

INTERMEDIATE EXAMINATION

GROUP I

(SYLLABUS 2016)

SUGGESTED ANSWERS TO QUESTIONS

DECEMBER 2018

Paper- 6: LAWS & ETHICS

Time Allowed: 3 Hours

Full Marks :100

The figures in the margin on the right side indicate the full marks.

This question paper has two sections, A and B.

Both the sections are to be answered subject to instructions given against each.

Wherever necessary, candidates may make appropriate assumptions and clearly state them.

SECTION – A

Section A contains Question No. 1. All parts of this questions are compulsory.

1. Answer all the following questions:

Choose the correct answer from the given alternatives (you may write only the Roman numeral and the alphabet chosen for your answer): 1×10=10

(a) Multiple Choice Questions:

(i) A proposal may be revoked at any time before

- (A) the communication of acceptance
- (B) the payment of consideration
- (C) signing the agreement
- (D) execution of the proposal

(ii) Which of the following is not to be taken care while admitting a new partner?

- (A) Computation of new profit sharing ratio and sacrifice ratio
- (B) Accounting treatment of goodwill
- (C) Professional qualification of admitting partner
- (D) Revaluation of assets and liabilities

(iii) Where goods are delivered to the buyer and he refuses to accept them, the buyer is not bound to

- (A) retain them with him.
- (B) look-after the goods.
- (C) return them to the seller.
- (D) store them in his godown.

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- (iv) No child shall be allowed to work in a factory unless he has completed his
- (A) 12th year
 - (B) 14th year
 - (C) 16th year
 - (D) 18th year
- (v) Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than
- (A) three years
 - (B) five years
 - (C) seven years
 - (D) ten years
- (vi) The Employees' State Insurance Corporation is
- (A) Hindu Undivided Family
 - (B) Local Authority
 - (C) Charitable Institution
 - (D) Body Corporate
- (vii) The annual return of an OPC shall be signed by the company secretary or where there is no company secretary, by the
- (A) Senior executive of the company
 - (B) Auditor of the company
 - (C) Director of the company
 - (D) Advocate of the company
- (viii) If there is any mis-statement in the prospectus then it would attract the liability on
- (A) The printer
 - (B) The issuer
 - (C) The publisher
 - (D) The proof-reader
- (ix) Every company limited by shares shall keep and maintain the Register of Members in Form No.
- (A) MGT-1
 - (B) MGT-3
 - (C) MGT-7
 - (D) MGT-12
- (x) Ethics are the set of moral principles that guide a person's
- (A) Behaviour
 - (B) Philosophy
 - (C) Religion
 - (D) Profession

(b) Match and Pair:

1×5=5

	Column I		Column II
(1)	Wagering contract	(A)	Voting through electronics means
(2)	Coercion	(B)	War, animal rights and capital punishment
(3)	Consensus ad-idem	(C)	Committing any act forbidden by

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			the Indian Penal Code
(4)	Section 108 of Companies Act, 2013	(D)	Identity of minds
(5)	Applied ethics	(E)	Promise to pay `1,000 if it rains today

(c) State whether the following statements are True or False: 1×5=5

- (i) Goods to be manufactured or produced or acquired by the seller after making of the contract of sale are called future goods.
- (ii) The first endorsement of an instrument can be made by the Banker.
- (iii) Payment of Gratuity Act, 1972 applies to every shop and establishment employing seven or more persons.
- (iv) In case of e-voting, notice shall be sent as attachment in word file.
- (v) Ethics is a requirement for human life.

(d) Fill in the blanks: 1×5=5

- (i) The dishonor of the instrument may be due to Non-acceptance and _____ .
- (ii) The term of the office of the representative members of Medical Benefit Council shall be _____ years from the date on which the appointment is notified.
- (iii) The company shall have the _____ to specify the lock-in-period for the shares issued in pursuant to exercise such option.
- (iv) A director may resign from his office by giving a notice in writing to the _____.
- (v) The Seven Principles of Public Life were set out by _____ for the first time in the year 1995.

