



March 7, 2025

C Krishniah Chetty and Sons Private Limited

649, Omkar House

Sector 31, Gurugram – 122 001

Haryana, India.

Sub: Proposed initial public offering of equity shares of face value of ₹1 each (the “Equity Shares”) of BlueStone Jewellery and Lifestyle Limited (the “Company” or ‘we’ or ‘us’, and such initial public offering, the “Offer”).

Dear Sir/Ma’am,

1. This is in relation to the complaint dated February 18, 2025 (“**Complaint**”) received from you (the “**Complainant**”) on the SCORES platform of the Company, in relation to the draft red herring prospectus dated December 11, 2024 (the “**DRHP**”) filed by the Company with the Securities and Exchange Board of India (“**SEBI**”), BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, together with BSE, “**Stock Exchanges**”).
2. At the outset, we deny each allegation, averment and objections in the Complaint as being false, baseless, malicious and devoid of any merit and made without substantiation of material facts and without referring to the specific disclosure requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2014 (“**SEBI ICDR Regulations**”) and the Companies Act, 2013, as amended.
3. Before proceedings with the point-wise response to the Complaint, it is pertinent to point out certain aspects of the Complaint which will demonstrate that the allegations are made without any supporting evidence and without proper legal basis in law.
4. It is noted that the Complaint is based on a Draft Due Diligence Report dated February 6, 2025 (“**Due Diligence Report**”), which is annexed as **Annexure A** of the Complaint. The methodology used in the Due Diligence Report seems to rely primarily on publicly available documents and ‘discreet enquiries’ and does not rely on any primary sources for its findings. Further, the disclaimer on Page 27 of the Due Diligence Report acknowledges the limitations of the Due Diligence Report and states the following:

*The following content has been gathered from confidential inquiries conducted. Information provided in this section **may not be unbiased and indicates opinions and experiences** of individuals who are connected directly or indirectly to the subject. (emphasis supplied).*

5. The approach and methodology used in the Draft Due Diligence Report highlights the unscrupulous methods used for seeking information about the Company, including through asking queries on social media platforms without disclosing the real intention, purpose, names and details of the Complainant (instead of seeking information and clarifications through proper channels, i.e. the SCORES platform, which is prescribed by SEBI). It may be noted that the Company has already filed the DRHP and is a ‘to be listed’ entity and any attempt to

BLUESTONE

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[Formerly Known as BlueStone Jewellery and Lifestyle Private Limited]

Reg. off: Site No. 89/2 Lava Kusha Arcade, Munnekolal Village, Outer Ring Road, Marathahalli, Bangalore - 560037

statutorycompliance@bluestone.com www.bluestone.com CIN: U72900KA2011PLC059678

Corporate off: 302, Dhantak Plaza, Makwana Road, Marol, Andheri East, Mumbai - 400 059, Maharashtra.

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seek ‘unpublished price sensitive information’ from the Company or its employees in respect of the IPO or the Company, without disclosing the true identity and the purpose for which the information is sought, may have implications under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**Insider Trading Regulations**”) as amended. This response is without prejudice to the Company’s rights to take action against the Complainant for seeking unpublished price sensitive information in non-compliance with the Insider Trading Regulations.

6. In the Objections, the CKC Group has repeatedly alleged and referred to Ms. Vidya Nataraj and Mr. Ganesh Narayan as the promoters of the Company. This is legally incorrect. The Company has relied on the tests for identification of its promoters as laid down in SEBI ICDR Regulations, the Companies Act and the guidance available from SEBI and the relevant stock exchanges. Mr. Gaurav Singh Kushwaha (the “**Promoter**”) has accordingly been identified as the promoter of the Company in accordance with the Companies Act and the SEBI ICDR Regulations. In fact, Mr. Ganesh Narayan and Ms. Vidya Nataraj were not shareholders or directors of the Company and did not have any control over the affairs of the Company, as on date of the DRHP.
7. The Complaint fails to appreciate that Mrs. Vidya Nataraj has not been a director of the Company since April 30, 2012. Neither Mrs. Vidya Nataraj nor Mr. C. Ganesh Narayan are promoters or directors or selling shareholders of the Company (and not even a shareholder) as on the date of filing of the DRHP. Therefore, the Company is not required to make disclosures in respect of Mrs. Vidya Nataraj nor Mr. C. Ganesh Narayan, including in respect of litigations involving them in their personal capacity, unless such matters are related to the Company and the Company is a party to such proceedings.
8. It is a publicly known fact that there are internal (inheritance and/or other) dispute(s) involving one or more of the family members owning/ controlling (or claiming ownership/ control to) the CKC Group (“*CKC Family Dispute*”), including Ms. Vidya Nataraj and Mr. Ganesh.
9. In fact, details of the CKC Family Dispute and two notices dated April 4, 2012 and September 11, 2015, received from the C. Krishniah Chetty & Sons *inter alia* alleging the nexus between the Company and the CKC group of companies (“**CKC Group**”) and alleging violation of the intellectual property rights of the CKC Group by the Company are disclosed on page 401 in the section titled “*Outstanding Litigation and Material Developments – Other material pending proceedings*” of the DRHP. As, the CKC Family Dispute is sub-judice, we will not be able to discuss and respond on the merits of the CKC Family Dispute.
10. The Complaint does not provide any substantiation on the non-compliance with specific disclosure requirements under the Companies Act, 2013 and the SEBI ICDR Regulations. The Company has followed the disclosure requirements of the Companies Act, 2013 and the SEBI ICDR Regulations for the Draft Red Herring Prospectus. The disclosures will be suitably updated in the Red Herring Prospectus and prospectus in accordance with the requirements under the SEBI ICDR Regulations.

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11. In this regard, please find enclosed, as **Annexure A** hereto, in-seriatim response to each of the Objections raised by you. That said, while we have not delved into a point-by-point response to the contents of the Due Diligence Report, in **Annexure C** below, we have addressed particular aspects of the Due Diligence Report that have alleged discrepancies in the DRHP.
12. This letter is without prejudice to the rights and remedies available to the Company under law or equity. The Company and the Promoter reserve their rights and contentions in relation to the CKC Family Disputes and the Specified Litigations as given in Annexure B to this response (and even otherwise), and the present response is being issued, strictly, on a without prejudice basis for the limited purpose of addressing the Objections to the DRHP/ IPO of the Company.

Sincerely,

For BlueStone Jewellery and Lifestyle Limited
(Formerly known as BlueStone Jewellery and Lifestyle Private Limited)

Authorised Signatory

Name: Jasmeet Kaur Saluja

Designation: Company Secretary and Compliance Officer



Encl.: Annexure A

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Annexure A

S. No.	Reference to DRHP	Disclosure made	Objections	Response
1.	Section II, Para 2 @ pg. no. 36	Risk Factor - The strength of our flagship brand “BlueStone” and our reputation is crucial to our success, and we may not be successful in maintaining and enhancing awareness of the “BlueStone” brand.	BlueStone has unfairly failed to disclose that their initial promotion was undertaken by Mr. C. Ganesh Narayan (Director and 50% shareholder in CKCSPL at the same time) and Mrs. Vidya Natraj (wife of Mr. C. Ganesh Narayan) who unlawfully used the already established 154-year-old reputation of CKCSPL to promote their new venture “BlueStone” as a CKC backed company without obtaining any NOC from CKCSPL or disclosing it to the Board of CKCSPL and have established their business on the reputation and goodwill of CKCSPL in respect of which CKCSPL has claimed damages via the said erstwhile promoters of BlueStone and litigation in respect of the same is pending.	<p>a) The Company vehemently denies this allegation as being completely unsubstantiated without reference to complete facts and proper legal analysis.</p> <p>b) Neither Mr. C. Ganesh Narayan nor Mrs. Vidya Natraj (wife of Mr. C. Ganesh Narayan) are the promoters of the Company. The initial subscribers to the memorandum of association of the Company are K. Ganesh and B.M. Manjunath and not Mr. Ganesh Narayan and Ms. Vidya Nataraj as disclosed in “Capital Structure - Share Capital History” on page 104 of the DRHP, however, these initial subscribers of the Company do not have any control over the affairs of the Company, and does not hold any controlling stake in the Company as on the date of the DRHP. They were also never named as promoters of the Company in previous annual returns filed by the Company.</p> <p>c) As per Regulation 2(oo) of the SEBI ICDR Regulations, the promoter of a company shall include a person who (i) has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; (ii) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; and (iii) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act.</p> <p>d) The Complainant has made similar allegations (as highlighted in this point) in its letters dated April 4, 2012, and September 11, 2015 (“Notices”). Disclosure with respect to these Notices and the CKC Family Dispute (to which the Company is a party) has been included on page 401 of the DRHP.</p> <p>e) We vehemently deny the allegation that the reputation and goodwill of CKCSPL was used to promote BlueStone. This allegation is unsubstantiated and is devoid of any merit, truth, or evidence. Such baseless claims are misleading and defamatory, and we reserve our right to take</p>



