

CLARIFICATIONS

1. In paragraph 9, Kamra Securities are lead merchant banker. In paragraph 11, it is Pacific Crest. Which one is it?

Response: Kamra Securities Private Limited was the lead merchant banker of Southern Rocks. In paragraph 11, please read “lead merchant banker” as “other merchant banker”.

2. In paragraph 9, Pacific Crest has been termed as an ‘other merchant banker’ while in the last line of paragraph 11, it has been termed ‘lead merchant banker’. What is it in fact?

Response: Please refer to the response to query no. 1.

3. Which is the Lead Manager for Southern Rocks exactly – Kamra or Pacific Crest as in paragraph 9 it says Kamra as its lead manager, however, in paragraph 11 the last line states Pacific crest saw higher possibility....and hence decided to be their lead merchant banker. Kindly clarify.

Response: Please refer to the response to query no. 1.

4. How would clubbing of arguments for petitioner's in terms of oral rounds work? Where say, for example, the counsel for SEBI and Southern Rocks in the first appeal would be arguing against SEBI in the second appeal and against Southern Rocks in the Third Appeal? Further, how would this reflect in memorials? Appeal 1's Appellant maybe respondent in Appeal 2 and vice versa, thus leading to confusion. If a skeleton explaining this is shared, it would be appreciated.

Response: No clarification is required on this issue.

5. How are we supposed to make memorials given the fact that SEBI is petitioner in one case and respondent in another? Should we just make one memorial for petitioners and one for respondent with the respective parties clubbed together?

Response: No clarification is required on this issue.

6. As per the moot problem received and facts of the moot problem mentioned on page 1, Southern Rocks Limited is an appellant in Appeal No. 1 & Appeal No. 2 whereas Southern Rocks Limited is a respondent in Appeal No. 3. Please mention how do we reconcile “Conflict of Interest” and “Attorney Client Privilege” assuming the role of Council of appellant or Council of respondent as per the competition requirements.

Response: No clarification is required on this issue.

7. Is there any Principal Applicant/Appellant and Respondent?

Response: No clarification is required on this issue.

8. What year are the final petitions (all three) based in?

Response: No clarification is required on this issue.

9. When is the Supreme Court hearing the three appeals?

Response: The hearing is taking place on the date of the moot court competition.

10. The complaint filed by Southern Rocks Pvt. Ltd. with SEBI was that Pacific Crest (PC) terminated the contract to free itself so as to service their competitor. The Merchant Banker Order dated March 10, 2020 by SEBI notes that PC wrongfully terminated the agreement. Does this mean that SEBI in its order deliberated the validity of the termination of the agreement and not just the motive behind such termination, whether valid or invalid?

Response: No clarification is required on this issue. The facts sheets are clear on this issue.

11. Are we to limit our arguments in Appeal 1 only to the reason why PC invoked the MAC clause and how that violated the regulations? Or are we to also argue on SEBI ruling on the wrongful termination of the agreement via the MAC clause?

Response: No clarification is required on this issue. The moot problem is clear on this issue.

12. On what grounds did SAT over-turn SEBI MB order in paragraph 24?

Response: No clarification is required on this issue.

13. What was the *ratio decidendi* of the NCLT that was also upheld by the NCLAT regarding the Class Action Suit and legality of the RoFR?

Response: No clarification is required on this issue.

14. Paragraph 9 of the Moot Proposition states that the Offer Agreement was executed in April 2019, however the dates mentioned in Annexure D are of 2020, even though the MB engagement have commenced from May 2019, as stated in Paragraph 12. Kindly clarify.

Response: Please read May 19, 2020 as May 19, 2019 in Clause 21.1 of Annexure D.

15. In the Proposition, Page 16, Annexure - D (offer document of the merchant banks); It mentions the date from which the banks would be engaged to be 19/5/20. Due to several reasons, it seems like this must be a typographical error and it should be 19/5/19. Kindly clarify the same.

Response: Please refer to the response to query no. 14.

16. On January 31, 2020, Pacific Crest terminated the Offer Agreement with Southern Rocks. However, as per clause 21.1 under Annexure D, Merchant Bankers' engagement with Southern Rocks commences from May 19, 2020, which we believe should instead be May 19, 2019. In this regard, paragraph 9 also states that in April 2019, Pacific Crest entered into an Offer Agreement with Southern Rocks. Kindly clarify.

Response: Please refer to the response to query no. 14.

17. Annexure-D, Clause 21.1 states that "the Merchant Bankers engagement have commenced from May 19, 2020..." whereas paragraph 12 of the moot problem states "In May 2019, the merchant bankers and their lawyers initiated due-diligence processes...". Please clarify as to whether Annexure-D is reproduced correctly.

Response: Please refer to the response to query no. 14.

18. The shareholder agreement between Aham and Opprime (Annexure C) consists of certain principal terms and conditions, is it safe to assume that these are the boilerplate clauses that were present in all the other SHA between the remaining small shareholders and Aham especially with respect to clause 3.5 & clause 3.7 of Annexure C regarding RoFR.

Response: No clarification is required on this issue.

