

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 23<sup>RD</sup> DAY OF JANUARY, 2009

BEFORE

THE HON'BLE MR.JUSTICE MOHAN SHANTANAGOUDAR

COMPANY APPLICATION NO.38/2009

BETWEEN:

Dynasty Stock Holdings  
Private Limited, 1 Floor  
Embassy Point  
150, Infantry Road  
Bangalore-560 001.

...Applicant

(By Sri Muali & Co., Advs.,)

AND :

Nil

..Respondent

This Company application is filed under Sections 391 to 394 of the Companies Act, 1956, read with Rules 6 & 9 of the Companies (Court) Rules, 1959, praying that for the reasons stated therein this Hon'ble Court *may* be pleased that the meeting of the Equity Shareholders of the Applicant Company under Section 391 of the Companies Act, 1956, be dispensed with if considered fit, or otherwise, that it be convened and held for the purposes of considering, and if thought fit, approving with or without modification the

Composite Scheme of Arrangement of Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investments Private Limited, LJ-Victoria Properties Private Limited, Starwood Properties Private Limited, Polywood Properties Private Limited, Dynasty Developers Private Limited and their Respective Shareholders (hereinafter referred to as the 'Scheme') and etc.

This company application coming on for orders, this day, the Court made the following:-

**ORDER**

The applicant is one of the Transferor Companies. The applicant-company was incorporated on 25.9.1995, under the provisions of the Companies Act, 1956 with the Registrar of Companies, Karnataka.

This application is filed for permission to dispense with the meetings of equity shareholders and unsecured trade creditors and for permission to hold meeting of unsecured loan creditors of the applicant-company.

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The Registered Office of the applicant-company is situated at I Floor, Embassy Point 150, Infantry Road, Bangalore-560 001.

2. The main objects of the applicant Company as set out in the Memorandum of Association, are to acquire land, building and other immovable properties by purchase, lease or otherwise, and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other abed structures buildings and works of common utility for sale and/or for allocation and allotment and/or generally to grant right of use, exploitation and enjoyment of such structures and/or the structures there from toe members of the company or to any other person or body corporate, etc.

3. The authorized share capital of the applicant-company is Rs.20,00,000/- consisting of 2,00,000



equity shares of Rs.10/- each. The issued, subscribed and paid up share capital of the applicant-company is Rs.16,62,500/- consisting of 1,66,250 equity shares of Rs.10/- each.

4. The Board of Directors of the applicant-Company has approved and adopted the Composite Scheme of Arrangement, in its meeting held on 10.11.2008, by virtue of which, the Transferor Companies are proposed to be amalgamated with the Transferee Company-Dynasty Developers Private Limited and Rented Retail Property Business of the Transferee Company would be demerged into LJ-Victoria, Rented Commercial Business of the Transferee Company would be demerged into Starwood Properties and Non-rented Commercial Business of the Transferee Company would be demerged into Pollywood Properties. The entire share capital of all the Transferor Companies is held by the Transferee Company and its nominees,

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i.e., all the Transferor Companies are wholly-owned subsidiaries of the Transferee Company. All the Transferor Companies are also under the same management.

5. The Scheme is intended to restructure the group companies owned and controlled by the Dynasty Developers, to enable the operations of the businesses of the companies in a more efficient manner, consistent with the diverse needs of business. Though the Transferor Companies and the Transferee Company are separate legal entities, they are engaged in a similar line of business. It is desired that the Transferor Companies be consolidated into the Transferee Company and, as such, it is proposed to amalgamate the Transferor Companies into the Transferee Company. Further, having separate set-ups for the same or related activities not only involve additional costs but also duplication of efforts. The proposed composite scheme



of Arrangement enables cost savings, pooling of managerial skills and optimum utilization of available resources which will enhance the management focus thereby not only leading to higher profitability but also increase in shareholder value. Therefore, the Scheme is expected to improve efficiency, result in operational and marketing synergy and achieve economy in operational costs and would be of mutual advantage to all the companies concerned.

6. All the equity shareholders in the applicant-company have given their consent in writing, for the proposed Scheme. List of equity shareholders as per the certificate issued by the Chartered Accountant and the consent letters are produced at Annexure-XXV to the application.

There are no secured creditors for the applicant-company. The certificate issued by the Chartered

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Accountant in that regard is produced at Annexure-XXVI to the application.

In respect of the unsecured trade creditors, it is submitted that the aggregate assets of all the Transferor Companies being transferred to the Transferee Company are more than the liabilities which are being transferred to the Transferee Company and the net worth of the Transferee Company would increase in pursuance of the Scheme. The Scheme does not envisage alteration of the rights of the unsecured trade creditors.

In view of the same, the meetings of the equity shareholders and unsecured trade creditors of the applicant-company are dispensed with.

The meeting of the unsecured loan creditors shall be held on 2.3.2009 at 11.00 a.m., at Embassy Point, No.150, Infantry Road, Bangalore-560 001.

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The meeting shall be chaired by Mr.P.R.Ramakrishnan, Chief Financial Officer, or in the alternative, Mr.Sandeep Subramanya, General Manager – Corporate Finance. Individual notices shall be issued to unsecured loan creditors. Paper publication shall be taken out in this regard in 'The Hindu' and 'Kannada Prabha' daily newspapers on or before 5.2.2009. The quorum is fixed at 3/4<sup>th</sup> of the total members.

The application is **disposed of** accordingly.

Sd/-  
Judge

\*ck/-