



**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, ALLAHABAD**

**CA (CAA) No. 27/ALD of 2025
(First Motion)**

*(Under Sections 230-232 of the Companies Act, 2013, read with Companies
(Compromise, Arrangements and Amalgamations) Rules, 2016).*

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

Advanced Rail Controls Private Limited

having its registered office at
G-36, UPSIDC Industrial Area, Deva Road,
Chinhat, Lucknow-226 019, Uttar Pradesh
CIN: U05190UP2005PTC223937

...Transferor Company/Applicant Company No. 1

AND

Concord Control Systems Limited

having its registered office at
G-36, UPSIDC Industrial Area, Deva Road,
Chinhat, Lucknow-226 019, Uttar Pradesh
CIN: L31908UP2011PLC043229

...Transferee Company/Applicant Company No. 2

Order pronounced on: 26.08.2025

Coram

Shri Praveen Gupta : Member (Judicial)

Shri Ashish Verma : Member (Technical)

Present:

Mr Rajeev K Goel, Advocate : For the Applicant Companies
Mr A nkit Singh, PCS



ORDER

1. This is a joint First Motion Application filed on 21.07.2025 by Applicant Companies for sanction of Scheme of Amalgamation of the above mentioned applicants namely; Advanced Rail Controls Private Limited (for short hereinafter referred to as Applicant Company No. 1/Transferor Company) and Concord Control Systems Limited (for short hereinafter referred to as Applicant Company No. 2/Transferee Company) under Sections 230 & 232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules) in relation to the Scheme of Amalgamation between the Applicant Companies. The said Scheme is attached as Annexure A-3 of the Application.
2. It is stated that the Applicant Transferor Company is a wholly owned subsidiary of the Applicant Transferee Company. The Applicant Companies have prayed for the following reliefs:
 - a. Dispense with the requirement of convening meetings of the Equity Shareholders of the Transferor Company and the Transferee Company.
 - b. Dispense with the requirement of convening meetings of the Secured Creditors of the Transferor Company and the Transferee Company.



- c. Dispense with the requirement of convening meetings of the Unsecured Creditors of the Transferor Company and the Transferee Company. Alternatively, convene separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company through Video Conferencing with the facility of remote e-voting; and to pass necessary directions for convening, holding and conducting such meetings.
 - d. Direct service of notice of the present Application on (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Kanpur; (c) the Official liquidator, Uttar Pradesh, Prayagraj; (d) the Income Tax Department; (e) BSE Limited;
- 3. It is submitted that the respective registered offices of both the Applicant Companies are situated in Lucknow District of Uttar Pradesh, and hence are under the jurisdiction of this Tribunal. Accordingly, a joint application is filed by the Applicant Companies for approval of the scheme of amalgamation in the present 1st motion application, which can be considered by this Tribunal.
- 4. The Applicant Company No. 1/Transferor Company is an ISO-9001:2015 certified company, engaged in various niche areas of railways rolling stock technology. Major areas of activities of the Company include IEC-61375 TCN based vehicle control systems, IEC-61131 compliant vehicle control software authoring, MVB based



Graphical Driver Displays, Remote Diagnostics & Fleet Tracking of Locomotives, Radio Remote Control Equipment for Distributed Power Operation for Heavy Haul, Hall Effect based Active Rotational Speed Sensors for Traction Motors, Doppler Radar based Adhesion Control System for Locomotives, etc.