Answer: 1(a)

- (i) (a) The communication of acceptance
- (ii) (c) Professional qualification of admitting partner
- (iii) (c) Return them to the seller
- (iv) (b) 14th year
- (v) (b) Five years
- (vi) (d) Body Corporate
- (vii) (c) Director of the company
- (viii) (b) The issuer
- (ix) (a) MGT – 1
- (x) (a) Behaviour

Answer: 1(b)

	Column I		Column II
(1)	Wagering contract	(E)	Promise to pay `1,000 if it rains today
(2)	Coercion	(C)	Committing any act forbidden by the Indian Penal Code
(3)	Consensus ad-idem	(D)	Identity of minds
(4)	Section 108 of Companies Act, 2013	(A)	Voting through electronics means
(5)	Applied ethics	(B)	War, animal rights and capital punishment

Answer: 1(c)

- (i) True
- (ii) False
- (iii) False
- (iv) False

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(v) True

Answer: 1(d)

- (i) Non payment
- (ii) Four
- (iii) Freedom
- (iv) Company
- (v) Lord Nolan

SECTION - B

**Answer any five questions from question numbers 2 to 8.
Each question carries 15 marks.**

15×5=75

- 2. (a) Explain the meaning of 'Quasi-Contracts'. State the circumstances which are identified as quasi-contracts by the Indian Contract Act, 1872.**
- (b) C is the wife of A. She purchased some sarees on credit from B. B demanded the amount from A. A refused. B filed a suit against A for the said amount. Decide in the light of provisions of the Indian Contract Act, 1872, whether B would succeed. 10+5=15**

Answer: 2(a)

Even in the absence of a contract, certain social relationships give rise to certain specific obligations to be performed by certain persons. **These are known as – quasi contracts** as they create some obligations as in the case of regular contracts. Quasi-contracts are based on the principles of equity, justice and good conscience. The salient features of quasi-contracts are: **Firstly**, such a right is always a right to money and generally, though not always, to a liquidated sum of money; **Secondly**, it does not arise from any agreement between the parties concerned but the obligation is imposed by law and; **Thirdly**, the rights available are not against all the world but against a particular person or persons only, so in this respect it resembles to a contractual right.

Circumstances identified as quasi-contracts:

1. Sec-68--Claim for necessaries supplied to persons incapable of contracting: Any person supplying necessaries of life to persons who are incapable of contracting is entitled to claim the price from the other person's property. Similarly, where money is paid to such persons for purchase of necessaries, reimbursement can be claimed.

2. Sec-69-Right to recover money paid for another person: A person who has paid a sum of money which another person is obliged to pay, is entitled to be reimbursed by that other person provided that the payment has been made by him to protect his own interest.

3. Sec-70-Obligation of person enjoying benefits of non-gratuitous act: Where a person lawfully does anything for another person, or delivers anything to him not intending to do so gratuitously and such other person enjoys the benefit thereof, the latter is bound to pay compensation to the former in respect of, or to restore, the thing so done or delivered.

4. Sec-71-Responsibility of finder of goods: A person who finds goods belonging to another person and takes them into his custody is subject to same responsibility as if he were a bailee.

5. Sec-72- Liability for money paid or thing delivered by mistake or by coercion: A person to whom money has been paid or anything delivered by mistake or under coercion, must repay or return it.

In all the above cases contractual liability arises without any agreement between the parties.

Answer: 2(b)

Problem as asked in the question is based on the provisions related with the modes of creation of agency relationship under the Indian Contract Act, 1872. Agency may be

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created by a legal presumption; in a case of cohabitation by a married woman (i.e. wife is considered as an implied married agent, of her husband). If wife lives with her husband, there is a legal presumption that a wife has authority to pledge her husband's credit for necessities.

But the legal presumption can be rebutted in the following cases:

- (i) Where the goods purchased on credit are not necessities.
- (ii) Where the wife is given sufficient money for purchasing necessities.
- (iii) Where the wife is forbidden from purchasing anything on credit or contracting debts.
- (iv) Where the trader has been expressly warned not to give credit to his wife.

If the wife lives apart for no fault on her part, wife has authority to pledge her husband's credit for necessities. This legal presumption can be rebutted only in cases (iii) and (iv).

