

EXAMINATION OF ARTICLED CLERKS

PAPER III

CORPORATE LAW & TAXATION

Saturday, 16th November, 2024

Time : 3 Hours [1.00 PM to 4.00 PM]

Total Marks: 100

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

PART I

A. SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

- 1 What are the penal provisions under Section 15A, 15B, 15C, 15D, 15HA, 15G, 15H of SEBI Act, 1992 relating to penalties which SEBI can levy for : **10 Marks**
- failure to furnish information, returns, etc.
 - failure by any person to enter into agreement with clients;
 - failure to redress investor grievances;
 - certain default in case of mutual fund;
 - non disclosure of acquisition of shares and takeovers;
 - for fraudulent and unfair trade practices;
 - for insider trading.

OR

- 2 What are the powers of SEBI Board to regulate or prohibit issue of prospectus, offer document or advertisement, soliciting money for issue of securities under Section 11A of SEBI Act, 1992?
- What are the powers of SEBI Board to issue directions and levy penalty under Section 11B of SEBI Act, 1992?

B. COMPETITION ACT, 2002

- 1 What is the concept of “gun jumping”, “pre filing consultation”, “clean team” under Competition law. **5 Marks**

- 2 Explain in short what is Relevant Product Market and Relevant Geographical Market under competition rules ? **5 Marks**

OR

Describe the process followed by CCI while analysing the competitions. What are the various listed factors under the Competition (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011?

C. SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

- 1 If a Promoter shareholder intends to sell its shareholding by means of what is commonly known as “closed auction process”, what is the method or process by which the Promoter Shareholder need to follow under the SEBI (Prohibition of Insider Trading Regulations, 2015 ? **7 Marks**
- 2 What is “structured digital data” base ? **3 Marks**

D. SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011

- 1 What are the annual filings which: **5 Marks**
- (a) a listed company;
- (b) Promoter Shareholder and Promoter Group Shareholder has to file on an annual basis under SEBI (SAST) Regulation, 2015..
- 2 In case a “Promoter” along with “Person Acting in Concert” holds less than 25% shareholding in a target company, can the Promoter and Person Acting in Concert increase its shareholding above 25% without having to make an offer under SEBI SAST Regulations, 2015. **5 Marks**

E. SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

- 1 What are the duties and functions of an audit committee? **5 Marks**
- 2 Explain the process when can a stock exchange pass an order to transfer the trading of share of a listed company from normal trading to “trade to trade”, transfer the shares to Z category and thereafter freeze the demat account of the Promoter(s) and the directors of a listed company ? **5 Marks**

PART II

1. Write short Notes on any three of the following: **15 Marks**
- i. Advanced Pricing Agreements
 - ii. Countries with which no DTAA exist – unilateral relief
 - iii. Agricultural income
 - iv. Advance Ruling
2. Write a short note on when a transfer or charge created on asset be considered void under section 281 of The Income Tax Act. **5 Marks**
3. Explain any two with reference to Supreme Court Judgement. **10 Marks**
- a. Are interest free / concessional loans provided by the banks to employees taxable as perquisites under section 17 of The Income Tax Act. Explain with recent Supreme Court Judgement.
 - b. Is interest income earned on fixed deposits invested in banks taxable in the hands of the social club?
 - c. Mr. Ram was engaged in the business of silver which was legitimate in nature. In order to earn huge profits, he got involved in the smuggling of silver. Custom Authorities confiscated smuggled silver bars and the same was not recorded in the books of accounts. Will confiscation loss be allowed as business loss while carrying on legal business?
 - d. Is TDS to be deducted by telecom companies on sale of prepaid SIM cards to distributors?
4. Write a note on any one of the following: **5 Marks**
- a. How income will be determined in case of discontinued business.
 - b. Note on assessment of firms
 - c. Block of assets
5. Write short notes on any three of the following: **15 Marks**
- i. Taxation of gifts received by an assessee OR Dividend income
 - ii. Slump sale
 - iii. Income from property held for charitable or religious purpose OR Representative Assessee

- iv. TDS on payments made by e-commerce operator to e-commerce participants. OR Set-off of losses

