

EXAMINATION OF ARTICLED CLERKS  
PAPER III  
CORPORATE LAW & TAXATION LAW

3<sup>rd</sup> November, 2023

Time: 3 Hours

TOTAL MARKS-100

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**PART I**  
**CORPORATE LAW**

Note: Answers should be brief and precise quoting the provisions and case laws if any

<b>Question No.</b>	<b>Question</b>	<b>Marks</b>
1.	Write short notes on any two of the following: i. Powers of the SEBI under Section 11B of the SEBI Act 1992. ii. Penalties for Fraudulent and Unfair Trade Practices. iii. Powers to Adjudicate under the SEBI Act. iv. Appeals to the Securities Appellate Tribunal	<b>10 Marks</b>
2.	i. Explain the concept of "Control" , Persons acting in concert and Target Company under the Takeover Code . ii. What is Public/Open Offer and what are Public Offer Triggers under SAST Regulations, 2011? iii. What is offer period? What are the Obligations of the Acquirer under the SAST Regulations? iv. Can an acquirer withdraw an "open offer" after it is made ?	<b>12 Marks</b>
3.	Explain under the Prohibition of Insider Trading Regulations (PIT) 2015, as amended upto November 2022. i. Applicability of the Regulations.	<b>10 Marks</b>

- ii. Unpublished Price Sensitive Information (UPSI).
- iii. Prohibitions on “ Insiders” in terms of the Insider Trading Regulations and its establishment of motive relevant for offences relating to Insider Trading?
- iv. Maintenance of Digital Data Base by Listed Companies.
- v. Penalties for Insider Trading

4. i. Discuss briefly the applicability of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. **8 Marks**
- ii. Explain Listing Agreement.
- iii. Discuss briefly the principles governing disclosures and obligations.
5. (i) What are the advantages of a Buy Back for a listed Company? **6 Marks**
- (ii) What are terms and conditions for buyback of shares by a Company? Can a company buy back its own shares through the Stock Exchange mode ?
6. Write a short note on any 1 of the following: **4 Marks**
- i. What is the purpose of framing the Competition Law?
  - ii. Abuse of dominant position.
  - iii. What are the offences punishable under the Competition Act?

## PART II

Question No.	Question	Marks
1.	<p>Write Short Notes on any three of the following :</p> <p>i. Define Residential Status of Individuals and Companies under the Income Tax Act. What is the basis of charge of tax based on residential status for Individuals and Companies?</p> <p>ii. Income deemed to accrue or arise in India from any "business connection" in case of a non – resident.</p> <p>iii. Exempt Incomes under Section 10 of the Income Tax Act.</p> <p>iv. Capital Assets and Transfer in relation to Capital Assets.</p>	<b>15 Marks</b>
2.	<p>Explain any 3 of the following with clear reasons and quote the relevant provisions under the Income Tax Act.</p> <p>i. X Company Pvt Ltd plans to put up a new project in Himachal Pradesh, for which it plans to raise funds from the public. The Company incurs various legal expenses and expenses for hiring Merchant Bankers to manage its IPO including clearances from SEBI. The Company incurs Rs Ten lakhs as preliminary expenses for the IPO. However, its prospectus for the Issue is not cleared by SEBI and the Company is not given permission to go ahead with the IPO. How would the expenses on the IPO be treated in its Income Tax Computations?</p> <p>ii. Y Ltd has imported certain equipment for its manufacturing business from Germany. The Customs Authorities detect under invoicing of the consignment and levy additional customs duty as well as penalty under the Indian Customs Act for the offence of under invoicing What would you advise the Company for treatment of the expenses of additional duty and penalty levied by the Customs Authorities, under the Income Tax Act?</p>	<b>9 Marks</b>

iii. Z Ltd has taken premises on lease for its city office in Marine Lines Mumbai. The Company carries out extensive renovations to make the premises functional for its business. How should it treat the expenditure incurred on renovation? Explain the depreciation permissible if any under the Income Tax Act in respect of these premises.

iv. MTNL Ltd. a public sector Company frames a voluntary retirement scheme for its employees and incurs an expenditure of Rs 25 lakhs in connection with the voluntary retirement. How is the expenditure eligible for treatment under the Income Tax Act ?

3. Explain: **8 Marks**

- i. Void Transfers under the Income Tax Act.
- ii. Income of Trusts or Institutions from Contributions.

4. Write Short Notes on any two of the following: **10 Marks**

- i. The Assessing Officer has completed the assessment of an assessee on March 31, 2019 u/s 143 (3) of the Income Tax Act. His successor now proposes to reopen the assessment in October 2023 by serving a notice to reopen. Is the action of the Officer permissible under the law? Discuss with provisions and exceptions if any.
- ii. Faceless Assessments.
- iii. New Tax Regime versus Old Tax Regime

5. Discuss in brief any 2 of the following: **8 Marks**

- i. Appeals to the High Court.
- ii. Powers of the Principal Commissioner or Commissioner of Income Tax to revise orders.
- iii. Double Taxation Relief