

9TH GNLU MOOT COURT ON SECURITIES AND INVESTMENT LAW

12TH – 15TH FEBRUARY, 2026



CLARIFICATIONS

1. Whether [an] additional issue can be added, as in can we raise [a] maintainability issue?
 - A. Yes

2. [What are the] details of Promoter Criminal Proceedings?
 - A. Proceedings under the Prevention of Money Laundering Act, 2002 (“PMLA”) More particularly, sections 3 and 4 of the PMLA. Secondly, Central Bureau of Investigation (“CBI”) proceedings under sections 120B, 420, 409 and 477-A of the Indian Penal Code, 1860 (“IPC”) and section 13(2) r/w 13(1)(d) of the Prevention of Corruption Act, 1988.

3. [What is the] Brand License Termination Term?
 - A. 99 years, subject to the Promoters retaining management and voting control in the Company.

4. Whether CMRA issued any formal approval or internal note explaining its satisfaction with disclosures?
 - A. CMRA has issued its observation letter with suggestions for modifications and inclusions in the Risk Factors and the Promoter-related litigation disclosures, 2 months prior to the issuance of the final RHP. RHP is issued and published, taking the issue forward.

5. What is [the] percentage for OFS by promoters, whether they are maintaining [the] 51% criteria or not?
 - A. The complete issue is an OFS. The promoters are maintaining the 51% criteria.

6. Paragraph 7 - Which addenda clarified which claims in RHP (which clarifications were given by which addenda)?
 - A. The Promoter-related litigations, the ongoing cases filed against the company and the filing of the present writ petitions have been clarified in the addenda.

7. Paragraph 2 – [What are the] details of the fit and proper criteria under the OMA?

A. Retention of Control by the existing Promoters forms an essential criteria under OMA.

8. Paragraph 3 – [What are the] details of the OMA?

A. The Relevant Details of the OMA are given below –

- i. Flexi-Hub India Pvt Ltd. is affiliated to FlexiSpace Global Inc.
- ii. The Brand name, Intellectual Property and other essential practices of conducting business have been adopted by Flexi-Hub India pursuant to the OMA.
- iii. The retention of control and management of the existing promoters is a sine qua non and forms the fundamental basis of understanding between the Indian and the Global Entity under the OMA.
- iv. OMA License is subject to US Laws, including anti-bribery terms, anti-corruption terms.
- v. The OMA is presently operating for a period of 99 years.
- vi. The Standard and reasonable terms of a licence / operations and management agreement between a Global Brand and an Indian offshoot can be presumed by the participants.

9. Paragraph 4 – What exactly are the criminal charges and the promoters against whom such charges are alleged?

A. The Promoters have been involved in real estate transactions in their native state. Proceedings under PMLA, more particularly sections 3 and 4 of the PMLA. Secondly, CBI Proceedings under sections 120B, 420, 409 and 477-A of IPC and section 13(2) r/w 13(1)(d) of the Prevention of Corruption Act, 1988 have been launched in relation to real estate transactions wherein Promoters are involved.

10. Are the criminal proceedings against FlexiHub's promoters limited only to the chargesheet filed on 15 September 2024 (Para 6), or are there additional pending complaints, FIRs, or investigations related to the promoters?

A. Same as answer 9.

11. Has any court taken cognizance or framed charges in the promoter criminal case mentioned in Para 6, or does the matter remain only at the chargesheet stage?

A. The Special Court has taken cognizance of the complaints filed. Provisions of PMLA can be referred to understand the stage of proceedings.

12. Under the OMA (Para 2), what specific events trigger termination of the brand licence? In particular, please clarify: (i) whether a chargesheet alone constitutes a violation of the "fit & proper" requirement under the OMA; or (ii) whether only conviction or [a] formal finding of guilt impacts the "fit & proper" status?

A. The Fit and Proper criterion is triggered upon the establishment of guilt. Secondly, loss of management control and loss of majority shareholder status would lead to termination of OMA.

13. As per Para 7, two addenda were filed (10 July & 5 August 2025). Did these addenda include any quantitative assessment of the financial impact if the OMA/licence is terminated (e.g., percentage revenue attributable to the FlexiSpace brand), or were the disclosures purely narrative?

A. No.

14. Para 4 states the IPO is 100% OFS, with no fresh capital infusion. Please clarify whether FlexiHub has any concrete plan for fresh capital infusion after the IPO (via debt, private placement, FDI, etc.), or whether no future funding is expected[.]

A. No future funding is expected at the moment.

15. Para 5 states that FlexiHub has a negative net worth of ₹85 crore. Please clarify whether this figure pertains to standalone financial statements or consolidated group-level financials.

A. Consolidated financials of the Indian Entity.

16. In several parts of the proposition, “India” and “Avantika” appear interchangeably (Para 1, Para 3, Para 10). Please clarify whether “India” and “Avantika” are the same jurisdiction for the purpose of this moot, or whether they refer to different jurisdictions, and if different, which statutory regime prevails over the writ proceedings.

A. Yes, India and Avantika are the same jurisdiction for the purpose of this moot.

17. Under the OMA (Para 2), promoters must maintain 51% control. Please clarify whether this requirement applies only pre-IPO or also post-listing on a continuous basis.

A. Applies even post IPO.

18. Was CMRA aware of the promoters’ criminal proceedings before the RIPC complaint (Para 8), or only after it?

A. FlexiHub India filed its DRHP with relevant chapters relating to the promoter litigations on 31.01.2025. Observation Letters from CMRA were issued to the BRLM of the Company after filing of the DRHP. This fact is open to interpretation.

19. What are the material disclosure[s] that the company missed (its clarified in para 6), but it will be better if we can get the DRHP so we can see to what extent the disclosures are deficient?

A. Please go by the contents of paragraph 6 of the moot proposition only.

20. What are the two addenda that were added, which were later marked not adequate by the association in para 8?

A. The two addenda were issued time to time, disclosing the litigations filed against the Company, including the filing of the present writ petitions.

21. Is RIPC recognized as an SRO?

A. No.

22. Could you provide a detailed breakdown of the net worth?

A. Net worth of any main board IPO applicant company having a negative net worth and seeking an issue size worth 3,000 crores can be assumed.

23. In what sense is 'control' being referred to—voting rights or shareholding?

A. Control is a legal phenomenon, which is open for interpretation.

24. What is the percentage of the issue under the OFS, and is there any information regarding pricing?

A. 100% OFS – price range / band may not be relevant for the purpose of the present issues.

25. What are the 'fit and proper' criteria specified in the OMA?

A. Fit and Proper as per the American Standards, but more importantly, conviction of any nature includes disqualification as per the fit and proper criterion.

26. What is the current status of the proceedings as of the disclosure dates, i.e., 10th July and 5th August?

A. The two addenda have been published and are available in the public domain for investors.

27. Is the Red Herring Prospectus (RHP) of Flexihub India available? If yes, please provide the details.

A. The details available in the moot problem are the parts of RHP which are available. However, participants are free to exercise their creativity to bring home points from nuanced details of RHPs, which can reasonably be adopted in the facts of the present case and the nature of the company involved in the present case.

28. In the Relevant Legal Framework section of the moot proposition, reference has been made to the SEBI (ICDR) Regulations, 2009. However, the SEBI (ICDR) Regulations, 2018 are the currently applicable regulations. Could you please clarify whether we are required to refer to the 2009 Regulations or the 2018 Regulations?

A. You should refer to the SEBI (ICDR) Regulations, 2018.