

The following are not deemed to be related party:

1. Two companies simply because they have common director
2. A single customer/supplier with whom an enterprise transacts a significant volume of business
3. Providers of finance
4. Trade Unions
5. Public Utilities
6. Government departments and Government sponsored bodies

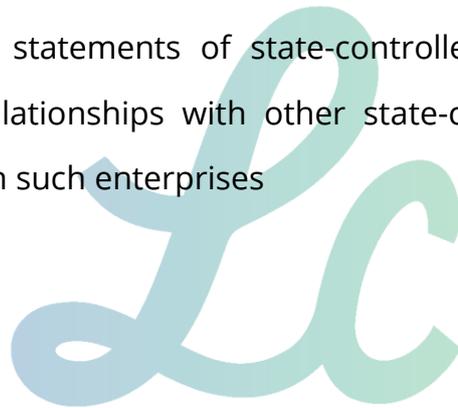
DISCLOSURE

If there have been transactions between related parties, during the existence of a related party relationships, the reporting enterprise should disclose the followings:

1. Name of the transacting related party
2. Description of the relationship
3. Description of nature of transaction
4. Volume of transaction (Amount wise or proportion wise)
5. Any other information necessary for understanding financial statements
6. Outstanding (Amount wise or proportion wise) and any provision for doubtful debt due from such party
7. Amounts written off or written back in respect of debts due from or to related parties.

Related party disclosure requirements as laid down in AS 18 do not apply

- in circumstances where providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority.
- In consolidated financial statements in respect of intragroup transactions.
- In the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises



The followings are the examples of the related party transactions:

Purchase or sale of goods ,Rendering or receiving services, Purchases or sales of fixed assets, Licence agreements, Leasing or hire purchase agreements Guarantees and collaterals, Management contracts including for deputation of employees

The manner of disclosures required by paragraphs 23 and 26 of AS 18 is illustrated as below. It may be noted that the format given below is merely illustrative in nature and is not exhaustive.

	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Relatives	Total
Purchases of goods							
Sale of goods							
Purchase of fixed assets							

Note:

Names of related parties and description of relationship:

1.	Holding Company	A Ltd.
2.	Subsidiaries	B Ltd. and C (P) Ltd.
3.	Fellow Subsidiaries	D Ltd. and Q Ltd.
4.	Associates	X Ltd., Y Ltd. and Z (P) Ltd.
5.	Key Management Personnel	Mr. Y and Mr. Z
6.	Relatives of Key Management Personnel	Mrs. Y (wife of Mr. Y), Mr. F (father of Mr. Z)