Applying the above conditions in the given case 'B' will succeed. He can recover the said amount from 'A' if sarees purchased by 'C' are necessities for her.

3. (a) **A limited liability partnership wants to shift its registered office from Mumbai in the State of Maharashtra to Kolkata in the State of West Bengal. What procedure the corporate has to follow under Limited Liability Partnership Act, 2008?**
- (b) **Rahul draws a cheque payable to 'sell or order'. Before he could encash the cheque, one of his creditors, Samrat approaches him for payment. Rahul endorses the same cheque in Samrat's favour. The banker refuses payment to Samrat on account of insufficiency of funds in the account. Can Rahul be made liable to penalties for dishonor of cheque due to insufficiency of funds in the account under section 138 of Negotiable Instruments Act, 1881? 8+7=15**

Answer: 3(a)

Sec 13 of the LLP Act states that a limited liability partnership may change the place of its registered office and file the notice of such change With the Registrar in form 15 within 30 days. Registered office can be changed from one place to another place in the manner provided in the Partnership Agreement, if the agreement is silent then consent of all partners shall be required for changing the place of registered office of limited liability partnership to another place, where the change in place of registered office is from one State to another State, the limited liability partnership having secured creditors shall also obtain consent of such secured creditors.

Where the change in place of registered office is from one state to another state, a general notice, not less than 21 days before filing any notice with Registrar, is required to be published in a daily newspaper published in English and in the principal language of the district in which the registered office of the limited liability partnership is situated and circulating in that district giving notice of change of registered office. However, there is just change in the jurisdiction of one Registrar to the jurisdiction of another Registrar; the limited liability Partnership shall file the notice in Form 15 with the Registrar from where the Limited liability partnership proposes to shift its registered office with a copy thereof for the information to the Registrar under whose Jurisdiction the registered office is proposed to be shifted. Failure to comply with the provision of this section the limited liability partnership and its every partner is liable to be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty five thousand rupees.

Alternate Answer:

Change of LLP Office from one State to another (in the given problem, it is from Mumbai, Maharashtra to Kolkata, West Bengal)

Resolution for Change of Address: It should be done as per LLP Agreement. If where the Limited LLP doesn't provide for any such procedure, consent of all partners shall be

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required for changing the place of Registered Office of Limited LLP to another place.

Secured Creditors: Consent of Secured Creditors required for such change of address.

Form to be filed: Form- 15 to be filed with Registrar from where (here it is Mumbai) the LLP proposes to shift its registered office with a copy thereof for the information to the Registrar under whose jurisdiction (Kolkata) the registered office is proposed to be shifted within 30 days of such change.

Public Notice: Publish a general notice, not less than 21 days before filing any notice with Registrar, in a daily newspaper published in English and in the principal language of the district in which the registered office of the LLP is situated (**Mumbai, Maharashtra**) and circulated in that district giving notice of change of registered office.

From when to be filed: Within 30 days of publishing of notice.

Failure to comply with these provisions, the LLP and its every partner is liable to punishable with fine which shall not be less than two thousand rupees but which may extend to twenty five thousand rupees.

Answer: 3(b)

Section 138 of Negotiable Instrument Act, 1881, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker.

Section 138 of the Act can be said to be falling either in the acts which are not criminal offense in real sense, but are acts which in public interest are prohibited under the penalty or those where although the proceeding may be in criminal form, they are really only a summary mode of enforcing a civil right. Normally in criminal law existence of guilty intent is an essential ingredient of a crime.

However the Legislature can always create an offence of absolute liability or strict where 'mens rea' is not at all necessary.

No, Rahul cannot be made liable to penalties for dishonour of cheque due to insufficiency of funds in the account since the cheque was not originally drawn payable to another person.

A cheque drawn payable to self and later endorsed in favour of another person does not seem to fall within the purview of the provisions of **Section 138** which lay down that the cheque should have been drawn for payment to another person.

4. (a) Explain the procedure for fixing and revising minimum wages under Minimum Wages Act, 1948.

