

## Rites to invest Rs 200 cr within 18 months

*Rites Ltd procures locomotive engines, passenger coaches and wagons domestically and lease them out internationally*

Mumbai, Maharashtra, IND, 2008-05-05 08:49:38 (IndiaPRwire.com)Public Sector undertaking Rites Ltd on Sunday said it would invest close to Rs 200 crore over the next 12-18 months to expand its rolling stock business.

"We propose to invest Rs 195 crore to procure rolling stock for the purpose of leasing in the next 12-18 months," company's Managing Director V K Agarwal said here.

Rites Ltd procures locomotive engines, passenger coaches and wagons domestically and lease them out internationally to help creating the infrastructure in the developing nations, particularly in Africa and Latin America.

Its subsidiary in Tanzania is now engaged into developing and maintaining rolling stock and rail infrastructure. Another subsidiary is engaged in Mozambique as well with a similar kind of project for transport of coal.

Agarwal said the Rs 195 crore investment is a part of company' overall Rs 350 crore investment plans over the next three years. A big chunk of the remaining would be used to build road projects in the public-private partnership (PPP) model within the country.

Rites Ltd, he said, would issue 1.4 crore shares through an initial public offering and disinvestments, constituting 28 per cent government's stake, to fund the proposed capex plan.

The zero-debt company has also Rs 160 crore cash reserve, which it might use if the proceeds from the IPO did not meet the demand.

The approval from the market regulator, SEBI, on the proposed IPO is still pending.

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