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				appropriate legal action against CKC group for making such baseless and unsubstantiated claims.
2.	Section II, Para 61 @ pg. no. 72-74	Risk Factor – We have issued Equity Shares and Preference Shares during the preceding twelve months at a price which may be below the Offer Price	There is no disclosure regarding the transfer of shares from Ms. Vidya Natraj (including shares transferred to her by Mr. C. Ganesh Narayan presumably by way of gift) held by her in the name of “New Age Ecommerce Services Employees Share Trust” and “Bluestone Jewellery Lifestyle Employees Share Trust” to the existing promoter and/or other Directors/Key Managerial Persons undertaken earlier this year in an effort to extinguish her shareholding in BlueStone – a competing business to that of CKCSPL – prior to the instant IPO in light of the highly litigious nature of relationship between herself, Mr. C. Ganesh Narayan and CKCSPL/CKC Group.	<p>a) This allegation is denied on the ground that there is no requirement to disclose the information referred to in the allegation.</p> <p>b) The equity shares issued by the Company, as part of its equity share capital history, have been duly disclosed in the section titled “Capital Structure” on page 104 of the Draft Red Herring Prospectus (DRHP). This disclosure has been made in compliance with the applicable disclosure requirements prescribed under the SEBI ICDR Regulations.</p> <p>c) Please note that the purpose of the risk factor is to highlight any ‘issuance of shares’ i.e. a primary issuance of Equity Shares and Preference Shares during the preceding twelve months at a price below the Offer Price. However, this risk factor is not required to disclose any ‘transfer of shares’ i.e. secondary transactions at a price below the Offer Price.</p> <p>d) Further, under the SEBI ICDR Regulations, the disclosure requirements pertaining to the secondary transfer of equity shares are limited to transactions involving the Promoters and the selling shareholders of the Company. As neither Mrs. Vidya Natraj nor Mr. C. Ganesh Narayan are promoters or selling shareholders of the Company, details in respect of their secondary transactions are not required to be disclosed under the SEBI ICDR Regulations or the Companies Act, 2013.</p>
3.	Section III, Para 1A @ pg. no. 104-107	Introduction – History of Equity Share capital of our Company	It has been disclosed that Mr. C. Ganesh Narayan and Ms. Vidya Natraj were allotted equity shares on 17.10.2011, however, the following transactions have not been disclosed in an effort to suppress material information which may lead to legal conflicts in light of Mr. C. Ganesh Narayan holding such shares unlawfully and in violation of Section 166 of	<p>a) This allegation is denied on the ground that there is no disclosure requirement to disclose the information referred to in the allegation.</p> <p>b) The equity shares issued by the Company, as part of its equity share capital history, have been duly disclosed in the section titled “Capital Structure” on page 104 of the Draft Red Herring Prospectus (DRHP). This disclosure has been made in accordance with the disclosure requirements provided under SEBI ICDR Regulations. The transfer of Ms. Vidya Natraj’s 2,92,641</p>



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			<p>the Companies Act, 2013 which was not disclosed to CKCSPL despite him retaining his position as a Director and Shareholder in CKCSPL:</p> <ul style="list-style-type: none"> i. Transfer of Mr. C. Ganesh Narayan's 2,48,571 equity shares, presumably by way of gift, to Ms. Natraj on 28.03.2013. ii. Transfer of Ms. Vidya Natraj's 1,49,586 equity shares to New Age Ecommerce Services Employees Share Trust on 28.08.2013 iii. Transfer of Ms. Vidya Natraj's 54,915 equity shares to Bluestone Jewellery Lifestyle Employees Share Trust on 24.03.2014 iv. Transfer of Ms. Vidya Natraj's 2,92,641 equity shares to Mr. Gaurav Singh Kushwaha on 09.05.2014 v. Transfer of Ms. Vidya Natraj's equity shares held by way of the above-mentioned Trusts to Mr. Gaurav Singh Kushwaha and/or other unknown persons in 2024. <p>Additionally, Mr. Gaurav Singh Kushwaha was transferred 13,00,000 equity shares by way of private placement on 02.12.2024 which may possibly be the transfer of shares by Ms. Vidya Natraj held by her in the above-mentioned Trusts.</p>	<p>equity shares to Mr. Gaurav Singh Kushwaha on May 9, 2014, in "Capital Structure- History of build-up of Promoter's shareholding and lock-in of Promoter's shareholding including Promoter's contribution" on page 118 of the Draft Red Herring Prospectus ("DRHP") was disclosed as per Schedule VI of the SEBI ICDR Regulations.</p> <ul style="list-style-type: none"> c) Furthermore, under the SEBI ICDR Regulations, the disclosure requirements pertaining to the transfer of equity shares are limited to transactions involving the Promoters and the selling shareholders of the Company. Any subsequent transfer of shares by other allottees to third parties does not fall within the purview of mandatory disclosures under the SEBI ICDR Regulations or the Companies Act, 2013. d) In this context, as neither Mrs. Vidya Natraj nor Mr. C. Ganesh Narayan qualify as promoters or selling shareholders of the Company, details in respect of their secondary transactions are not required to be disclosed under SEBI ICDR Regulations or the Companies Act, 2013. e) Additionally, the issuance of 13,00,000 equity shares to Mr. Gaurav Singh Kushwaha on December 2, 2024, was a primary issuance by the Company and not a transfer of shares. The allotment was made in compliance with applicable regulatory requirements and has been duly disclosed in the section titled "Capital Structure" on page 104 of the Draft Red Herring Prospectus. As a primary issuance, this transaction does not involve a secondary transfer of shares held by Ms. Vidya Natraj or any Trusts
4.	Section III, Para 1G @ pg. no. 119	Introduction – Build-up of Promoter's shareholding in our Company	The entry for 24.03.2014 has been recorded as transfer of 39,275 equity shares by Mr. Gaurav Singh Kushwaha to the Bluestone Jewellery Lifestyle Employees Share Trust, the beneficiary of which is Ms. Vidya Natraj who has unlawfully been misrepresenting herself as	<ul style="list-style-type: none"> a) This allegation is unclear and does not directly involve the Company or any allegations with respect to misstatement of omission of material facts in the DRHP. b) The allegation that there was connivance between Mr. Gaurav Singh and Mrs. Vidya Natraj in an effort to promote their own business at the cost of



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			part of the CKC Group of Companies and misusing CKCSPL's goodwill and reputation to promote BlueStone. Further, when such activities were brought to the notice of the Board of CKCSPL, her husband, Mr. C. Ganesh Narayan issued a letter dated 20.06.2014 stating that she no longer has any interest in BlueStone, which is evidently untrue. It is to be noted that such misrepresentation and misuse of CKC's name and reputation has been undertaken by her in connivance with Mr. Gaurav Singh Kushwaha in an effort to promote their own business at the cost of CKCSPL without any offer of shareholding, obtaining of NOC, or even apprising CKCSPL of the same who found the same out through newspaper articles and other promotional material.	<p>CKCSPL, is baseless, malicious, unsubstantiated and without any supporting facts.</p> <p>c) We understand that this issue is related to the CKC Family Dispute, disclosures in respect of which are made on page 399 of the DRHP in chapter "<i>Outstanding Litigation and Material Developments</i>". Further, we are constrained from discussing the merits of the CKC Family Dispute, as the matter is currently sub-judice.</p>
5.	Section III, Para 5 @ pg. no. 125	Introduction – Shareholding Pattern of our Company	It is to be noted that as on the date of DRHP, no shares are held by the Bluestone Jewellery Lifestyle Employees Share Trust. It is to be noted that the same was deliberately dissolved by BlueStone in an attempt to disassociate themselves from Ms. Vidya Natraj, knowing the highly litigious nature of the relationship between herself, Mr. C. Ganesh Narayan and CKCSPL/CKC Group and avoid disclosures of their illegal activities qua the non-disclosure of her and her husband's interest to CKCSPL, misuse of CKC's name and reputation in the initial promotion of their company, and to prevent CKCSPL from legitimately claiming damages for the same.	<p>a) This allegation is unclear and does not directly involve the Company or any allegations with respect to misstatement of omission of material facts in the DRHP. The historical shareholding of the referenced Trust has been duly disclosed in the DRHP (<i>see Section III (Introduction – Capital Structure: paragraph 8 of Notes to Capital Structure) of the DRHP</i>). Further, it has been disclosed in the DRHP that the referenced Trust has transferred its entire shareholding in the Company to its beneficiaries and no longer holds any shares in the Company (<i>see Section V (Financial Information: Annexure V – Material Accounting Policies and other explanatory Notes to Restated Financial Information) of the DRHP</i>). The shareholding of such beneficiaries, to the extent required under the SEBI ICDR Regulations and/or Companies Act, has been duly disclosed.</p> <p>b) The allegation that there was connivance between Mr. Gaurav Singh and Mrs. Vidya Natraj in an effort to promote their own business at the cost</p>



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				<p>of CKCSPL, is baseless, malicious, unsubstantiated and without any supporting facts.</p> <p>c) We understand that this issue is related to the CKC Family Dispute, disclosures in respect of which are made on page 401 of the DRHP. Further, we are constrained from discussing the merits of the CKC Family Dispute, as the matter is currently sub-judice.</p>
6.	Section III, Para 8 @ pg. no. 128	Introduction – The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on one year prior to the date of this Draft Red Herring Prospectus	BlueStone has very cleverly disclosed the shares held by Ms. Vidya Natraj by way of Trust as “shares held by Trustees, Bluestone Jewellery and Lifestyle Management Share Trust” without any allusion to how these shares were obtained by the said Trust and how they were dissolved/transferred in further attempts to suppress Ms. Natraj and Mr. C. Ganesh Narayan’s role in the company.	<p>a) This allegation is completely denied, as the Complainant has not analysed the allegation in light of the disclosure requirement under the SEBI ICDR Regulation.</p> <p>b) As per Regulation 8(B)(f) of Part A of Schedule VI of the SEBI ICDR Regulations, the names of the shareholders of the issuer holding 1% or more of the paid-up capital of the issuer along with number of equity shares held by the shareholders including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert a debenture, loan or other instrument is to be disclosed.</p> <p>c) Accordingly, on page 128 of the DRHP, names of the shareholders and the number of equity shares held by them as on one year prior to the date of the DRHP have been disclosed in accordance with the provisions of the SEBI ICDR Regulations.</p> <p>d) There is no disclosure requirement under SEBI ICDR Regulations to disclose details of the manner in which the shares held by the shareholders of the issuer holding 1% or more of the paid-up capital were originally acquired.</p>
7.	Section III, Para 8 @ pg. no. 129	Introduction – The Shareholders holding 1% or more of the paid-up Equity Share capital of our	BlueStone has very cleverly disclosed the shares held by Ms. Vidya Natraj by way of Trust as “shares held by Trustees, Bluestone Jewellery and Lifestyle Management Share Trust” without any allusion to how these shares	This allegation is completely denied. Please refer to the response to point 6 above. Additionally, It is categorically and emphatically denied that the shares held by Ms. Vidya Nataraj were disclosed as shares by way of the referenced Trust, as has been alleged. In fact, referenced Trust was not a shareholder of the