(b) Mention the benefits that are entitled to the insured persons under the Employees' State Insurance Act, 1948. 9+6=15

Answer: 4(a)

Procedure for Fixing and revising Minimum Wages (Sec 5)

In fixing minimum rates of wages in respect of any scheduled employment for the first time or in revising minimum rates of wages so fixed, the appropriate Government shall follow either of the following 2 methods:

(a) **Appointment of committees.** The appropriate Government shall appoint as many committees and sub-committees as it considers necessary to hold inquiries and advise it in respect of fixation or revision of minimum rates of wages, as the case may be [Sec. 5(1)(a)] ; or

(b) **Publication of proposals in the Official Gazette.** The appropriate Government shall, by notification in the Official Gazette, publish its proposals for the information of persons likely

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to be affected by the fixation or revision of minimum rates of wages. It shall also specify a date on which the proposals will be taken into consideration. The date so specified shall not be less than 2 months from the date of the notification [Sec. 5(1) (b)].

After considering the advice of the committee or committees [under Sec. 5(1) (a)] or all representations received by it before the date specified in the notification [under Sec 5(1) (b)], the appropriate Government shall, by notification in the Official Gazette, fix or revise the minimum rates of wages in respect of each scheduled employment. The fixation or revision shall come into force on the expiry of 3 months from the date of the issue of notification, unless the notification otherwise provides [Sec 5(2)]. The power of the Government under Sec. 5(2) to issue notification revising minimum wages includes power to give retrospective effect to notification.

Answer: 4(b)

Section 46 of the Employees State Insurance Act, 1948 provides that the insured persons, their dependents shall be entitled to the following benefits

1. Periodical payments to any insured person in case of his sickness ;
2. Periodical payments to an insured woman in case of confinement or mis-carriage or sickness arising out of the pregnancy, confinement, premature birth of child or miscarriage;
3. Periodical payments to an insured person suffering from a disablement as a result of an employment injury sustained as an employee;
4. Periodical payments to such dependents of an insured person who dies as a result of an employment injury sustained as an employee ;
5. Medical treatment for and attendance on insured persons ;
6. Payment to the eldest surviving member of the family of an insured person, who has died, towards the expenditure on the funeral of the deceased insured person; if the injured person at the time of his death does not have a family, the funeral payment will be paid to the person who actually incurs the expenditure.

The amount of such payment shall not exceed such amount as may be prescribed by the Central Government. The claim for such payments shall be made within 3 months of the death of the insured person or within such extended period as the Corporation allow in this behalf.

5. (a) **What are the features of companies registered under section 8 of the Companies Act, 2013?**

(b) **Discuss the provisions of the Companies Act, 2013 regarding issue of bonus shares.**

7+8=15

Answer: 5(a)

Section 8 of companies Act 2013 These companies intend to promote art, commerce, sports, safety, science, research, healthcare, social welfare, religion, protection of the environment etc.

The following are the features of companies registered under Section 8 of the Companies Act, 2013;

1. has its objects the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object;
2. intends to apply its profit, if any, or other income in promoting its objects; and
3. intends to prohibit the payment of any dividend to its members;
4. the company registered under this Section shall enjoy all the privileges and be subject to all the obligations of the limited company;
5. a firm may be a member of the company registered under this section ;

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6. a company registered under this Section shall not alter the provisions of its memorandum and articles except with the previous approval of the Central Government.
7. a company registered under this section may convert itself into a company of any other kind only after complying with such conditions as may be prescribed.

Answer: 5(b)

Section 63 of the Companies Act, 2013 provides for the issue of bonus shares. Section 63(1) provides that a company issue fully paid up bonus shares to its members out of its

- free reserves ;
- the securities premium account ; or
- the capital redemption reserve account

No bonus shares shall be made by capitalizing reserves created by revaluation of assets. Section 63(2) provides that no company shall capitalize its profits or reserves for the purpose of issuing fully paid up shares unless –

- it is authorized by its articles ;
- it has, on the recommendation of the Board, been authorized in the general meeting of the company ;
- it has no defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it ;
- it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus ;
- the partly paid up shares, if any outstanding on the date of allotment are made fully paid up ;
- it complies with such conditions as may be prescribed ;

Section 63(3) provides that the bonus shares shall not be issued in lieu of dividend.

Rule 14 provides that the company which once announced the decision of the Board recommending a Bonus issue shall not subsequently withdraw the same.

