

EXAMINATION OF ARTICLED CLERKS
PAPER III

CORPORATE LAW & TAXATION LAW

Friday, 1st October, 2021

Time: 3 Hours (1:00 PM to 4:00 PM)

TOTAL MARKS – 100

PART I

Note:

- (1) Please answer all questions to the point.
- (2) Answers should be reasoned and if possible supported by case law.

1. Write a brief note on: 10 Marks

The functions of the Board

OR

Penalties under the SEBI Act.

2. Write extremely short notes on any 4 of the following: 8 Marks

i. In what manner does a company decide the acceptances from each shareholder under the Buy Back Regulations?

ii. How can a person participate in the buyback in case of non receipt of the tender/offer form?

iii. How does one participate in the buyback in case one does not receive the tender/offer form?

iv. What is the principle behind Buy Back of shares?

v. Offer procedure.

vi. Methods of Buy Back of shares.

3. Answer in Yes or No. Provide one bullet point reason for your answer. 4 marks

i. Are all entities belonging to the promoter group of the listed entity deemed to be 'related parties'?

ii. Will transfer of resources, at arms length, between a

listed entity and a related party tantamount to a related party transaction?

iii. Can a Director become a member in 7 committees across all listed entities in which he is a Director

iv. Can a listed entity forfeit unclaimed interest on non-convertible debt securities

4. What are the provisions relating to approval of related party transactions? 4 Marks

OR

Persons included in 'Senior Management' under LODR Regulations.

5. Answer any 4 of the following: 8 Marks

i. Will the creation of a pledge amount to trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

ii. Is the requirement to maintain structured digital database under Regulation 3(5) applicable to intermediaries and fiduciaries?

iii. If, at the time of trading as per the trading plan, the designated person is in possession of unpublished price sensitive information which was not existing at the time of formulation/submission of trading plan, would such a trade be in violation of the Regulations?

iv. Is the requirement of pre-clearance applicable for exercise of employee stock options?

v. What is a trading Plan

6. Write short notes on any 2 of the following: 8 Marks

i. Hostile takeover.

ii. Modes of Acquisition of shares.

iii. Concept of control under the takeover code.

7. Write short notes on any 2 of the following: 8 Marks
- i. Anti-competitive Agreements
 - ii. Abuse of dominant position
 - iii. Division of enterprise enjoying dominant position.

PART II

- Note:*
1. *Figures to the right indicate full marks.*
 2. *Answer should be legible and to the point.*
 3. *Reference to "the Act" means the Income Tax Act 1961.*
 4. *Please support your answers with the relevant provisions of the Act and case law.*

1. Write short notes on any three of the following: 12 Marks
- i. Irrevocable transfer of Assets
 - ii. Slump sale.
 - iii. Unexplained investments.
 - iv. Long term capital gains.
2. How is tax avoidance different from tax planning? 5 Marks
3. Write short notes on any three of the following: 15 Marks
- i. Power of Assessing Officer in respect of discovery, inspection and production of evidence.
 - ii. Consequences of Impermissible avoidance arrangement.
 - iii. Representative Assessee.
 - iv. Advanced Rulings.

4. Write a detailed note on any one of the following: 10 Marks

Salary

OR

Income from house property

5. State whether the following are capital expenditures or revenue expenditures along with reasoning in one bullet point: 8 Marks

- i. Expenditure incurred for refurbishing a storage facility purchased by a company.
- ii. Expenditure incurred in the purchase of intangible assets.
- iii. Expenditure incurred in transportation of machinery from seller to factory.
- iv. Depreciation on fixed assets.
- v. Lumpsum payment made to pensioner by employer
- vi. Payment made to IT professional for maintenance of computer server.
- vii. Cost of shifting plant from Vashi to Khopoli.
- viii. Expenditure incurred on lobbying to oppose the proposed nationalisation of the industry.