19. Is Sansar Chand Finance Limited registered under Companies Act, 1956 or Companies Act 2013?

Response: No clarification is required on this issue.

20. On page 12, Annexure A – would the third column of the table read as January 1, 2020 or 2021? Is it a typographical error?

Response: In the third column, please read January 1, 2020 as January 1, 2021.

21. Were the Investor Shareholders aware of the fact that Aham was a Non-Executive Director in Nero Private Limited, when they entered into the SHA?

Response: No clarification is required on this issue.

22. On page 8, in the table of expenditure and revenue, the starting date is April 1, 2016 and the ending date is December 31, 2019. Are the years mentioned in between according to Financial Years like April 1, 2016 to 31st March 2017 for 2016-17, April 1, 2017 to 31st March 2018 for 2017-18, or do they end in the December month? This is important because of the amendments done in Annexure A in the year 2016 and 2018.

Response: In the table, the years (i.e., 2016-17, 2017-18 and 2018-19) represent financial years.

23. Whether financial year 2018 refers to financial year 2018-19?

Response: No clarification is required on this.

24. Paragraph 12 states that the investor shareholders along with their lawyers went through the parts of IPO that were relevant to them, so can we assume that they did not go through the complete 626 pages of DRHP?

Response: No clarification is required on this issue. The fact sheets are clear on this.

25. Is any of the two legal opinions (paragraph 22 of the moot proposition) mentioned in the DRHP?

Response: No clarification is required on this.

26. If the proposition is silent about a certain thing, can we presume that Southern Rocks has duly complied with all the compliances as according to the law?

Response: No clarification is required on this.

27. How did the investor shareholders arrive at a claim of Rs. 2,000 million against the Southern Rocks?

Response: No clarification is required on this.

28. On page 13 of the Moot Problem in Annexure A, Clause 20.1 contains a foot note after clause (c). Does that mean the whole clause 20.1 was added after amendment on December 7, 2018 or is it just the clause (c) that was added?

Response: Only clause (c) was inserted through an amendment dated December 7, 2018.

29. Was the whole of clause 20.1 (Annexure A) inserted through the third amendment or only part (c) of the clause?

Response: Please refer to the response to query no. 27.

30. Annexure B mentions that the financial statements for Nero Pvt. Ltd. were not filed in 2016 due to Mr. Bryant's refusal to sign them. The document then mentions that this continued till 2018. Are the financial statements of the year 2017-2018 also included in

the period of non-filing due to Mr. Bryant? So in summary, did Nero Pvt. Ltd. fail to file the financial statements of years 2015-2016, 2016-2017 and 2017-2018?

Response: No clarification is required on this.

31. Were the 0.73% shares given to Opprime in Lump Sum or in parts? What is the date of such issuance of shares?

Response: No clarification is required on this issue.

32. When was the last date of issue of shares to any of the Small Shareholders?

Response: No clarification is required on this issue.

33. Pursuant to Sansar Chand's letter under paragraph 18, what was the nature of assurance given to the Merchant Bankers by Southern Rock Limited? For example: Were there any formal covenants entered into at the time?

Response: No clarification is required on this issue.

34. Where were Fig Leaf's hotels distributed across India? What was the extent of their exposure to the outbreak of the Advorsus virus? Where was the majority of Fig Leaf's clientele situated?

Response: No clarification is required on this issue.

35. What were Aham's professional qualifications to act as a director of Southern Rocks Limited?

Response: No clarification is required.

36. What was the extent of due diligence conducted by the investor shareholders pursuant to paragraph 6? Whether the A-O SHA was accessible to the investor shareholders? Whether any form of representation was made by Aham, Brahmasmi or Southern Rocks Limited about a prior RoFR to the investor shareholders?

Response: No clarification is required.

37. Whether the South Asian clientele of Southern Rocks were aware or privy to the report dated 26.01.2020 (Annexure – E) prior to its publication?

Response: No clarification is required.

38. Whether the tepid response given by the investors pursuant to the unofficial communication between the merchant bankers and investors under paragraph 14 communicated to Southern Rocks Limited or its members?

Response: No clarification is required.

39. Whether Fig Leaf's portfolios catered to the requirements of business travellers or leisure travellers? In the event they catered to both, what is the revenue generated respectively?

Response: No clarification is required on this issue.

40. Can you provide the excerpts of the amendments made to Articles of Association while incorporating the rights as provided under the SHA, with specific reference to the RoFR (paragraph 7)?

Response: No such details are required to be provided.

41. How many risk factors were specified in the DRHP in total?

Response: No clarification is required on this.

42. The Risk Factor No. 7 of Annexure B says that Mr. Aham Nagaraj 'is currently disqualified from one of the companies where he is a director'. However, the 2nd paragraph of Annexure B states that he 'might be disqualified from acting as a director on the board of Nero'. Whether Mr Aham has already been disqualified from the board of Nero or not?

Response: No clarification is required on this.

43. Under the SHA, Southern Rocks is required to complete an IPO of its shares by the end of Financial Year 2020 i.e., by March 31, 2021. On the other hand, paragraph 9 mentions

that April 2019 is "a year before the contractual cut-off date for the IPO" i.e., April 2020. Both these statements contradict each other. Kindly clarify.

