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MOOT COURT SOCIETY

18TH GRAND INTRA MOOT COURT COMPETITION, 2024-25

MOOT PROPOSITION

1. Catania is a developing country with a population of nearly one hundred crore citizens, and consisting various religions, castes, and ethnic communities as a part of its populace. These diverse groups settled in Catania over several thousand years, interacting, assimilating (and sometimes conflicting), resulting into the creation of several kingdoms. Two centuries before Catania's independence, a foreign power colonized the scattered kingdoms of Catania. Catania eventually gained independence through a movement of persistent nationwide anti-colonial resistance in the 1940s. In the initial years of the resistance, the colonizers were sure that Catania, with its dispersed (and radically diverse) population, could not form a unified government. However, to their surprise, the people of Catania persevered to emerge successful in establishing Catania as a sovereign democratic republic and gave itself a supreme law called as 'The Constitution of Catania.'
2. Perhaps due to the torturous colonial hangover that it had, Catania came to adopt a welfarist form of governance in the initial decades following its independence. The primary goal was to address widespread poverty and inequality. Government policy was marked by protectionist measures, including restricted private sector activity, substantial public sector spending and strict business regulation. However, in 1991, the government of Catania liberalized its economy by removing restrictions on private sector activity, selling public sector undertakings (PSUs) to private players and pre-approved investments up to 51% foreign equity participation.
3. Several amendments came into effect thereafter and several laws were put in place to facilitate the growth of commerce and encouraged private sector participation in Catania's governance. Laws governing foreign direct investment (FDI), intellectual property rights (IPR), and business operations were amended to create a more investor-friendly ecosystem. The government curtailed red-tapism and streamlined bureaucratic procedures thereby making it easier to start and operate businesses. Moreover, due to the push to

involve the private sector in public governance through public-private partnerships (**PPPs**), Catania significantly improved its rankings on the Global Ease of Doing Business index and at present is on its way to become a global investment hub.

4. Insofar as Catania's political landscape is concerned, it is dominated by two major central parties- 'Virgil' and 'Ovid'. The competition between these two parties ensures a dynamic political environment, with policies and governance constantly evolving to address the needs and aspirations of the diverse population. At the state level, there are several regional parties, which regularly compete with the national parties and each other to form the state government. Several regional parties also contest elections to the Lok Sabha and have often played a decisive role in holding coalition governments together. In recent years, entities akin to Political Action Committees (**PACs**) have emerged and they play a significant role in strategizing electoral campaigns and influencing policy and governance.
5. Known world-wide for being economically vibrant and the most rapidly growing state in Catania is the 'State of Atlantis', also known as Catania's point of pride. The state's economic prowess is complemented by its cultural and linguistic distinctiveness. The diversity and progressiveness of Atlantis led to regional governments cater specifically to the unique needs and aspirations of the people of Atlantis. As the elections scheduled for early 2024 approached, the major national parties, Virgil and Ovid, started taking steps to strengthen their presence in the electorally strategic state of Atlantis.
6. In order ensure a landslide victory in the upcoming Atlantis elections, Virgil engaged the expertise of AristoGenius Politico Limited (**AristoGenius**), a prominent PAC registered as a company in Catania. AristoGenius, founded by one Mr. Robin Kishor, rose to fame after guiding Virgil to victory in many state elections in the northern part of Catania. It has also advised Ovid on some occasions with respect to election strategy. AristoGenius' strategy and deep understanding of electorate behaviour makes them a major force to reckon with in any election of Catania. However, this is AristoGenius' first project not only in Atlantis but in southern Catania.
7. Within the state of Atlantis, a company called Statistica Limited (**Statistica**) is known as one of the largest consumer intelligence companies. With over a decade of experience, Statistica specializes in data collection of consumers behaviour, predominantly in the rural pockets of Atlantis, covering approximately 80% of Atlantis' rural households. By collecting and analyzing this data, Statistica provides valuable insights to corporate houses

which resultantly helps them tailor, target and advertise their products for local needs. Through its long industry presence spanning over ten years, Statistica has collected a large amount of consumer data in the state of Atlantis. Access to this data, in many ways, is essential for any venture aiming to understand the state.