5. The Applicant Company No. 2/Transferee Company is engaged in design, development, manufacture and supply of top-of-the-line Electrical and Electronics products for the Indian Railways and other related activities.
6. The rationale of the Scheme is as follows:
 - i. The Transferor Company is a wholly owned subsidiary of the Transferee Company engaged in similar businesses. The proposed amalgamation of the Transferor Company with the Transferee Company would result in consolidation of the Wholly Owned Subsidiary with its Parent Company and pooling of their resources into a single entity. The amalgamation will ensure focused management in the combined entity thereby resulting in efficiency of management and maximizing value for the shareholders.
 - ii. The proposed amalgamation of the Transferor Company with the Transferee Company, in accordance with the terms of this Scheme, would enable both the companies to realize benefits of greater synergies between their businesses, yield beneficial results and pool financial resources as well as operational, managerial, technical, distribution and marketing resources of each other in the



interest of maximizing value to their shareholders and the stakeholders.

iii. The proposed amalgamation would enable optimum utilisation of physical, human and technical resources of both the Companies, scale up the operations and resultant benefits to all the stakeholders of both the Companies.

iv. The proposed amalgamation will be beneficial to the Transferor Company and the Transferee Company in the following manner:

a. **Operational integration and better facility utilisation:**

The amalgamation in accordance with this Scheme will provide an opportunity for reduction of operational costs through transfer of intermediary products between the companies, better order loads for the business through pooling of orders, synergies from sales and production planning across the businesses. The Transferee Company has much larger and advanced infrastructure which may be gainfully utilised for business of the Transferor Company.

b. **Efficient raw material procurement and reduced procurement costs:** Synergy of operations will be achieved as a result of sustained availability of raw materials as well as reduced procurement costs for Transferor Company and the Transferee Company. Combined sourcing of raw materials by the Transferor Company and the Transferee Company would result in reduction in overall costs of procurement for the combined entity.

c. **Operational Efficiencies:** The amalgamation would result in synergy benefits arising out of single value chain thereby



reducing costs and increasing operational efficiencies. Centralization of inventory from raw material to finished goods and spares would enable better efficiency, utilization and overall reduction in working capital. The proposed amalgamation would likely result in optimized power consumption, reduced costs, sharing of best practices, cross-functional learnings, better utilisation of common facilities and greater efficiency in debt and cash management.

- d. **Enhancing Value in Marketing:** With an overlap in products across the Transferor Company and the Transferee Company, the combined entity would be better positioned to service customer needs. The Transferor Company could expand its existing core market using the strong manufacturing facilities of the Transferee Company. Further, the Transferor Company could also have access to the Transferee Company's product portfolio and technical capabilities. The Transferee Company would benefit from complementary product offerings of the Transferor Company and production facilities, resulting in a strong presence across market segments. The proposed amalgamation will result in access to new markets and product offerings as well as increased sales volumes.
- e. **Improved safety, environment and sustainability practices:** The proposed amalgamation will eliminate overlapping processes and redundancies and will help in adopting better environment friendly practices.



- f. Elevated Skill Development:** The Transferee Company has a large pool of qualified, experienced, and trained manpower. The amalgamation of the Transferor Company with and into the Transferee Company will provide opportunities for skill development for the Transferor Company's employees.
 - g.** The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be made separately by the Transferee Company as well as by the Transferor Company.
 - h.** The proposed amalgamation will enable the combined entity to offer more cost-effective and efficient products to its customers.
 - i.** The proposed Amalgamation will streamline and simplify the shareholding structure.
 - j.** Thus, the proposed amalgamation is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of the Transferor Company and the Transferee Company and is beneficial to the public at large.
- 7.** It is stated that the Board of Directors of the Applicant Transferor Company and the Transferee Company, in their respective meetings held on 14.05.2025, have considered and unanimously approved the proposed Scheme of Amalgamation subject to the sanctioning of the same by this Tribunal. The copy of the Board Resolution of both the



Applicant Transferor Company and the Transferee Company is annexed with the Application as Annexures A-1/4 and A-2/4, respectively.

