

# **K&R RAIL ENGINEERING LIMITED**

**CIN: L45200TG1983PLC082576**

**Registered Office : 12-5-32/8, Bhatukammakunta, Vijapuri, South  
Lallaguda TG 500017**

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To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400001

Date: 29.06.2023

Dear Sir / Madam,

**Unit: K&R Rail Engineering Limited (BSE Scrip Code: 514360)**

**Sub: Copy of Order of the “Hon’ble National Company Law Tribunal, Hyderabad Bench (“Hon’ble NCLT”) in the matter of Extension of Period of Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS).**

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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), this is to inform the Exchange that the Hon’ble National Company Law Tribunal, Hyderabad Bench (“Hon’ble NCLT”) has passed orders in CA (CAA) No. 13/230/HDB/2023 allowing the prayer of the Company by extending the time period for Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS) to equity shares from 15.12.2020 till 14.12.2025, with directions to comply the same within time period.

This is to further inform that out of the total OCRPS issued and allotted on 15.12.2015 under the Scheme of Arrangement which shall be convertible into equity shares of face value of Rs.10/- each in the ratio of 1:1, 1,41,14,556 OCPRS of face value of Rs.10/- each are existing and outstanding as on date. The said outstanding OCRPS of face value of Rs.10/- each are therefore due for Conversion before 14.12.2025 into equity shares of face value of Rs.10/-each in the ratio of 1:1.

Copy of the NCLT Order is attached herewith for your reference.

This is for the information and records of the Exchange, please.

Thanking you.

Yours sincerely,  
For K&R Rail Engineering Limited

Latha Pamula  
Company Secretary and Compliance Officer

**Enclosed as Above:**

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
29-05-2023 AT 10:30 AM**

**CA(CAA) No. 13/230/HDB/2023**  
u/s. 230 of Companies Act, 2013

**IN THE MATTER OF:**

M/s. K&R Rail Engineering Limited

...Petitioner

**C O R A M:-**

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)  
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

**ORDER**


Learned Counsel for Petitioner Shri G.Bhupesh, is present. Heard him. Hence the following order is passed:

1. Having heard the learned counsel for the petitioner we directed the learned counsel to take notice to the ROC, Telangana and RD, South Eastern Region and posted the matter to 24.05.2023. Accordingly, notice has been served. However, none appeared. We have perused the record.
2. Admittedly, the Scheme of Arrangement has been sanctioned by Hon'ble High Court of Telangana vide order dated 30.10.2014. As per Part-IV Clause 1.1 of the Scheme of Arrangement the Transferee Company will issue and allot shares to the shareholders of the Transferor Company as per the exchange ratio mentioned below:
  - *Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company), shares in proportion of 10 (Ten) Equity shares of face value of Rs.10/- (Rupees Ten) each and 162 (One Hundred Sixty Two) 7% Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of Rs. 10 (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company" pursuant to this Scheme of Amalgamation.*
  - *The OCRPS issued and allotted under this Scheme, would have seniority with respect to dividends and dissolution from the Transferee Company and shall be convertible in the ratio of 1:1 at any time within a maximum period of five years at the option of holders, into the equity shares of face value of Rs. 10 each. OCRPS issued and allotted under the Scheme, shall be converted into equity shares, in one or more tranches, within*



*a maximum period of five years subject to condition that the conversion of OCRPS does not breach the requirement of maintaining minimum public shareholding as per clause 40 A of Listing Agreement. Any OCRPS, remain outstanding for conversion upon completion of five years of allotment, shall be redeemable subject to the compliance of all the applicable laws at that time.*

3. According to the Applicant it is further stated that in line with the sanction of the Scheme the Applicant Company has converted a portion of the OCRPS into equity shares. As no new investors could be found and also due to the restrictions in respect of maintenance of minimum required public shareholding and later on account of Covid Pandemic conditions also remaining OCRPS were not converted into equity shares.
4. In this process the period of five years fixed in the Scheme for conversion has lapsed in the year 2020. Under these present circumstances the present petition is filed.
5. Having carefully examined the submissions, we find force in the contention despite diligent effort and due to Covid Pandemic situations, the remaining OCRPS are not converted into equity shares. We agree that conversion of the said OCRPS into equity would enable the Applicant Company to execute and implement the sanctioned Scheme of Arrangement in its letter and spirit. The request of the Applicant is also backed by the resolution passed in the first Extraordinary General meeting of the shareholders for the financial year 2022-23 held on 10.02.2023. A copy of the certified Board Resolution is annexed herewith and marked as Annexure-A/8.
6. Therefore, for the aforesaid reasons we are convinced that prayer of the Applicant Company is allowed by extending the time period for conversion of the OCRPS to equity from 15.12.2020 till 14.12.2025, with a directions to comply the same within time period.
7. Accordingly petition is allowed. No costs.

  
MEMBER (T)

  
MEMBER (J)