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		Company as on one year prior to the date of this Draft Red Herring Prospectus	were obtained by the said Trust and how they were dissolved/transferred in further attempts to suppress Ms. Natraj and Mr. C. Ganesh Narayan's role in the company.	Company and did not have any control over the affairs of the Company, as on the date of the DRHP.
8.	Section IV @ pg. no. 230	About our Company – Founder-led Company Supported by an Experienced and Professional Management Team and backed by Marquee Investors	It is pertinent to note that Ms. Vidya Natraj was also a co-founder and Director in BlueStone – a fact which remains undisclosed presumably in an effort to suppress her and her husband's involvement in the company which, as previously stated in unlawful and in violation of the Companies Act, 2013 in light of the competing nature of the business to CKCSPL. Further suppression has taken place with respect to the use of Ms. Natraj's connection to CKCSPL/CKC Group in the initial promotion of the Company.	Please refer to the response to points 1 to 6 above.
9.	Section IV @ pg. no. 267	About our Company – Shareholder's Agreement	No disclosure made regarding the shareholding held by New Age Ecommerce Services Employees Share Trust transferred by Ms. Vidya Natraj or the beneficiary of the Bluestone Jewellery and Lifestyle Management Share Trust, i.e. Ms. Vidya Natraj presumably in an effort to suppress BlueStone's connection with Ms. Natraj and the connivance of both along with Mr. C. Ganesh Narayan, Mrs. C. Valli Narayan, and Deepali Co. Pvt. Ltd. (since fraudulently renamed as C. Krishniah Chetty & Co. Pvt. Ltd.) to run the competing business of Deepali Co. to CKCSPL in violation of the Companies Act, 2013. Further, no disclosures made regarding the shareholding held by Mr. C. Ganesh Narayan in BlueStone and the consequent transfer of such shares.	<p>This allegation is completely denied, as the Complainant has not analysed the allegation in light of the disclosure requirement under the SEBI ICDR Regulation.</p> <p>a) Under the SEBI ICDR Regulations, the disclosure requirements pertaining to the transfer of equity shares are limited to transactions involving the Promoters and the selling shareholders of the Company. Any subsequent transfer of shares by other allottees to third parties does not require disclosures under the SEBI ICDR Regulations or the Companies Act, 2013.</p> <p>b) The allegation that there was connivance between Mr. Gaurav Singh and Mrs. Vidya Natraj in an effort to promote their own business at the cost of CKCSPL is, baseless, malicious, unsubstantiated and without any supporting facts.</p> <p>c) We understand that this allegation is related to the CKC Family Dispute, disclosures in respect of which are made on page 401 of the DRHP. Further,</p>



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				we are constrained from discussing the merits of the CKC Family Dispute, as the matter is currently sub-judice.
10.	Section IV @ pg. no. 288	About our Company – Our Promoter and Promoter Group	No disclosure or reference made to Ms. Vidya Natraj's role in the initial promotion of the Company and the fact that her connection with CKCSPL was used to promote the Company as a reliable and safe choice for jewellery needs.	The allegation is completely denied. Please see response to point 1.
11.	Section V @ pg. no. 324	Financial Information – Annexure VI - Statements of Restatement Adjustments to the Restated Financial Information	No disclosure regarding the shareholding of Bluestone Jewellery and Lifestyle Management Share Trust which continued to hold shares up till 2024 and the transfer/dissolution thereof or the beneficiary, Ms. Vidya Natraj.	Please refer to the response to points 1 to 6 above. Additionally, the referenced Restatement Adjustment to the Restated Financial Information has been made in accordance with applicable accounting standards and has been vetted and certified by the statutory auditor of the Company through an examination report dated December 10, 2024.
12.	Section V @ pg. no. 333	Financial Information – Annexure VII - Notes to the Restated Financial Information, Point 15 - Share Capital	In the note regarding "Issued, subscribed and paid-up share capital", a disclosure has been made regarding shares held by the Bluestone Jewellery and Lifestyle Management Share Trust and the same has been subtracted implying a sinister approach to disclosures with respect to Ms. Natraj's involvement in the Company since the shares held by said Trust are selectively disclosed without any reference to how the shares ceased to be held by it.	<p>a) Please refer to the response to points 1 to 6 above. Additionally, it is categorically and emphatically denied that the Company has subtracted the shares held by referenced Trust with a <i>mala-fide</i> intent, as has been alleged.</p> <p>b) Further, the referenced note in the Restated Financial Information has been added in accordance with applicable accounting standards and has been vetted and certified by the statutory auditor of the Company.</p>
13.	Section V @ pg. no. 335-337	Financial Information – Annexure VII - Notes to the Restated Financial Information, Point 15 - Share Capital	In addition to the immediately preceding objection, in the very next section regarding shareholders, no disclosure made about the shareholding of the above Trust which held more than 5% shares, i.e. 54,915 equity shares.	<p>a) Please refer to the response to points 1 to 6 above. Additionally, the referenced note in the Restated Financial Information has been made in accordance with applicable accounting standards and has been vetted and certified by the statutory auditor of the Company.</p> <p>b) It has been disclosed in the DRHP that the shareholding of the referenced Trust was reflected as 'treasury' shares in the Financial Information, as per the applicable accounting standards (<i>see Section IV (Restated Financial Information- Notes to the Restated Financial Information, starting on page</i></p>



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				<p>292). Hence, the shareholding of the referenced Trust was not specified in the table providing '<i>particulars of shareholders holding more than 5% equity shares</i>.</p> <p>c) It is further clarified that 5% of the equity share capital of the Company (for the periods under consideration in the referenced note in the Restated Financial Information) is more than 54,915 equity shares.</p>
14.	Section V @ pg. no. 346	Financial Information – Annexure VII - Notes to the Restated Financial Information, Point 24 - Revenue from Operations	<p>Even though the disclosures are made only from Financial year beginning 2022, it is pertinent to note herein that BlueStone's initial revenue also relied on sales made using the name of CKCSPL since they advertised their products as being those manufactured by CKCSPL and were selling the same on their website using it as platform to infringe CKCSPL's intellectual property and diverting business from CKCSPL. A commercial suit in this regard was filed by CKCSPL numbered Com. O.S. 306 of 2020 which was dismissed by the Ld. Commercial Court and an appeal arising from the same numbered COMAP 161 of 2023 is pending before the Hon'ble High Court of Karnataka. It is further pertinent to note that an appeal from an interim order in the said suit is also pending before the Hon'ble Supreme Court bearing SLP (C.) Dy. No. 10605 of 2023 – none of which has been disclosed by BlueStone.</p>	<p>a) Please refer to the response to points 1 to 6 above. Additionally, the referenced note in the Restated Financial Information has been made in accordance with applicable accounting standards and has been vetted and certified by the statutory auditor of the Company.</p> <p>b) We understand that the legal proceedings before Hon'ble Court of the LXXXV Addl. City Civil and Sessions Judge, Bengaluru (i.e., COM. OS. No. 306/2020) pertains to CKC IP matters. Therefore, it is pertinent to highlight that the DRHP already contains a disclosure in relation to the CKC IP (<i>see Section VI (Legal and Other Information) of the DRHP</i>).</p> <p>c) That said, it is pertinent to highlight that the Specified Litigation before the Hon'ble Supreme Court of India (i.e., SLP (C.) Diary No. 10605/ 2023) was disposed-off prior to the filing of the Objections by the CKC Group.</p>
15.	Section V @ pg. no. 390 and 397	Financial Information – Operations - Indebtedness	<p>With respect to the borrowings shown by BlueStone, it is pertinent to mention that CKCSPL has claimed damages from BlueStone vide email dated 28.06.2014 issued by the Managing Director of CKCSPL to Mr. C.</p>	<p>Please refer to the response to points 1 to 6 above. We understand that the said e-mail dated June 28, 2014, pertains to CKC IP matters. Therefore, it is pertinent to highlight that the DRHP already contains a disclosure in relation to the CKC IP in the section "<i>Outstanding Litigation and Material Developments</i>" starting page 399 of the DRHP. Additionally, the Company and the Promoter were not</p>