- 6. (a) Discuss the powers of the Board of Directors of a company as per the Companies Act, 2013.**

(b) Enumerate the provisions of the Companies Act, 2013 relating to women director in a company. 10+5=15

Answer: 6(a)

Section 179 of the Companies Act, 2013 deals with the powers of the board; all powers to do such acts and things for which the company is authorised is vested with board of directors. But the board can act or do the things for which powers are vested with them and not with general meeting.

The following section 179(3) read with Rule 8 of Companies (Management & Administration) Rules, 2014 powers of the Board of directors shall be exercised only by means of resolutions passed at meetings of the Board, namely : -

- (1) to make calls on shareholders in respect of money unpaid on their shares ;
- (2) to authorise buy-back of securities under section 68 ;
- (3) to issue securities, including debentures, whether in or outside India ;
- (4) to borrow monies ;
- (5) to invest the funds of the company ;
- (6) to grant loans or give guarantee or provide security in respect of loans ;
- (7) to approve financial statement and the Board's report ;

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- (8) to diversify the business of the company ;
- (9) to approve amalgamation, merger or reconstruction ;
- (10) to take over a company or acquire a controlling or substantial stake in another company;
- (11) to make political contributions ;
- (12) to appoint or remove key managerial personnel (KMP) ;
- (13) to appoint internal auditors and secretarial auditor ;

The Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in (4) to (6) above on such conditions as it may specify.

The banking company is not covered under the purview of this section. The company may impose restriction and conditions on the powers of the Board.

However, unless specifically restricted under the act or Article of Association, Board has all the powers to manage the affairs of the company

Answer: 6(b)

Second proviso to Section 149(1) of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 provides that the following classes of companies shall appoint at least one woman director

- every listed company ;
- every other public company having
 - paid up share capital ` 100 crores or more; or
 - turnover of ` 300 crores or more.

For this purpose the paid capital or turnover as on the last date of latest audited financial statements shall be taken into account. A company incorporated under the Companies Act shall comply with such appointment of woman director within a period of six months from the date of its incorporation. Any intermittent vacancy of a woman director shall be filled up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.

7.(a) Discuss the nature and relevance of Ethics to the Business.

(b) Mr. Gill, an employee of M/s Sonabheel Tea Ltd., continued to occupy the quarter of the company for eight months after superannuation, company decided to forfeit the amount of gratuity of Mr. Gill. Examine the decision taken by the company to forfeit the amount of gratuity in the light of the Payment of Gratuity Act, 1972. 10+5=15

Answer: 7(a)

Ethics – Nature and relevance to the business

Several factors play a role in the success of a company that is beyond the scope of financial statements alone. Organizational culture, management philosophy and ethics in business each have an impact on how well a business performs in the long term. No matter the size, industry or level or profitability of an organization, business ethics are one of the most important aspects of long-term success

The management team sets the tone for how the entire company runs on a day-to-day basis. When the prevailing management philosophy is based on ethical practices and behaviour, leaders within an organization can direct employees by example and guide

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them in making decisions that are not only beneficial to them as individuals, but also to the organization as a whole. Building on a foundation of ethical behaviour helps create long lasting positive effects for a company, including the ability to attract and retain highly talented individuals and building and maintaining a positive reputation within the community. Running a business in an ethical manner from the top down builds a stronger bond between individuals on the management team, further creating stability within the company.

When management is leading an organization in an ethical manner, employees follow in those footsteps. Employees make better decisions in less time with business ethics as a guiding principle; this increases productivity and overall employee morale. When employees complete work in a way that is based on honesty and integrity, the whole organization benefits. Employees who work for a corporation that demands a high standard of business ethics in all facets of operations are more likely to perform their job duties at a higher level and are also more inclined to stay loyal to that organization.

The importance of business ethics reaches far beyond employee loyalty and morale or the strength of a management team bond. As with all business initiatives, the ethical operation of a company is directly related to profitability in both the short and long term. The reputation of a business from the surrounding community, other businesses and individual investors is paramount in determining whether a company is a worthwhile investment. If a company's reputation is less than perfect based on the perception that it does not operate ethically, investors are less inclined to buy stock or otherwise support its operations. With consistent ethical behaviour comes increasingly positive public image, and there are few other considerations as important to potential investors and current shareholders. To retain a positive image, businesses must be committed to operating on an ethical foundation as it relates to treatment of employees, respect to the surrounding environment and fair market practices in terms of price and consumer treatment.