Response: No clarification is required on this.

44. The expenditure-revenue graph for Southern Rocks clearly portrays that Southern Rocks has been facing losses since 2016. This would make Southern Rocks ineligible for listing its shares on the stock market under the SEBI (ICDR) Regulations. Kindly provide clarification on this aspect.

Response: No clarification is required on this.

45. At page 3, paragraph 7c, the composition of directors mentions Pash Investment and Pash Right Ltd. whereas paragraph 6 only mentions Pash Right Ltd. Please clarify whether these two shareholders are same or otherwise.

Response: Please read "Pash Investments" as "Nagarjuna Ltd."

46. In paragraph 6, the names of the investor shareholders listed in the table are inconsistent with those mentioned under paragraph 7, Clause C (Composition of BOD- non-executive nominee directors) wherein "Pash" is named two times that is Pash Investments and Pash Right Ltd. Is this a typographical error?

Response: Please refer to the response to query no. 45.

47. At page 3, paragraph 7e states that if Southern Rocks fails to complete the IPO by Financial year 2020, they will be liable to compensate all the investors shareholders. Considering by the time the case will be put up, this time frame would have been surpassed. Kindly clarify whether this particular fact needs a revision.

Response: No clarification is required on this issue.

48. Under Annexure C, Clause 6, one of the conditions laid down for the termination of A-O SHA is "122 months from the date of completion of issuance of shares to Opprime". Considering that A-O SHA was drawn up in September 2010, it would be helpful if you could kindly throw some light on the date of issuance of shares to Opprime.

Response: Please note that the shares were issued to Opprime in September 2010.

49. Who are the "Other Shareholders" as mentioned in point 11 of the chart in paragraph No. 6 of the Moot Problem? [Ref: page no. 3, paragraph 6]

Response: No clarification is required on this.

50. Who are the "other shareholders" as mentioned in the shareholding pattern of Southern Rocks in Paragraph 6, last particular in the table?

Response: No clarification is required on this.

51. Is the individual shareholding of all the companies/individuals constituting the category of "Other share-holders" available? If yes, please provide it.

Response: No clarification is required on this.

52. Kindly provide the exact amount of funds provided by Sansar Chand to Southern Rocks in the 2015 and 2018 Tranches respectively. [Ref. page 4 and 5, paragraph 8]

Response: No such details are required to be provided.

53. Was any collateral provided to Sansarchand for the Term Loan undertaken, if yes then what for each tranche?

Response: No clarification is required.

54. What amount or percentage of the principal of the term loan taken by Southern Rocks from Sansarchand has been repaid by them?

Response: No clarification is required.

55. Can we assume that while Southern Rocks converted from a Private limited company into a Public Limited Company, it followed all the statutory mandates?

Response: No clarification is required on this.

56. Considering the Amendment to Regulation 31A are we required to refer to a "professionally managed company" as a "listed entity with not identifiable promoters"?

Response: No clarification is required on this.

57. Is Southern Rocks a listed company?

Response: No clarification is required on this.

58. Kindly provide us with the total amount of shareholding of the "Small Shareholders" in the Southern Rocks. [Ref: Page 6, paragraph 13]

Response: No clarification is required on this.

59. Can you elaborate upon the phrase "SEBI raised concerns about certain disclosures in DRHP." What were these disclosures? [Ref: page 7, paragraph 14]

Response: No clarification is required on this.

60. Kindly elaborate upon the Guidelines/ Restrictions issued by the Government with respect to the Advorsus?

Response: No clarification is required.

61. Page 9, paragraph 20 talks about reasons for rejection of the DRHP. The 2nd basis of the rejection states that - “2) That it does not agree with Southern Rocks’ analysis in Risk Factor No. 7 (refer to Annexure B) that Aham is unlikely to be disqualified to act as the managing director of Southern Rocks and that imminent likelihood of Aham being disqualified to act as the managing director of Southern Rocks will adversely affect the interests of prospective investors.”

Is the underlined sentence (starting from 'and that ') a mere consequence (as per SEBI) to the probability of Aham being disqualified to act as an MD or is SEBI actually disagreeing with the last paragraph of Annexure B (Excerpts of Risk Factor No. 7) where it is stated that Aham’s disqualification will have an adverse impact on the business.

Response: No clarification is required on this.

62. Clause 17.7 (page 12) of Annexure A, 2nd column of the RevPar table mentions a period of “January 1, 2020 – December 31, 2021”. Is this a typographical error?

Response: In the third column of the table, please read January 1, 2020 as January 1, 2021.

63. Does Aham, Brahmasmi or any of the Investor Shareholders have any connection or commercial relationship with Sansarchand?

Response: No clarification is required on this.

64. Whether any quarterly financial statements were filed by Southern Rocks with the SEBI or whether any other documents were filed with SEBI? Whether such quarterly financial statements, if any, named Sansarchand as a promoter of Southern Rocks?

Response: No clarification is required on this.

65. Whether and what was the method for calculating the consideration for the acquisition of the shares on the exercise of the RoFR in the SHA with the Investor Shareholders?

Response: No clarification is required on this.