S. No.	Reference to DRHP	Disclosure made	Objections	Response
			Ganesh Narayan and copies to all the founders / directors / shareholders in BlueStone at the time which has also not been disclosed which they are yet liable to pay. Such relief has also been claimed in C.P./04/BB/2020 pending before the Hon'ble NCLT Bengaluru from Mr. C. Ganesh Narayan.	provided any notice or summons to legal proceedings before Hon'ble NCLT, Bengaluru Bench (i.e., C.P. No. 04/BB/2020) and the Company and the Promoter are not a party to these proceedings. Accordingly, the Company and Promoter were not aware of or otherwise could not make disclosures regarding these proceedings in the DRHP.
16.	Section VI @ pg. no. 399	Legal and Other Information – In terms of the Materiality Policy, the following matters involving the Relevant Parties shall be considered 'material' for the purposes of disclosure in the Draft Red Herring Prospectus	<p>The definition of “Material Litigation” is unduly narrow and designed to exclude significant legal disputes that impact BlueStone’s operations, financial position, and governance standards. By setting an arbitrary financial threshold for disclosure, BlueStone has failed to account for litigations that pose material risks to its reputation and operations. For example, ongoing cases involving allegations of fund diversion and misuse of intellectual property owned by CKCSPL have been excluded, despite their relevance to investors.</p> <p>This restrictive definition is a deliberate attempt to underplay the risks posed by these disputes. It is evident that BlueStone seeks to shield prospective investors from litigations that could influence their investment decisions. Such a selective disclosure mechanism raises serious concerns about the company’s transparency and corporate ethics. Furthermore, SEBI’s disclosure norms mandate that materiality should be judged based on qualitative as well as quantitative factors, which BlueStone has failed to adhere to. Additionally, these litigations are not just financial disputes but also involve governance</p>	<p>a) This allegation is outrightly denied, as the Complainant has not analysed the allegation in light of the disclosure requirement under the SEBI ICDR Regulations and the Companies Act, 2013.</p> <p>b) According to Schedule VI entry 12(A) of SEBI ICDR Regulations, the disclosure regarding civil outstanding litigations involving the issuer/ its directors/ promoters/ subsidiaries (“Relevant Parties”) are required to be disclosed as per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document. The board of directors of the Company (“Board”) has considered and adopted the materiality policy pursuant to the board resolution dated December 10, 2024 in relation to outstanding litigation (“Materiality Policy”) to be disclosed by our company involving the Relevant Parties in the Draft Red Herring Prospectus. As disclosed on page 399 of the DRHP, the Materiality Policy required the Company to disclose the litigations which exceeded ₹ 126.58 million, being 1 % of the turnover as per the Restated Financial Information as on March 31, 2024 (which is the date of the latest Restated Financial Information) of the Company.</p> <p>c) It is pertinent to highlight that the Company considered 1% of the turnover of the Company as the threshold for its Litigation Materiality Policy, which is 50% lower than the 2% turnover threshold provided under the SEBI Listing Regulations. This clearly demonstrates that the Company’s intention is to expand the scope of litigations to be disclosed in the DRHP, rather than restricting it.</p>



S. No.	Reference to DRHP	Disclosure made	Objections	Response
			failures that directly reflect on the integrity of the company's leadership. For instance, cases where former directors and shareholders have been accused of breaching their fiduciary duties, diverting funds, or misappropriating intellectual property must be disclosed regardless of their financial value. By not doing so, BlueStone misleads stakeholders and undermines the very principles of investor protection.	<p>d) Further, we have disclosed CKC Family Dispute and the notices received from the C. Krishniah Chetty & Sons <i>inter alia</i> alleging the nexus between the Company and the CKC group of companies ("CKC Group") and alleging violation of the intellectual property rights of the CKC Group by the Company is disclosed on page 401 of the DRHP. These litigations are disclosed even though their monetary impact is not quantifiable at this stage. Therefore, disclosures have been made under the heading of 'other material litigation' on page 401 of the DRHP.</p> <p>e) Please do note that the Company is required to disclose cases to which it or its promoter or director are a party, and not litigations where it is not impleaded as a party and the matters pertaining to the CKC Family Dispute as such do not concern the Company and the Promoter. Additionally, the Company is legally constrained from making any further submission in respect of the CKC Family Dispute and the Specified Litigations, as certain of these matters are currently sub-judice.</p> <p>f) Please also see Annexure B and our response to point 17 in respect of the Specified Litigations.</p>
17.	Section VI @ pg. no. 401	Legal and Other Information – Other Material Pending Proceedings	<p>BlueStone's DRHP fails to disclose key pending proceedings that are critical to understanding the legal and regulatory risks associated with the company. Section VI of the DRHP is misleading as it omits material cases that directly involve BlueStone and its directors. Few of the cases omitted intentionally are stated below:</p> <p>i. C.P. No. 54 of 2014 (National Company Law Board, Chennai): This case, where the NCLT, Chennai granted interim relief restraining Mr. Ganesh Narayan (former</p>	<p>a) This allegation is outrightly denied, as the Complainant has not analysed the allegation in light of the disclosure requirement under the SEBI ICDR Regulations and the Companies Act, 2013.</p> <p>b) According to Schedule VI entry 12(A) of SEBI ICDR Regulations, the disclosure regarding civil outstanding litigations are required to be disclosed only for those litigations which involve the issuer/ its directors/ promoters/ subsidiaries. Since, Mrs. Vidya Nataraj was a former director and neither Mrs. Vidya Nataraj nor Mr. C. Ganesh Narayan qualify as promoters or are directors or selling shareholders of the Company (and not even a shareholder) as on the date of filing of the DRHP, there was no requirement as per SEBI ICDR Regulations to disclose the litigations involving her.</p>



S. No.	Reference to DRHP	Disclosure made	Objections	Response
			<p>Shareholder of BlueStone), one of the Director of CKCSPL and his wife Ms. Vidya Nataraj (Former Director of BlueStone) from diverting CKCSPL's funds to BlueStone, directly implicates BlueStone's management in fund diversion. This case has significant financial and reputational implications for BlueStone, yet it finds no mention in the DRHP.</p> <p>ii. Com. O.S. 306/2020 (Commercial Court, Bengaluru): Despite the case's disposal, the pending appeal in Karnataka High Court (COMAP 161/2023) alleging BlueStone's involvement in trademark misuse remains undisclosed. Such litigation carries substantial legal and reputational risks for BlueStone and must be included. Further, BlueStone was a party to this case as Respondent No. 5.</p> <p>iii. COMAP 161/2023 (Karnataka High Court): The pending appeal challenges the Commercial Court's order CKCSPL's complaint. BlueStone's role as a respondent in allegations of trademark misuse requires disclosure. Non-disclosure of such pending litigation misleads investors regarding BlueStone's legal risks. Further, BlueStone is the Respondent No. 5 in this case.</p> <p>iv. SLP (C.) Dy. No. 10605 of 2023 (Supreme Court of India): The pending appeal before the Supreme Court challenges BlueStone's alleged role in trademark infringement. BlueStone's position as a respondent and its involvement must be disclosed. Further,</p>	<p>c) As stated above, the Company considered 1% of the turnover of the Company as the threshold for its Litigation Materiality Policy, which is 50% lower than the 2% turnover threshold provided under the SEBI Listing Regulations. This clearly and unequivocally demonstrates that the Company's and the Promoter's intention is to expand the scope of litigations to be disclosed in the DRHP, rather than restricting it.</p> <p>d) It is categorically and emphatically denied that there has been any failure or contravention in disclosures under the SEBI ICDR Regulations in respect of the DRHP, which jeopardizes the interest of prospective investors or creates a misleading narrative about the Company, as has been alleged.</p> <p>e) It is categorically and emphatically denied that there has been any: (i) misuse /infringement of the CKC IP by the Company or Promoter; and (ii) diversion of funds of the CKC Group to the Company and the Promoter, as has been alleged. In fact, the Company and the Promoter do not even have access to the funds of the CKC Group.</p> <p>f) The Company and the Promoter were not provided any notice or summons for the Specified Litigations and/or were not a party to the Specified Litigations and/or the Specified Litigations have been disposed-off. Accordingly, the Company and the Promoter were not aware of or otherwise could not make disclosures regarding the Specified Litigations in the DRHP.</p> <p>g) That said, the DRHP already contains a disclosure in relation to the infringement of the CKC IP (<i>see Section VI (Legal and Other Information) of the DRHP</i>). This clearly and unequivocally establishes the <i>bonafide</i> of the Company and Promoter.</p> <p>h) Further, the DRHP already contains a disclosure of the two CKC Family Disputes to which the Company has been impleaded as a party and of which the Company/ Promoter were notified (<i>see Section VI (Legal and Other</i></p>



S. No.	Reference to DRHP	Disclosure made	Objections	Response
			<p>BlueStone is the Respondent No. 5 in this case.</p> <p>These cases are not mere technicalities; they challenge the legality of BlueStone's operations and directly impact its brand image, which is a core asset for an e-commerce jewellery business. The non-disclosure of these litigations violates SEBI's mandate for full and fair disclosure of material risks. By omitting these litigations, BlueStone not only contravenes SEBI's disclosure guidelines but also jeopardizes the interests of prospective investors. Such omissions create a misleading narrative about the company's operational and legal standing, leaving investors ill-equipped to make informed decisions.</p>	<p><i>Information) of the DRHP</i>). This clearly and unequivocally establishes the <i>bonafide</i> of the Company and Promoter.</p> <p>i) The matters pertaining to the CKC Family Dispute as such do not concern the Company and the Promoter.</p> <p>j) It is clearly and unequivocally evident that the Objections have been raised by the CKC Group with the <i>malafide</i> motive of furthering their agenda in the CKC Family Disputes/ Specified Litigations (even though one or more of such matters are <i>sub-judice</i>, and also despite certain matters having been disposed-off by the presiding judicial forum) and that the CKC Group are endeavoring to use SEBI as their instrument for the purpose of such CKC Family Disputes/ Specified Litigations (even though SEBI is not the designated forum to adjudicate any of the CKC Family Disputes/ Specified Litigations), and through this abusive process the CKC Group are unduly, in a <i>mala fide</i> manner and unlawfully interfering with the IPO of the Company and are harming, injuring, damaging and prejudicing the reputation, goodwill and standing of the Company and the Promoter.</p> <p>k) The Company is legally precluded from making any further submission in respect of the CKC Family Dispute and the Specified Litigations, as certain of these matters are currently <i>sub-judice</i>.</p> <p>l) The disclosures made by the Company in its DRHP are in accordance with the applicable laws, including the SEBI ICDR Regulations and the Companies Act.</p> <p>m) The Company and Promoter are neither the representatives of nor authorized by, Mr. Ganesh Narayan and Ms. Vidya Nataraj, to comment on their behalf. The CKC Group may directly reach out to Mr. Ganesh Narayan and Ms. Vidya Nataraj for their internal grievances and disputes, including the CKC Family Dispute.</p>