8. It is stated that both the Applicant Transferor Company and the Transferee Company have filed the Audited Financial Statements for the Financial Year ended on 31.03.2025, which have been annexed as Annexure A-1/2 and A-2/2, respectively, with the Application.
9. It is submitted that in terms of the provisions of Section 230(7) and Section 232(3) of the Act, the Applicant Transferor Company and the Transferee Company have filed Certificates dated 01.07.2025, issued by their respective Statutory Auditors, certifying that the Accounting Treatment as contained in the Scheme is in compliance with the Accounting Standards prescribed under Section 133 of the Act and the same are annexed as Annexure A-4 with Application.
10. It is further submitted that the proposed Scheme does not envisage any corporate debt restructuring. Additionally, the Scheme does not include any share buy-back or capital reduction, except for the cancellation of cross-shareholdings between the Transferor Company and Transferee Company, which does not impact the interests of any creditors of the Applicant Companies.



11. It is also confirmed that neither of the Applicant Companies has accepted any public deposits and issued any debentures as on the date of the Application.
12. It is further submitted that Applicant Transferor Company is a wholly owned subsidiary of the Applicant Transferee Company. Since it is an amalgamation of a Wholly Owned Subsidiary with its Holding Company, no new shares will be issued pursuant to the Scheme of Amalgamation. Hence, no Report on Valuation of Shares or Share Exchange Ratio is required for the proposed Scheme of Amalgamation.
13. The Scheme will take effect from the Appointed Date of the Scheme, which is 1st April, 2025, as mentioned in Para 1.1.4 of the Scheme of Amalgamation, which is annexed as Annexure A-3 with the joint Application.
14. It is submitted that the Scheme [Annexure A-3 of the Application] also takes care of the interests of the workmen, staff and employees of the Companies, by virtue of Clause 9 of the Scheme.
15. It is deposed by the Applicants that there is no sectoral regulator in any of the Applicant Companies whose approval may be required for the sanction of the Scheme of Amalgamation except the statutory authorities, i.e., (a) the Central Government through the office of the



Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Kanpur(c) the Official Liquidator, Uttar Pradesh, Prayagraj; (d) the Income Tax Department; and (e) BSE Limited.

16. It is also deposed that the proposed Scheme of Amalgamation will not attract the provisions of the Competition Act, 2002. Hence, no intimation to or approval from the Competition Commission of India (CCI) is required for the present Scheme of Amalgamation.
17. It is deposed that, in accordance with the provisions of Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India (the "SEBI Scheme Circular"), no formal approval, no-objection certificate (NOC), or vetting is required from BSE, NSE, or SEBI for the present Scheme, as it pertains solely to the amalgamation of a wholly owned subsidiary with its parent company. As per the SEBI Scheme Circular, the Scheme is only required to be filed with BSE and NSE for the limited purpose of disclosure and dissemination on their respective websites. In compliance with the aforesaid provision, the Transferee Company has intimated the BSE regarding the scheme through email



dated 19.07.2025, which has been annexed as Annexure A-5 with the application.

- 18.** It is also submitted and deposed that there are no legal proceedings, inquiry, inspection, investigation, prosecution, or litigation pending before any court of law or Tribunal against the Applicant Companies. Further, it is also submitted that neither any winding up application has been filed against the Applicant Companies, nor are there any liquidation proceedings against the Applicant Companies. The Applicant Companies are not facing any CIRP process nor have they been struck off from the Register of Companies maintained by the Registrar of Companies.
- 19.** The Transferor Company submits the list of Equity Shareholders as on 28.06.2025 as follows:

Sl No.	Name	No. of Equity Shares held
1	Concord Control Systems Limited	30,63,994
2	Nitin Jain*	1
3	Gaurav Lath*	1
4	Govind Prasad Lath*	1
5	Ashok Jain*	1
6	Pankhuri Lath*	1
7	Mahima Jain*	1
	Total	30,64,000



* Holding *Equity shares as a Nominee of Concord Control Systems Limited.*

20. The Transferor Company has furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors along with their Consent Affidavits, as the case may be, as per the following details:

Particulars	Total		Consent Affidavits Obtained		
	No.	Value	No	Value	% of Total Value
Equity Shareholders	7	3,06,40,000	All	3,06,40,000	100%
Secured Creditors	2	5,62,46,616	All	5,62,46,616	100%
Un-secured Creditors¹	226	58,11,64,179.38	19	53,75,71,876.24	92.49% ²

¹ In addition to the aforesaid Unsecured Creditors, the Transferor Company had some 'Statutory and Other Dues' which have either been paid in full or, being provision in nature, are not due for payment as on the date of this Application. A certificate from the Chartered Accountants, dated 01.07.2025, confirming the same, is enclosed as Annexure A-1/8, with the application.