8. Statistica's extensive data collection methods include a combination of collating public sources and obtaining information through private surveys. The quantitative breakdown of their data collection methods is as follows: 60% from public sources and 40% from private surveys. Their private surveys utilize a 5-factor personality test to assess individuals on the OCEAN scale (Openness, Conscientiousness, Extroversion, Agreeableness, and Neuroticism). Through these surveys, Statistica aims to map each consumer's unique personality. Although public sources constitute the majority of Statistica's dataset, the private surveys provide richer, more detailed insights that significantly enhance their analytics and consumer behaviour understanding. These personality tests enable Statistica to discern each consumer's unique traits and predict the types of advertisements they are likely to respond to. This unique methodology distinguishes Statistica from other competitors and contributes significantly to its success. However, it remains unclear whether explicit consent was ever obtained from the survey participants.
9. Despite multiple attempts to enter the Atlantis market, AristoGenius faced significant challenges. Linguistic barriers coupled with long-established and entrenched position of local players like Statistica having strong ties with the regional ruling party hindered AristoGenius' efforts to pierce the Atlantis market. Recognizing its predicament, AristoGenius initiated talks of acquiring Statistica. After several meetings and long-drawn negotiations lasting several months, AristoGenius executed a Share Purchase Agreement (SPA) to acquire Statistica for ₹150 crore on 2 February 2023 with a closing date of 31 October 2023. The SPA *inter alia* included the following clauses: -

“... ”

2. Definitions

“*Material Adverse Effect*” means any event or circumstance which would reasonably be expected to materially and adversely impact the assets, liabilities, business operations, performance or prospects of Statistica Limited, as a result of:

- (i) changes to economic, political, or market conditions; or

(ii) *changes in laws, rules, regulations, orders, or other governmental actions that have a disproportionate effect on Statistica Limited in comparison to other companies operating in the same industry.*

[...]

7. Conditions Precedent to Closing

AristoGenius Politico Limited's obligations to complete the purchase of the Shares under this Agreement shall be subject to the satisfaction of the following conditions precedent:

No Material Adverse Effect: There shall have been no event or change in circumstances that, individually or in the aggregate, has a Material Adverse Effect on Statistica Limited since the date of this Agreement until the Closing Date.

[...]

18. Termination

(i) *Either party may terminate this Agreement for a breach by the other party of the conditions set out herein with 7 days' notice. Further, AristoGenius Politico Limited shall have a right to immediately terminate this Agreement if, on the Closing Date, any of the Conditions Precedent to Closing (Clause 7) remain unsatisfied and have not been waived in writing by AristoGenius Politico Limited.*

10. On 11 August 2023, the Digital Personal Data Protection Act, 2023 (**DPDP Act**) was enacted after being duly passed by both Houses of Parliament of Catania and receiving the assent of the President. The DPDP Act *inter alia* requires the processing of personal data for a lawful purpose and by obtaining the consent of data principals.

11. Reading about the enactment of the DPDP Act in the news, Mr. Robin Kishor immediately reached out to the law firm engaged by AristoGenius for seeking advice with respect to the SPA. Pursuant to the legal counsel received by him over the weekend, on Monday 14 August 2023, Mr. Kishor sent an email to Mr. Ranveer, the CEO of Statistica, expressing concern over the change in law and its potential impact on Statistica. The same day, Mr. Ranveer responded to the email and informed that Statistica had collected all their data in accordance with the applicable law and that due compliance with the provisions of the DPDP Act would be ensured.

12. On 20 August 2023, the Atlantis Wire, an investigative news organization published an article highlighting alleged unethical practices by Statistica and made allegations about its relationship with the ruling party in Atlantis. The piece contained audio clips and emails purporting to have been acquired from central investigative agencies of Catania. The emails between the top management of Statistica revealed that the majority of Statistica was assessing the impact of the DPDP Act since a key feature of its data collection methods was non-consensual and the data was gathered through non-public sources. Further, the audio recordings published by Atlantis Wire contained certain unclear clips of what appeared to be conversations between Mr. Ranveer and the Chief Minister of Atlantis about “trucks of cash” that had been delivered to an employee of Statistica.
13. On 31 August 2023, having assessed the impact of the DPDP Act and on the basis of legal advice received as also *inter alia* on account of the allegations concerning Statistica’s integrity in the market, AristoGenius issued a notice of termination to Statistica alleging therein that the coming into force of the DPDP Act in Catania constitutes a ‘material adverse effect’ as contemplated under the SPA executed between them.
14. Despite heated negotiations and attempts of amicable resolution, the parties remained unable to arrive at a mutually acceptable solution. Consequently, Statistica instituted a Suit *inter alia* for specific performance of the SPA before the High Court of Judicature at Atlantis and prayed for an order directing AristoGenius to purchase the shares of Statistica. The Ld. Single Judge of the High Court decreed the Suit and directed the specific performance of the SPA. Aggrieved by the decree, AristoGenius filed an appeal against the order of the Ld. Single Judge.
15. Meanwhile, the Office of the Chief Minister of Atlantis issued a statement vehemently rejecting the allegations of any wrongdoing and impugning the veracity of the audio clips released by the Atlantis Wire. The statement read:

“The Union Government is called on to release the entire contents of the intercepted audio which will immediately establish the Chief Minister’s innocence. The Union must also clarify under what authority and following what processes the communications of a sitting Chief Minister was lawfully intercepted. Such surveillance would result into Catania turning into an Orwellian state and has the potential to undermine the rule of law and the level playing field of politics.”