S. No.	Reference to DRHP	Disclosure made	Objections	Response
				n) Additionally, Please see our response to objections 1, 2, 14, 15 and 16 above and Annexure B in respect of the Specified Litigations.
18.	Section VI @ pg. no. 402	Legal and Other Information – Litigations Involving Our Directors	<p>The DRHP fails to adequately disclose litigations involving former director Ms. Vidya Nataraj, despite her pivotal role in BlueStone's establishment. Allegations against Ms. Nataraj include the diversion of funds and intellectual property from CKCSPL to BlueStone during her tenure. These actions have significant legal and reputational ramifications for BlueStone. Further, Ms. Nataraj's involvement in competing businesses and her subsequent transfer of shares to a family trust to evade scrutiny highlight glaring governance failures. These activities directly contravene the ethical standards expected of a director and raise questions about the governance culture at BlueStone. Such omissions in the DRHP are material to investors, as they reflect the company's inability to enforce accountability among its leadership.</p> <p>The DRHP also fails to disclose the regulatory non-compliances arising from these actions. BlueStone's management has been accused of violating Sections 184 and 188 of the Companies Act, 2013, by failing to disclose related-party transactions and conflicts of interest. These violations undermine investor trust and necessitate disclosure under SEBI's rules. Moreover, the absence of this information creates a false impression of BlueStone's compliance with governance standards.</p>	<p>a) This allegation is outrightly denied, as the Complainant has not analysed the allegation in light of the disclosure requirement under the SEBI ICDR Regulation.</p> <p>b) Regulation 12(A)(1) of Part A of Schedule VI of the SEBI ICDR Regulation states that all the pending litigations involving the Company and its directors, promoters and subsidiaries are required to be disclosed.</p> <p>c) Since Ms. Vidya Nataraj has not been a director of the Company since April 30, 2012 and is not even a shareholder as on the date of filing of the DRHP, there was no requirement as per SEBI ICDR Regulations to disclose the litigations involving her.</p> <p>d) It is categorically and emphatically denied that there has been any governance failure, undermining of investor trust or lack of accountability in the leadership, as has been alleged.</p> <p>e) It is categorically and emphatically denied that there has been violation of Sections 184 and 188 of the Companies Act by the Company and Promoter, as has been alleged. These are baseless, unsubstantiated, false, erroneous, incorrect, frivolous, contradictory, presumptuous and speculative allegations.</p> <p>f) Additionally, please see our response to points 1 to 17 above.</p>



S. No.	Reference to DRHP	Disclosure made	Objections	Response
19.	Section VI @ pg. no. 407	Legal and Other Information – Approvals from the Selling Shareholders	<p>The DRHP fails to disclose material conflicts of interest involving the selling shareholders, particularly Ms. Vidya Nataraj and Mr. Ganesh Narayan. These individuals, during their tenure with CKCSPL, engaged in activities that directly conflicted with the interests of CKCSPL, including the helping of the establishment of BlueStone as a competing business. Their actions breached corporate governance norms and legal obligations under the Companies Act, 2013.</p> <p>Furthermore, the DRHP omits the fact that these individuals did not obtain a NOC from CKCSPL before engaging in competing activities. This failure constitutes a serious governance lapse and raises questions about the ethical standards of BlueStone's management. Such conflicts of interest are highly material to investors and must be disclosed transparently. The absence of these disclosures misleads investors about the integrity and governance practices at BlueStone. It also creates an incomplete narrative about the company's history and the ethical conduct of its leadership. This omission undermines investor confidence and violates SEBI's disclosure requirements.</p>	<p>This allegation is outrightly denied. Please see the response to points 1 and 18. Further, please note that the Company cannot comment on the alleged breach by Ms. Vidya Nataraj and Mr. Ganesh Narayan of corporate governance norms and their legal obligations towards CKCSPL.</p>



Annexure B

Capitalized terms used but not defined below, shall have the meaning assigned to them in the cover letter.

The case details provided below are based on the contents of the Objections and/or a limited due diligence exercise undertaken by us of the information available for such Specified Litigations on the website of the relevant judicial forum.

Our observations on the Specified Litigations as provided below, are (strictly) on a preliminary and without prejudice basis for the limited purpose of addressing the Objections to the DRHP/ IPO of the Company. The Company and the Promoter reserve all their rights and contentions in relation to the CKC Family Disputes and the Specified Litigations (and even otherwise).

S. No	Case Details	Company's Observations	Case Status
1.	<p>Forum:</p> <p>Hon'ble NCLT, Bengaluru Bench</p> <p>Case Numbers:</p> <p>C.P. No. 04 of 2020</p> <p>Party Details:</p> <p><u>Petitioners:</u> C. Visal Hayagriv, Dr. C Vinod Hayagriv, C.V. Hayagriv, C Triveni Vinod, C Visala Hayagriv and Chaitanya V Chotha</p> <p><u>Respondents:</u> C. Ganesh Narayan, Deepali Co Pvt Ltd, C. Krishnaiah Chetty & Sons Firm, C. Krishnaiah Chetty & Sons Private Limited and Ors, Shyam Ramadhyan, and C. Ganesh Narayan HUF, C. Krishnaiah Chetty & Sons Firm, C. Krishnaiah Chetty & Sons Firm</p> <p>Cross-reference to Objections:</p>	<ul style="list-style-type: none">The Company is not a party to this case. Accordingly, no disclosure was required or warranted of this case in the DRHP.Further, the Company was not provided any notice or summons for this case.Accordingly, the Company and the Promoter were not even aware of this case.	--



Objection # 15

2. **Forum:**

Hon'ble Company Law Board, Chennai Bench (*prior to constitution of the National Company Law Tribunal ("NCLT")*) and the Hon'ble NCLT, Bengaluru Bench¹

Case Numbers:

C.P. No. 54 of 2014; and T.P. No. 65 of 2016

Party Details:

Petitioner: C. Valli Narayan

Respondents: C. Krishnaiah Chetty & Sons Private Limited, C. Vinod Hayagriv, C. V. Hayagriv, Triveni Vinod, C. Visala Hayagriv, Chaitanya V. Cotha, Shreyas V. Cotha, Shyam Ramadhani, C. Ganesh Narayan, and M/s. C.Krishniah Chetty Jewellers Private Limited

Cross-reference to Objections:

Point # (i) of Objection # 17

- The Company is not a party to this case. Accordingly, no disclosure was required or warranted of this case in the DRHP. Disposed-off *vide* order dated January 24, 2019, which is attached hereto as **Appendix 1**.
- Further, the Company was not provided any notice or summons for this case.
- Accordingly, the Company and the Promoter were not even aware of this case.
- In any event, this case has been disposed-off by the Hon'ble NCLT, Bengaluru Bench *vide* its order dated January 24, 2019 (i.e., well before the DRHP was filed).

3. **Forum:**

Hon'ble Court of the LXXXV Addl. City Civil and Sessions Judge, Bengaluru

- The Company was not provided any notice or summons for this case. Disposed-off *vide* order dated February 17, 2022, which is attached hereto as **Appendix 2**.

¹ This case was transferred from the Hon'ble Company Law Board, Chennai Bench to the Hon'ble NCLT, Bengaluru Bench in 2016.



<p>Case Number:</p> <p>COM. OS. No. 306/2020 (“Original Suit”)</p> <p>Party Details:</p> <p><u>Plaintiff:</u> C. Krishnaiah Chetty & Sons Private Limited</p> <p><u>Defendants:</u> Deepali Co. Private Limited, C. Ganesh Narayan, C. Valli Narayan, Vidya Nataraj, and Bluestone Jewellery and Lifestyle Private Limited.</p> <p>Cross-reference to Objections:</p> <p>Objection # 14 and Point # (ii) of Objection # 17</p>	<ul style="list-style-type: none">• Accordingly, the Company and the Promoter were not aware of this case and could not disclose the same in the DRHP.• This case has been disposed-off by the Hon’ble Court <i>vide</i> its order dated February 17, 2022 (i.e., well before the DRHP was filed).• That said, as per the Observations, we understand that this case pertains to intellectual property matters of the CKC Group. Therefore, it is pertinent to highlight that the DRHP already contains a disclosure in relation to the intellectual property of the CKC Group (<i>see Section VI (Legal and Other Information) of the DRHP</i>).	
<p>4. Forum:</p> <p>Hon’ble High Court of Karnataka at Bengaluru</p> <p>Case Number:</p> <p>COMAP 161/2023</p> <p>Party Details:</p> <p><u>Petitioner:</u> C. Krishnaiah Chetty & Sons Private Limited</p> <p><u>Respondents:</u> Deepali Co. Private Limited, C. Ganesh Narayan, C. Valli Narayan, Vidya</p>	<ul style="list-style-type: none">• The Company was not provided any notice or summons for this case.• Accordingly, the Company and the Promoter were not aware of this case and could not disclose the same in the DRHP.• We understand that this case pertains to an appeal against the order dated February 17, 2022 passed for the disposal of the Original Suit (<i>see sr. # 3 above</i>).• As stated above, we understand that the Original Suit (and therefore the present case) pertains to intellectual property matters of the CKC Group. Therefore, it is pertinent to highlight that the DRHP already contains a disclosure in relation to	<p>Pending – <i>the next hearing is on March 12, 2025.</i></p>



Nataraj, and Bluestone Jewellery and Lifestyle Private Limited.

the intellectual property of the CKC Group (*see Section VI (Legal and Other Information) of the DRHP*).

Cross-reference to Objections:

Objection # 14 and Point # (iii) of the Objection # 17

5. ***Forum:***

Hon'ble Supreme Court of India

Case Number:

SLP(C) Diary No. 10605/2023

Party Details:

Petitioner: C. Krishnaiah Chetty & Sons Private Limited

Respondents: Deepali Co. Private Limited, C. Ganesh Narayan, C. Valli Narayan, Vidya Nataraj, and Bluestone Jewellery and Lifestyle Private Limited and Others.