Answer: 7(b)

The gratuity of an employee, whose services have been terminated for any act, willful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer, can be forfeited to the extent of the damage or loss so caused.

The gratuity payable to an employee may be wholly or partially forfeited:

- (i) if the services of such employee have been terminated for his riotous or disorderly conduct or any other act of violence on his part or
- (ii) if the services of such employee have been terminated for any act which constitutes an offence involving moral turpitude, provided that such offence is committed by him in the course of his employment.

It is not a valid ground forfeiture of entire gratuity. In such a case, the company is entitled to charge the quarter rent as per rules and after adjustment of such charges, Mr. Gill is entitled to receive the balance gratuity.

8. Write short notes on any three of the following terms:

5×3=15

- (a) E-Contracts
- (b) Small Companies
- (c) Improving ethical behaviour in business
- (d) 'Overtime' under Minimum Wages Act, 1948

Answer: 8(a)

E-Contracts: E-contracts are paperless contracts. It is in electronic form. They are

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conceptually very similar to traditional contracts. E-contract also require basis of contract. The following are ingredients of the e-contracts –

- An offer is to be made;
- Offer is to be accepted;
- There shall be a lawful consideration;
- There shall an intention to create legal relations;
- The parties must be competent to contract;
- There must be free and genuine consent;
- The object of the contract must be lawful;

The main feature of this type of contract is speed, accuracy and reliability. The parties to the contract have to obtain digital certificate from competent authority. The Information Technology Act, 2000 regulates such contracts. Contract is signed through E-Mail is valid & enforceable.

Answer: 8(b)

Small Companies:

Section 2(85) of the Companies Act, 2013 defines 'small company' as a company, other than a public company –

- (i) paid up share capital of which does not exceed ` 50 lakh or such higher amount as may be prescribed which shall not be more than ` 10 crore; and
- (ii) turnover which is as per its last profit and loss account does not exceed ` 2 crores or such higher amount as may be prescribed which shall not be more than ` 100 crores.

This definition shall not apply to the following companies –

- A holding company or subsidiary company;
- A company registered under Section 8; or
- A company or a body corporate governed by any special act.

Answer: 8(c)

Improving ethical behaviour in business

Understanding how people make ethical choices and what prompts a person to act unethically may reverse the current trend toward unethical behaviour in business. Ethical decisions in an organization are influenced by three key factors: individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct. It is difficult for employees to determine what conduct is acceptable within a company if the firm does not have ethics policies and standards.

And without such policies and standards, employees may base decisions on how their peers and superiors behave. Professional codes of ethics are formalized rules and standards that describe what a company expects of its employees. Codes of ethics, policies on ethics, and ethics training programs advance ethical behaviour because they prescribe which activities are acceptable and which are not, and they limit the opportunity for misconduct by providing punishments for violations of the rules and standards. The enforcement of such codes and policies through rewards and punishments increases the acceptance of ethical standards by employees.

Answer: 8(d)

Overtime

Section 14(1) provides that where an employee whose minimum rate of wages is fixed under this Act by the hour, by the day or by such a longer wage-period as may be prescribed, works on any day in excess of the number of hours constituting a normal working day, the employer shall pay him for every hour or for part of an hour so worked in excess at the overtime rate fixed under this Act or under any law of the appropriate

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government for the time being in force whichever is higher.

Rule 25 provides that when a worker works more than 9 hours on any day or more than 48 hours in a week, he shall be entitled to overtime wages.

In case of employment in agriculture – one and a half times the ordinary rate of wages;

in case of any other scheduled employment – double the ordinary rate of wages.

A register in this regard shall be maintained. If no overtime wage is paid for a particular month a NIL entry in register should be made.

Section 14(2) provides that this Act shall not prejudice the operation of the provisions of Section 59 of the Factories Act in any case where those provisions are applicable.