² It is pertinent to note that the consent affidavits received are more than the requisite statutory majority of 90% of the total value



required for approval of the Scheme under Section 230(9) of the Companies Act, 2013.

21. It is submitted that the Transferor Company is a wholly owned subsidiary of the Transferee Company. Whereas the Transferee Company is a public limited listed company. Both the Companies in the Scheme are Group Companies under common management and control. The Applicant Transferee Company has submitted that it is not required to obtain Consent Affidavits from its Shareholders, Secured Creditors and Unsecured Creditors for the proposed Scheme of Amalgamation in view of the following:

- i.** The present Scheme solely provides for the amalgamation of the Wholly Owned Subsidiary/Transferor Company with its Parent Transferee Company.
- ii.** Since the entire share capital of the Transferor Company is held by the Transferee Company itself, no new shares will be issued by the Transferee Company to anyone pursuant to the present Scheme of Amalgamation.
- iii.** Accordingly, the proposed Scheme embodies an arrangement between the Transferor Company and its Shareholders. It is clarified and confirmed that the Transferor Company is not proposing any compromise or arrangement with any of its Creditors.
- iv.** There will not be any change in the share capital of the Transferee Company pursuant to the proposed amalgamation. There is no



proposal for the reorganisation of the share capital of the Transferee Company. The proposed Scheme of Amalgamation does not envisage any compromise or arrangement between the Transferee Company and its Shareholders or Creditors or any other class of persons whatsoever within the meaning of Sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, if any.

- v. Moreover, the Transferor Company and the Transferee Company are profit-making companies with strong Net Worth. Combined Assets of the Transferee Company are more than sufficient to meet all the liabilities of the Transferor and Transferee Companies. It is, accordingly, clarified and confirmed that the rights of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company will not be adversely affected by the present Scheme of Amalgamation.
- vi. As on 31st March 2025, the Transferor Company has a Net Worth of more than INR 1643.65 lakh (*Attached as Annexure A-6 with the application*) as per the details given below:

Particulars	Amount (INR in Lakh)
Paid-up Equity Share Capital	306.40
Reserves and Surplus	1337.25
Total Net Worth of the Transferor Company	1643.65

- vii. As on 31st March 2025, the Transferee Company has a Net Worth of more than INR 11149.46 lakh (*Attached as Annexure A-6 with the application*) as per the details given below:



Particulars	Amount (INR in Lakh)
Paid-up Equity Share Capital	630.05
Reserves and Surplus	10519.41
Total Net Worth of the Transferee Company	11149.46

- viii.** It may be relevant to point out that subsequent to the aforesaid order, this Tribunal in several matters of amalgamation of wholly owned subsidiary with the holding company dispensed with the requirement of holding of all the meetings of Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company.
- ix.** It is further submitted that various Benches of this Tribunal, in several cases, have also held that when the Transferor Company is a wholly owned subsidiary of the Transferee Company, requirement of obtaining consents from Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company are not mandatory; and meetings of Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company were dispensed with in such cases. Illustrative cases in this regard are as follows:
- a. Berkeley Design Automation India Pvt Ltd with Mentor Graphics (India) Pvt Ltd [CA No. 29 (PB)/2017, passed by the Special Bench, New Delhi].*
- b. Blue Point Leasings Ltd & Ors. with Gold Rock Investments Ltd [CA (CAA) No. 3376/MB/2019, passed by Mumbai Bench].*