Cross-reference to Objections:

Objection # 14 and Point # (iv) of the Objection # 17

- The Company was not provided any notice or summons for this case.
- Accordingly, the Company and the Promoter were not aware of this case and could not disclose the same in the DRHP.
- This case has been disposed-off by the Hon'ble court *vide* its order dated January 17, 2025 (i.e., before the date of the Observations).
- We understand that this case pertains to an appeal against the order dated May 27, 2021 passed by the Hon'ble High Court of Karnataka for disposing-off Commercial Appeal No. 61/2021, which is an appellate proceeding connected to the Original Suit.² This order has been attached hereto as **Appendix 3**.
- As stated above, we understand that the Original Suit (and therefore the present case) pertains to intellectual property matters of the CKC Group. Therefore, it is pertinent to highlight that the DRHP already contains a disclosure in relation to the intellectual property of the CKC Group (*see*

Disposed-off *vide* order dated January 17, 2025, which is attached hereto as **Appendix 4**.

² We understand that this appeal case was filed for challenging an order dated February 20, 2021 passed for disposal of Interim Applications I to III that were filed in the Original Suit (*see sr. # 3 above*).



*Section VI (Legal and Other Information) of the
DRHP).*



Annexure C

Observations to the Due Diligence Report

Capitalized terms used but not defined below, shall have the meaning assigned to them in the cover letter.

For ease of reference, we have reproduced below the contents of the Due Diligence Report. The reproduction of the contents of the Due Diligence Report below is not (and should not be construed to be) an admission or attestation thereof by the Company and/ or Promoter.³

Please note that we are not providing our observations on the entire contents of the Due Diligence Report, but only those aspects that have alleged discrepancies in the DRHP. Accordingly, by virtue of not providing any observation to any specific content in the Due Diligence Report below is not (and should not be construed to be) an admission or attestation thereof by the Company and/ or Promoter.

Each and every statement/ allegation/ averment/ contention in the Due Diligence Report is to be considered as having been emphatically denied, unless otherwise expressly admitted in our observations herein below.

Our observations to the Due Diligence Report as provided below, are (strictly) on a preliminary and without prejudice basis for the limited purpose of addressing the same for the DRHP/ IPO of the Company. The Company and the Promoter reserve all their rights and contentions in relation to the CKC Family Disputes and the Specified Litigations (and even otherwise).

S. No	Extract from the Due Diligence Report	Company's Observations
1.	<p><u>Section Number/Heading:</u> Executive Summary (Discrepancies identified between DRHP and MCA Data)</p> <p><u>Page Number of the Due Diligence Report:</u> 7</p> <p><u>Relevant Excerpt:</u></p> <p><u>“Inconsistencies in Share Transfers and Issued Capital:</u></p>	<ul style="list-style-type: none">• It is categorically and emphatically denied that there is any discrepancy in the share capital structure disclosed in the DRHP (<i>see Section III (Introduction- Capital Structure) of the DRHP</i>).• In view of the ongoing IPO process, the Company and Promoter are legally precluded from making disclosures on a selective basis to the CKC Group.• The ROC does not mandate a company to provide details of its share transfers to it, save and except in its annual filings.

³ Discrepancies, if any, in reproduction of the Objections, are inadvertent and should be ignored.



• *The DRHP mentions shares transferred to Access India Capital, but these transfers do not match the filings made to the Registrar of Companies (RoC).*

• *The DRHP does not specify whether new shares were issued or from where these shares were transferred”*

• Certain shareholding details (including certain share allotments and share transfers) have been covered in the DRHP, in accordance with the SEBI ICDR Regulations and the Companies Act (*see Section III (Introduction-Capital Structure) of the DRHP*).

• The disclosures made by the Company in its DRHP are in accordance with the applicable laws, including the SEBI ICDR Regulations and the Companies Act.

-
2. Section Number/Heading: Executive Summary (Discrepancies identified between DRHP and MCA Data) Please see our inputs at Observation # 1 above.

Page Number of the Due Diligence Report: 7

Relevant Excerpt:

“Vidya Nataraj's Shareholding and Economic Benefits:

• *Vidya Nataraj transferred shares to Gaurav Singh Kushwaha in 2013-14 but retained economic benefits from these shares.*

• *The DRHP indicates Vidya Nataraj transferred 29,26,410 shares to Access India Capital, but her name does not appear in the shareholders' list in RoC filings for FY 2014 to March 31, 2024.*

• *The details of the sale or transfer of these shares are not disclosed in the DRHP or RoC filings.”*

-
3. Section Number/Heading: Executive Summary (Discrepancies identified between DRHP and MCA Data) Please see our inputs at Observation # 1 above.

Page Number of the Due Diligence Report: 19

Relevant Excerpt:

“Access India Capital:



-
- *The DRHP mentions Access India Capital as the recipient of 29,26,410 shares, but no further details are provided in the DRHP or RoC filings.*
 - *Investor inquiries to investor.relations@bluestone.com for clarification went unanswered.*
 - *Research and discreet inquiries did not yield any information about Access India Capital, and no records exist for this entity in public or private equity databases.*
 - *Access India Capital is not affiliated with Access Partners.”*

-
4. Section Number/Heading: Executive Summary (Discrepancies identified between DRHP and MCA Data) Please see our inputs at Observation # 1 above.

Page Number of the Due Diligence Report: 7

Relevant Excerpt:

“Complex Ownership Structure Involving Trusts:

- *The ownership structure includes multiple trusts, such as Vidya Trust and Bluestone Trust, with undisclosed beneficial ownership.”*

-
5. Section Number/Heading: Executive Summary (Discrepancies identified between DRHP and MCA Data) Please see our inputs at Observation # 1 above.

Page Number of the Due Diligence Report: 7

Relevant Excerpt:

“Arpita Tomar's Share Transfer:



- *The DRHP mentions that Arpita Tomar, the wife of Gaurav Singh Kushwaha, received 296,850 shares on September 8, 2024.*

- *The RoC filings related to this transfer do not disclose the source of the transferred shares”*

6. Section Number/Heading: Executive Summary (Discrepancies identified between DRHP and MCA Data)

Page Number of the Due Diligence Report: 7

Relevant Excerpt:

“Compliance Issues with e-Form PAS-3 Filings:

- *Bluestone Jewellery encountered issues with e-Form PAS-3 filings for FY 2023 and FY 2024.*

- *The auto-population feature complicated the classification of share classes.*

- *Failure to properly differentiate share classes raised concerns about the accuracy of share capital structure.”*

Please see our inputs at Observation # 1 above. In addition thereto:

(a) All the forms that are required to be filed with the ROC as per the requirements of the Companies Act have been duly filed.

(b) There was a technical glitch on the portal of the Ministry of Corporate Affairs while filing the e-form PAS-3 due to which the classes of preference shares were not correctly recognised under the auto population feature. The Company filed a clarificatory note with the e-form PAS-3, duly bringing this aspect to the attention of the ROC. This demonstrates the *bonafide* of the Company and the Promoter. The Due Diligence Report has itself referred to this clarificatory note (*see Detailed Findings (Shareholding- Observations on the Company's Filings and Errors) on page 30 of the Due Diligence Report*).

(c) The Due Diligence Report itself acknowledges that the errors in the e-form PAS-3 were recognised and appropriately rectified in the restated financial information (*see Detailed Findings (Shareholding- Observations on the Company's Filings and Errors on Page 36)*). This has appropriately been disclosed in the DRHP (*see Section V (Financial Information Restated Financial Information) of the DRHP*).

(d) As per the above, the CKC Group acknowledges and admits that there is no disclosure failure by the Company and the Promoter.

7. Section Number/Heading: Detailed Findings (Shareholding)

Please see our inputs at Observation # 1 above. In addition thereto:

Page Number of the Due Diligence Report: 26



Relevant Excerpt:

*“The information in the DRHP was identified to be inconsistent, as the audited financial statements indicate a total share count of **1,81,51,940** for the company. Additionally, as per MCA no document pertaining to the allotment of 20 shares was identified (MCA filing revealed the share count to be 1,81,51,920). Hence, no clear explanation was given by the Company with respect to the issuance of these 20 shares.”*

(a) The Company has provided a specific explanation in Section V (*Restated Financial Information*) of the DRHP with respect to discrepancy pertaining to allotment of 20 shares, which states as follows:

“During the Financial Year March 31, 2023, Company has issued 20 Equity Shares of Face value of Rs. 1 (post corporate action of consolidation, bonus and split) to one of the shareholder is not disclosed in Audited Financial statement for the year ended March 31, 2023 and the same has been rectified in Restated Financial Information.”

(b) The Due Diligence Report itself states that the “*number of shares aligns with the MCA filings and is in line with the number of shares indicated in the current issued and subscribed capital within the “Capital Structure” section of the DRHP submitted to SEBI*” (see footnote to the table ‘Shareholding movement since inception of the Company’ at page 13 of the Due Diligence Report).

(c) As per the above, the CKC Group acknowledges and admits that there are no inconsistencies in the number of shares of the Company.

8. **Section Number/Heading:** Detailed Findings (Shareholding)

Please see our inputs at Observation # 1 above. In addition thereto:

Page Number of the Due Diligence Report: 16

Relevant Excerpt:

“Further, the shareholding as on date of DRHP (December 11, 2024) mentioned that Vidya Nataraj transferred her 29,26,410 shares to Access India Capital (date of transfer not provided; screenshot added below). It is pertinent to note that the name of Vidya Nataraj does not appear in the shareholders’ list of Bluestone Jewellery for both March 31, 2024 and March 31, 2023. Similarly, the name of Access India Capital is also not listed in the shareholder lists for both FY 2024 and FY 2023. Exact details and sale of these shares are not available in the DRHP or MCA filings.”