16. The Ambassador Party (the ruling party in Atlantis) along with civil rights organizations, including the Internet Liberty Foundation (**ILF**) conducted social media campaigns and sit-in protests against the unchecked use of surveillance powers by the Union Government. Media channels widely covered the campaign and conducted several prime-time debates about the need to have oversight over the government's surveillance power. Finally, on 1 November 2023, the Union Minister for Electronics and Information Technology, Mr. Pawan Kumar called for a press conference. He stated:

“The case concerning the audio clips released by the media platform, Atlantis Wire is under investigation. It would not be appropriate to comment on the case at this moment. However, the Ministry hereby clarifies that all telephonic interceptions were made strictly in terms of the Catania Telegraph Act, 1885, the Information Technology Act, 2000 and associated rules thereunder. The power of the government to intercept telephonic conversations and online communication, within the framework of checks and balances conforms with the fundamental rights guaranteed to citizens under the Constitution of Catania.”

17. A journalist asked Mr. Pawan Kumar if the Union's investigative agencies would release the specific orders pursuant to which the internal emails of Statistica and the telephonic conversations with the Chief Minister were being intercepted. Mr. Pawan Kumar refused to comment and brought the press conference to a close.

18. On 15 November 2023, Mr. Ranveer filed a Writ Petition No. 341 of 2023 in the Supreme Court of Catania challenging the provisions of the Catania Telegraph Act, 1885 and the Information Technology Act, 2000 and associated rules thereunder that permit the interception of communications. On 24 December 2023, Catania replaced the Catania Telegraph Act, 1885 with the Telecommunications Act, 2023. Mr. Ranveer, pursuant to the liberty granted by the Hon'ble Court, accordingly amended his Writ Petition to include a challenge to the interception provisions contemplated under the new law.

19. In the meantime, a Division Bench of the High Court of Judicature at Atlantis set aside the Order of the Ld. Single Judge. The Division Bench held that the specific performance of the SPA was barred by Section 14 of the Specific Relief Act, 1963 and AristoGenius had validly terminated the SPA. Statistica carried this Order of the Division Bench in a Special Leave Petition (**SLP**) to the Supreme Court of Catania and after hearing both the parties, the Supreme Court passed the following Order: -

“Heard Ld. Counsel for Petitioner and Respondent

Admit. Counter Affidavit to be filed within two weeks from today. Rejoinder, if any, to be filed within a week thereafter.

We have also heard Ld. Counsel for the Petitioner in Writ Petition No. 341 of 2023. Issue notice to the Union of Catania.

Since issues raised in Writ Petition No. 341 of 2023 are overlapping and facts involved therein are similar, registry to club both these proceedings. All pleadings to be completed within three weeks from today.

Let both the proceedings be listed for final hearing in the second week of January during which time the following issues shall be considered: -

- A. Whether the Division Bench of the High Court of Judicature at Atlantis was right in dismissing Statistica’s claim of specific performance of the SPA?*
- B. Whether the provisions of the Catania Telegraph Act, 1885, the Information Technology Act, 2000, and the Telecommunications Act, 2023 and associated rules thereunder that permit telephonic interception are ultra vires of the Constitution of Catania?*

By way of interim relief, the operation of the Impugned Order passed by the Division Bench of the High Court of Judicature at Atlantis is stayed till the next date.”

NOTE:

1. The first speakers from both teams will argue Issue 1, i.e. representing Statistica (**Petitioner/Appellant**) and AristoGenius (**Respondent**), respectively.
2. The second speakers from both teams will argue Issue 2, i.e. representing Mr. Ranveer (**Petitioner**) and Union of Catania (**Respondent**), respectively.
3. Participants are required to address the issues mentioned in the Moot Proposition and are free to frame their own issues and sub-issues in addition to the existing issues. However, the correctness of clubbing of the two proceedings shall not be made an issue.
4. The Constitution of Catania is *pari materia* with the Constitution of India. All the laws of Catania are *pari materia* with the central laws of India.
5. It shall be assumed that the DPDP Act came into force with effect from 30 August 2023 by way of an Official Gazette Notification.
6. The suit instituted for specific performance of the SPA complies with the territorial and pecuniary jurisdiction of the High Court of Judicature at Atlantis.
7. AristoGenius Politico Limited and Statistica Limited are private companies.
8. The Moot Proposition has been drafted by **Mr. Aaroah Kulkarni**, Advocate, Bombay High Court.