on Iraq, which resulted in restriction in remittance of funds outside Iraq. To mitigate the financial problems of the Indian exporters arising due to sanctions on Iraq, the Government of India decided to provide relief to the exporters in 2001 by making payment/issuance of bonds. RITES could get only part payment in 2003 against the said approval and now the balance payment of Rs. 117.75 crore, intended to be made in 2008-2009, has been approved recently by the Government of India.

RITES Ltd. is, subject to market conditions and other considerations, proposing to make an initial public offer of its equity shares and has filed a Draft Red Herring Prospectus ('DRHP') with SEBI. The DRHP is available on the website of SEBI at www.sebi.gov.in and the websites of the Book Running Lead Managers ('BRLMs') at www.kotak.com, www.enam.com and www.icicisecurities.com. This press release does not constitute an offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe to, any Equity Shares, nor shall it, any part of it, or the fact of its distribution, form the basis of, or be relied upon in connection with, any contract or investment decision. Potential investors should note that investment in equity shares involves a degree of risk. For details, potential investors are advised to refer to the section titled 'Risk Factors' in the DRHP. The Equity Shares of the Company have not been and will not be registered under the U.S. Securities Act, 1933, as amended ('U.S. Securities Act'), or any state securities laws in the U.S. This press release does not constitute an offer of securities for sale in any jurisdiction, including the U.S., and any securities described in this press release may not be offered or sold in the U.S., except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act.

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