(a) The Company and Promoter have, in good faith, without any legal requirement, voluntarily and *suo-moto*, disclosed the fact that the shares held by Access India Capital were acquired from Vidya, in light of the CKC Family Dispute. This clearly and unequivocally establishes the *bonafide* of the Company and Promoter. (See Section III (Introduction- Capital Structure: paragraph 8 of in the Notes to Capital Structure) of the DRHP).



9. Section Number/Heading: Detailed Findings (Shareholding)

Please see our inputs at Observation # 8 above.

Page Number of the Due Diligence Report: 16

Relevant Excerpt:

“Discrepancies in share transfer and issued capital as stated in the DRHP”

The DRHP on page 127 indicates that Access India Capital acquired shares from Vidya Nataraj. However, research revealed that she actually transferred these shares to Gaurav Singh Kushwaha, with no subsequent records of the shares being transferred to Access India Capital according to the MCA filings.

Furthermore, two potential scenarios related to the transfer of shares to Access India Capital have been identified:

Scenario 1: As of the date of the DRHP, Gaurav held 2,44,65,127 shares in the Company. If a transfer to Access India Capital had taken place from Gaurav's holdings, his share count would have been reduced by 2,926,410 shares. However, the DRHP shows that Gaurav's shareholding remains unchanged, contradicting the assertion of a transfer.

Scenario 2: If the transfer did not occur from Gaurav's shareholding, it logically follows that the company must have issued new shares to Access India Capital. In this case, the company's issued share capital should have increased. However, the DRHP does not indicate any rise in the issued share capital, which further underscores the inconsistency in the data.

However, no filings with the RoC were found concerning this transfer, and the DRHP document does not specify the source of these shares. If these shares were indeed transferred from Gaurav's



holdings, his share count should have been adjusted accordingly; however, it appears that this adjustment has not been made.

These discrepancies raise significant concerns regarding the accuracy of the information provided in the DRHP. SEBI would be required to investigate this matter thoroughly to ensure transparency and compliance”

10. Section Number/Heading: Detailed Findings (Shareholding)

Please see our inputs at Observations # 1 and 8 above. In addition thereto,

Page Number of the Due Diligence Report: 21

- (a) The reconciliation of number of equity shares carried out in the Due Diligence Report is erroneous as it treats the transfer of 2,96,850 shares to Ms. Arpita Tomar as new allotments, and thereby, increasing the overall number of shares.

Relevant Excerpt:

“Below is a summary of the reconciliation of equity shares between the MCA data and the disclosures made by the Company in the DRHP filed with SEBI:

<i>Period</i>	<i>Particulars</i>	<i>Number of Shares</i>			
		<i>As per MCA (PAS-3)</i>	<i>As per DRHP</i>	<i>Difference</i>	
<i>September 08, 2024</i>	<i>Shares transferred to Arpita Tomar (Wife of Gaurav)*</i>	-	2,96,850	2,96,850	
<i>December 11, 2024</i>	<i>Total Shares as on the date off DRHP</i>	3,38,39,269	3,41,36,119	2,96,850	

**According to the DRHP, Arpita Tomar, wife of Gaurav Singh Kushwaha, has been identified as part of the promoter group. On September 08, 2024, a transfer of 2,96,850 shares occurred;*



however, this transaction has not been documented in the filings with the Ministry of Corporate Affairs (MCA).

- | | |
|--|--|
| 11. <u>Section Number/Heading</u> : Detailed Findings (Shareholding) | Please see our inputs at Observations # 1, 8 and 10 above. In addition thereto, |
| <u>Page Number of the Due Diligence Report</u> : 23 | (a) The transfer of shares from Ms. Vidya Nataraj to Access India Capital has already been disclosed in the DRHP (<i>see Section III (Introduction- Capital Structure: paragraph 8 of in the Notes to Capital Structure) of the DRHP</i>). |
| <u>Relevant Excerpt</u> :

“As a result of the errors and discrepancies in the shareholdings related to Access India Capital, the assumed share capital will rise if the mentioned shares are treated as new allotments” | (b) It is pertinent to note that this has been highlighted in the Due Diligence Report (<i>see Detailed Findings (Shareholding- Discrepancies in share transfer and issued capital as stated in the DRHP) on page 16 of the Due Diligence Report</i>).

(c) The Due Diligence Report is erroneous as it treats the transfer of shares to Access India Capital being treated as new allotments, and thereby, wrongly increases the number of shares. |
| <hr/> | |
| 12. <u>Section Number/Heading</u> : Detailed Findings (Information from sources) | (a) Please see our responses to Objections # 14 to 17 in Annexure B above. In addition thereto. |
| <u>Page Number of the Due Diligence Report</u> : 28 | (b) No case numbers have been provided for the legal proceedings in the referenced table. Accordingly, we are unable to fully reconcile the same. |
| <u>Relevant Excerpt</u> : Please see the snapshot of the below table provided in the Observations: | (c) It appears that items # 1 to 3 and 8 in the reference table have been covered in Annexure A and B above.

(d) The DRHP already discloses that the Company is a party to certain labour cases filed by the Senior Labour Inspector under Sections 21(3) and (3A) of the Payment of Wages Act, 1936, before the Judicial Magistrate, First Class, Bengaluru City. These cases have been referred to the Lok Adalat for settlement, and the matters are currently pending (<i>see Section VI (Legal and Other Information- Actions by regulatory/ statutory authorities) of the DRHP</i>).

(e) The DRHP has already disclosed a pending case in relation to theft of |
-



Discrepancies between DRHP and litigation conducted:

Sr. no	Status	Courts	Cases Identified		Cases Disclosed In DRHP	
			Petitioner	Respondent	Petitioner	Respondent
1	Pending	High Court of Karnataka	C. Krishniah Chetty and Sons Pvt. Ltd	Smt. Vidya Nataraj, Deepali Cooperative Limited, Smt. C. Valli Narayan, Bluestone Jewellery and Lifestyle Private Limited, Sri. C. Ganesh Narayan	C. Krishniah Chetty and Sons Pvt. Ltd	Smt. Vidya Nataraj, Smt. C. Valli Narayan, Bluestone Jewellery and Lifestyle Private Limited, Sri. C. Ganesh Narayan
2	Pending	High Court of Karnataka	Ganesh Narayan	Smt. B. Sharmila, Smt. Sanmathi Cotha Pashupathy, M/s. Deepali Co. Private Limited, Shri. Chaitanya V. Cotha, Smt. C. Valli Narayan, M/s. Camden E-Commerce Services, M/s. C. Krishniah Chetty and Sons Pvt. Ltd., Shri. C. V. Hayagriv, Shri. C. Vinod Hayagriv, M/s. Blue Stone Jewelry and Lifestyle Private Limited, Smt. Saritha Nagendran, M/s. C. Krishniah Chetty Jewelers Pvt. Ltd., Smt. C. Visala Hayagriv, Smt. Yagnika C. Cotha, M/s. Genesis Enterprises, M/s. Pinewood Infrastructure Private Limited, Smt. Vidya Nataraj, Shri. C. V. Shreyas, Smt. Rathi, Smt. Triveni Vinod, and M/s. C. Krishniah Chetty	No Such Disclosure	No Such Disclosure

company assets filed by the Company before the Judicial Magistrate, First Class, Dwaraka Court, South Delhi (*see Section VI (Legal and Other Information-Criminal Proceedings) of the DRHP*).

- (f) Therefore, it appears, the items # 4, 5 and 7 in the referenced table have been duly disclosed in the DRHP.



Sr. no	Status	Courts	Cases Identified		Cases Disclosed In DRHP	
			Petitioner	Respondent	Petitioner	Respondent
				and Sons Manufacturers Pvt. Ltd.		
3	Pending	Supreme Court	C. Krishniah Chetty and Sons Pvt. Ltd	Smt. Vidya Nataraj, Deepali Cooperative Limited, Smt. C. Valli Narayan, Bluestone Jewellery and Lifestyle Private Limited, Sri. C. Ganesh Narayan	C. Krishniah Chetty and Sons Pvt. Ltd	Smt. Vidya Nataraj, Smt. C. Valli Narayan, Bluestone Jewellery and Lifestyle Private Limited, Sri. C. Ganesh Narayan
4	Pending	District Court, CMM Court Complex, Bangalore	Sr.Labour Inspector 48th circle	Nagakarthik Doddamani, Smt. Aishwarya Karthik doddamani, Sharukh Khan, M/s. Bluestone Jewellery Lifestyle Pvt. Ltd	No Such Disclosure	No Such Disclosure
5	Pending	District Court, CMM Court Complex, Bangalore	Sr.Labour Inspector, 48th circle	Shahrukh Khan, M/s. Bluestone Jewellery lifestyle Pvt. Ltd., Nagakarthik, Doddamani, Smt. Aishwarya Karthik Doddamani	No Such Disclosure	No Such Disclosure
6	Pending	Kanpur Nagar district Court	Piyush Shukla	M/s Naplog Logistics Pvt. Ltd., m/s bluestone jewellery and life style pvt ltd	No Such Disclosure	No Such Disclosure
7	Pending	Dwarka court Complex	Bluestones Jewellery and Lifestyles Pvt Ltd	Ashita Arora	No Such Disclosure	No Such Disclosure
8	Pending	City Civil & Sessions Court	Sanmathi COTHA Pasupathy	Ganesh Narayan, Bluestone Jewellery and Lifestyle Private Limited, Vidya Nataraj	Sanmathi COTHA Pasupathy	Ganesh Narayan, Bluestone Jewellery and Lifestyle Private Limited, Vidya Nataraj

Please refer to annexure 2 for further details.