- c. Nirvaan Mining Private Limited with A.N.E. Industries Private Limited [CA (CAA) No. 08/Chd/PB of 2024, passed by Chandigarh Bench-II].*
- x.** It is further submitted that in the present case, the Transferor Company as well as the Transferee Company are profit making companies and have strong Net Worth. Moreover, the proposed Scheme of Amalgamation does not propose any compromise with the creditors. Hence, the rights of Creditors of the Transferee Company remain unaffected. On this ground also, various Benches of this Tribunal have dispensed with the requirement of convening meetings of Creditors. Illustrative cases in this regard are as follows:
- a. Chetmani Jewellers Pvt Ltd & Ors. with Chetmani Ornaments and Jewellers Pvt Ltd [Company Application No. CA (CAA) No.406/ALD/2019, passed by the Hon'ble NCLT, Allahabad Bench].*
- b. Maharaja Buildcon Pvt Ltd & Anr. with Strategic Developers Pvt Ltd [Company Application No. CA (CAA) No.19/ALD OF 2021, passed by the Hon'ble NCLT, Allahabad Bench].*
- c. Equatorial Pvt Ltd, Intas Pharmaceuticals Ltd & Anr. [Company Application No. CA (CAA) No. 137/NCLT/AHM/2018, passed by the Hon'ble NCLT, Ahmedabad Bench].*
- d. Stitex Global Ltd & Anr. with DB Consolidated Pvt Ltd [Company Application No. CA (CAA) No.140/NCLT/AHM/2018, passed by the Hon'ble NCLT, Ahmedabad Bench].*



xi. It is relevant to mention the Order passed by the Hon'ble NCLAT, New Delhi in ***Re: Ambuja Cements Limited [Company Appeal (AT) No. 19 of 2021]*** whereby the Appellate Tribunal set aside the order of Hon'ble NCLT, Ahmedabad Bench for wrongfully rejecting the plea of the Appellant Company to dispense with meeting of equity shareholders, secured creditors and unsecured creditors. The Appellate Tribunal considered the fact that the Transferor Company was a wholly owned subsidiary of the Transferee Company, and the Scheme did not envisage any reorganization of share capital of the Transferee Company. The aforesaid judgment passed in Ambuja Cements Limited (supra) was reaffirmed in the judgment dated 22.12.2021 passed by the Hon'ble NCLAT, New Delhi in ***Re: Patel Hydro Power Private Limited [Company Appeal (AT) No. 137 of 2021]*** where the Hon'ble Appellate Tribunal held that the meeting of equity shareholders and creditors can be dispensed with where the Transferor and Transferee Companies are subsidiary and parent companies.

22. Based upon judicial precedents as referred to above, Learned Counsel of the Applicants has prayed for dispensation of the requirement of convening meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company for the purpose of considering and approving the Scheme of Amalgamation. The Learned Counsel of the Applicant Companies, however, fairly submitted that the Applicant Companies are open to serve individual



notice of the proposed Scheme of Amalgamation to all the Secured Creditors and Unsecured Creditors, inviting their objections/comments to the Scheme.

23. We carefully perused the documents filed by the Applicants and considered the averments made in support of the dispensation of meetings.

24. Accordingly, the directions of this Bench in the present case are as under:

I. In relation to Applicant Transferor Company:

- a.** The meeting of the Equity Shareholders of Applicant Transferor Company is dispensed herewith, keeping in view that all the Equity Shareholders have given their consents by way of affidavits;
- b.** The meeting of the Secured Creditors of Applicant Transferor Company is dispensed herewith, keeping in view that both the Secured Creditors have given their consents by way of affidavits; and
- c.** The meeting of the Unsecured Creditors of Applicant Transferor Company is dispensed herewith, keeping in view that Unsecured Creditors for over 92.49% of the total value of the Unsecured Creditors have given their consents by way of affidavits.