LIST OF APPENDICES

1. **Appendix 1** – Order dated January 24, 2019 passed by the Hon’ble National Company Law Tribunal, Bengaluru Bench in C.P. No. 54 of 2014 and T.P. No. 65 of 2016.
2. **Appendix 2** – Order dated February 17, 2022 passed by the Hon’ble Court of the LXXXV Addl. City Civil and Sessions Judge, Bengaluru in COM. OS. No. 306 of 2020.
3. **Appendix 3** – Order dated May 27, 2021 passed by the Hon’ble High Court of Karnataka at Bengaluru in Commercial Appeal No. 61 of 2021.
4. **Appendix 4** – Order dated January 17, 2025 passed by the Hon’ble Supreme Court of India in Special Leave Petition (Civil) Diary No. 10605 of 2023.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

C.P.No.54 of 2014
(T.P. No.65 of 2016)
U/s 397,398,402,403,406,237
of the Ccmpanies Act, 1956.

In the matter of

Smt. C Valli Narayan

W/o. Late Mr. C.V.Narayan,
Aged about 70 years,
R/A "Krishna Prasad",
No.14/A, 1st Main,
1st Block, Koramangala,
Bangalore-560034.

Petitioner

Versus

- 1. M/s. Shri C. Krishniah Chetty & Sons Private Limited,**
No.35, Commercial Street,
Bangalore-560 001.
- 2. Shri C. Vinod Hayagriv**
S/o. Mr.C.V.Hayagriv,
Aged about 55 years,
"Krishna Prasad"
1/34, Ulsoor Road,
W.H.Hanumanthappa Layout,
Bangalore-560042.
- 3. Shri C.V.Hayagriv,**
S/o. Late Sri.C.Venkatachalapathy Chetty,
Aged about 76 years,
"Krishna Prasad",
1/34, Ulsoor Road,
W.H.Hanumanthappa Layout,
Bangalore-560042.



4. **Smt. Triveni Vinod,**
W/o. Mr. C. Vinod Hayagriv,
R/at "Krishna Prasad",
No.1/34. Ulsoor Road,
W.H.Hanumanthappa Layout,
Bangalore-560042.
 5. **Smt. C.Visala Hayagriv,**
R/at "Krishna Prasad",
No.1/34. Ulsoor Road,
W.H.Hanumanthappa Layout,
Bangalore-560042.
 6. **Shri Chaitanya V. Cotha,**
R/at "Krishna Prasad",
No.1/34. Ulsoor Road,
W.H.Hanumanthappa Layout,
Bangalore-560042.
 7. **Shri Shreyas V. Cotha,**
R/at "Krishna Prasad",
No.1/34, Ulsoor Road,
W.H.Hanumanthappa Layout,
Bangalore-560042.
 8. **Shri Shyam Ramadhyani,**
No.4B, Chitrapur Bhavan,
No.68, 8th Main, 15th Cross,
Malleswaram,
Bangalore-560055.
 9. **Shri C.Ganesh Narayan,**
R/at "Krishna Prasad",
No.14/A, 1st Main,
1st Block, Koramangala,
Bangalore-560034.
 10. **M/s. C.Krishniah Chetty Jewellers Private Limited,**
No.36, Commercial Street,
Bangalore-560001.
- Respondents

Date of Order: 24th January, 2019

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Dr. Ashok Kumar Mishra, Member (Technical)

Parties/Counsels Present:

For the Petitioner	: Shri V. Srinivasa Raghavan, Sr. Counsel along with Ms. Jayati Goyal
For the Respondent No.2 to 7	: Shri Mukta Batra with Shri Navkesh Batra
For the Respondent No.8	: Shri Dhyan Chinnappa, Sr. Counsel
For the Respondent No.1 & 10	: Shri L.Udayarkar
For the Respondent No.9	: Shri Vir Anthony Britto with Ms.B.L.Surabhi.

ORDER

Per: Rajeswara Rao Vittanala, Member (Judicial)

1. C.P.No.54 of 2014 (T.P.No.65 of 2016) is filed by **Smt. C Valli Narayan (Petitioner)**, U/s. 397, 398, 402, 403, 406, 237 of Companies Act, 1956, against **M/s. C. Krishniah Chetty & Sons Private Limited (Respondent)**, by inter alia seeking to regulate the conduct of the affairs of the first Respondent Company in future; Direct the Respondents to alter the Articles of Association of the Company so as to insert a new clause relating to the Principle of Proportional Representation and accordingly permitting the Petitioner to appoint not less than half of the number of directors in the board of first Respondent Company, adopting the Principles of proportional representation; Directing the Respondents to maintain Status Quo of the Shareholding Pattern of the 1st Respondent Company till the completion of process of demerger or slump sale as agreed to in


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the Family Settlement Agreement; Directing the Respondents not to divert the business of the 1st Respondent Company, directly or indirectly, to 10th Respondent Company or any other Company till the completion of process of demerger or slump sale as agreed to in the Family Settlement Agreement; Directing the Respondent to maintain Status Quo of the Assets of the 1st Respondent Company till the completion of process of demerger or slump sale as agreed to in the Family Settlement Agreement.

2. Brief facts of the case, as mentioned in the Company Petition, which are relevant to the issue in question, are as follows:

- a) M/s. C. Krishniah Chetty and Sons Pvt. Ltd., (hereinafter called 1st Respondent Company or Company), was initially incorporated on 24.12.1979 under the provisions of the Companies Act, 1956, as a Private Limited Company. The Company was treated as a Deemed Public Company from 01/07/1994 till 29/12/2000, and thereafter converted itself into a Private Limited Company. The Registered Office of the Company is at No.35, Commercial Street, Bangalore-560 001. The Company is mainly engaged in the business of Jewellery, diamonds, bullion, gems, precious stones, platinum and silverware. Its Authorized Shares Capital is Rs. 5,00,00,000/- (Rs. Five Crores only) divided into 50,000/- Equity shares of Rs. 1000/- each and Paid up Share Capital is 4,86,40,000/- (Rupees Four Crores Eighty Six Lakhs Forty Thousand only) divided into 48,640/- Equity shares of Rs.1000/- each.
- b) The Petitioner is member of the Company holding 9,760 Equity Shares of Rs.1000/- each, out of total



issued and Paid up share Capital of Rs.4,86,40,000/- made up of 48,640/- Equity Shares of Rs. 1000/- each, thus constituting about 20% of the paid up capital of the 1st Respondent Company. She is also a Director of the Company. Therefore, in accordance with section 399 of the said Act, the Petitioner is entitled to file the present petition under Section 397 and 398 of the Act.

- c) The Petitioner and the Respondents belong to the same family and the Petitioner's late husband is the younger brother of the 3rd Respondent. The business of Jewellery was started by Late Mr. Cotha Krishniah Chetty (CKC) way back during the year 1869 in the state of Karnataka. The primary business was to cater to the jewellery requirements of the royal families of South India including the Maharaja of Mysore, the British gentry, and other families in Bangalore and Karnataka. After the demise of Late Mr. Cotha Krishniah Chetty (CKC) the business was carried on by his son Mr. C. Audinarayana Chetty and grandson Mr. C. Venkatachalapathy Chetty during the year 1955-56, both Mr. C. Audinarayana Chetty and Mr. C. Venkatachalapathy Chetty died in a short span of nine months. Thereafter, the business was taken over by the sons of Mr. C. Venkatachalapathy Chetty viz., Petitioner's husband Late Mr. C.V.Narayan and the 3rd Respondent. Both Late Mr. C.V.Narayan and the 3rd Respondent took over the business and continued it as a partnership firm till the year 1979-80 during which year the partnership firm was dissolved, and the 1st Respondent Company came into existence. Both were equally managing the business right from the year



1955-56 and were also holding equal profit sharing ratio in the firm. The 2nd Respondent joined the business during the year 1981.

- d) It is stated that CKC is a well reputed brand and is a household name in the state of Karnataka. Its jewellery and silverware are manufactured in house and outsourced through job works. The Company has an in house design team, Merchandising, and Finance, Information Technology, Human Resources, Marketing & CRM, Diamond Grading and Facilities managed by employees, vertical heads and directors of the Company. The Company currently operates three stores in Bangalore servicing clients in ready and custom made jewelry in Gold, Diamonds, Platinum and Silverware and operates the stores under the brand name C.Krishniah Chetty & Sons.
- e) During the year 1991 both the brothers decided to float a new company and accordingly incorporated the 10th Respondent Company on 27.03.1991, which is part of the Krishniah Chetty group of Companies. The 10th Respondent was started to cater to corporate gifting requirements in silverware, with the majority of the business continued to be with the 1st Respondent Company.
- f) It is stated that Late Mr. C.V.Narayan, the Petitioner's husband, was inducted into the family business in the year 1956 when he was only 14 years old. From 1979-80 until his demise in 1998, he served as the Joint Managing Director of the Company, jointly managing the affairs of the Company with the 3rd Respondent, who was also the Managing Director and



the 2nd Respondent who was an Executive Director. During the year 1993 the board was reconstituted so as to induct the Petitioner as a Non Whole time Director of the Company. Along with the Petitioner the 4th and 5th Respondents, wife of 3rd Respondent and 2nd Respondent respectively were also inducted as Non Whole time directors. After the demise of Mr. C.V.Narayan, the Petitioner had volunteered to become a Whole time director and involve in the day to day affairs of the company so as to continue the good work done by her husband in successful management and running of the Company. However, the 3rd Respondent, who was the Managing Director at that point in time, refused to induct the Petitioner as a Whole time director of the Company. During the year 1997 the 9th Respondent was inducted as a Director of the Company.

- g) After demise of Mr. C.V.Narayan the 3rd Respondent started acting unilaterally protecting the interest of his own family members, sidelining and ignoring the interest of the Petitioner. After the demise of Petitioner's husband Mr. C.V.Narayan, the 3rd Respondent reconstituted the Board so as to make his son the 2nd Respondent as Managing Director of the Company and designated himself as Chairman of the Company. He also inducted his grandchildren the 6th and 7th Respondents as Directors of the Company during the year 2005 and 2007. After such reconstitution, the number of members in the Board was increased to 8, with the Respondent 2 to 7 dominating the Board outnumbering the Petitioner.