II. In relation to Applicant Transferee Company:



- a. The meeting of the Equity Shareholders of Applicant Transferee Company is dispensed herewith, keeping in view the averments made by the Applicant Transferee Company;
- b. The meeting of the Secured Creditors of Applicant Transferee Company is dispensed herewith, keeping in view the averments made by the Applicant Transferee Company; and
- c. The meeting of the Unsecured Creditors of Applicant Transferee Company is dispensed herewith, keeping in view the averments made by the Applicant Transferee Company.
- d. As submitted by the Learned Counsel of the Applicants, the Transferee Company will serve individual notices of the proposed Scheme of Amalgamation to all the Secured Creditors and Un-secured Creditors by Speed Post or Registered Post or Courier or by hand or through e-mail, inviting their objections/comments to the proposed Scheme of Amalgamation which may be filed with this Tribunal within a period of 30 days from the date of such notice. Further, it is directed that while filing the second motion petition, if any objections or any affidavit/s are received by the Applicant Transferee Company from its Secured Creditors and Unsecured Creditors, the same would also be reflected in the second motion petition or immediately thereafter as soon as the same are received.



25. As stated in para 32 of the Application, the Applicant Companies are not governed by any sectoral regulators or Authorities.
26. It is to be noted that while perusing the consenting affidavits of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Transferor Company, it has been observed that the said affidavits do not mention the individual value of equity holdings and debts.
27. Therefore, it is directed that the Applicant Transferor Company shall issue notices to all the Equity Shareholders, Secured Creditors and Unsecured Creditors by specifying individual values of equity holdings or debt, as the case may be. Further, it is directed that while filing the second motion petition, if any objections or any affidavit/s are received by the Applicant Transferor Company from its Equity Shareholders, Secured Creditors and Unsecured Creditors, the same would also be reflected in the second motion petition or immediately thereafter as soon as the same are received.
28. In view of the above, the First Motion Application stands allowed by giving liberty to the Applicant Transferor Company and the Transferee Company to file a Second Motion Petition with a direction that the Applicant Transferor Company and the Transferee Company shall make a specific prayer for sending notices to the following:



- a) The Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, B-2 Wing, 2nd Floor, Pt. Deen Dayal Antodaya Bhawan, CGO Complex, Lodhi Road, New Delhi 110003 and having email id: rd.north@mca.gov.in;
 - b) The Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Kanpur, 37/17, Westcott Building, The Mall, Kanpur 208 001, Uttar Pradesh and having email id – roc.kanpur@mca.gov.in;
 - c) The Official Liquidator, Ministry of Corporate Affairs, Corporate Bhawan, 9th Floor, Sangam Place, Civil Lines, Allahabad-211 001, having email idol.allahabad@mca.gov.in;
 - d) BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001; having email id- corp.comm@bseindia.com, bse.scheme@bse.india.com; and
 - e) The Jurisdictional Income Tax Department and nodal officer, i.e., Principal Chief Commissioner of Income Tax, Lucknow, having address at Pratyaksh Kar Bhawan, 57-Ram Tirth Marg, Lucknow- 226001, and email id: lucknow.pccit@incometax.gov.in by disclosing the PAN number of the Applicant Companies in the Second Motion Petition.
- 29.** The Company Petition for confirmation of the Scheme is to be filed within the time period prescribed under the provisions of the Act and corresponding rules made thereunder.



30. The appropriate prayer would also be made in the second motion petition for publication in the newspaper.
31. With the aforesaid directions, the First Motion Application bearing CA (CAA) No. 27/ALD/2025 is disposed of accordingly.
32. Certified copy of this order, if applied for, shall be supplied to the parties, subject to compliance with all requisite formalities.

**-Sd-
Ashish Verma
Member (Technical)**

**-Sd-
Praveen Gupta
Member (Judicial)**

Date: 26.08.2025