



ज्ञातुं शक्यं
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As-18

R.P. Disclosures

1

who is RP

RP of an entity
can be
↳ i) an entity
↳ ii) a person

what is a
RPT

means transfer
of resources, ser.
or obligation b/w
an entity & RP

what to
disclose.

RP should
be disclosed
if RP is Holding
or
Subsi.
even
if RPT were
not there

In other
cases RP
& RPT.
should be
disclosed

why to
disclose
RP & RPT

∴ (RPT)
∴ Such trans-
-action
generally
distorts
fin. inf. in
f/s.



#2 Definitions :-

R.P. Relationships :- \rightarrow Parties are considered to be related, if at any point of time during which one party is able to Control or exercise Significant influence over another

Control :-
i) $> 50\%$ Voting Rights.
ii) governing composition of BOD

Significant influence :-
i) $> 20\%$ & $\leq 50\%$ Voting Rights
ii) Significant Inf. over decision making.

Relative :- spouse, children, parents, siblings

KMP :- A person who has power & responsibility to plan & direct & control the financial & operations

-ing decision making.



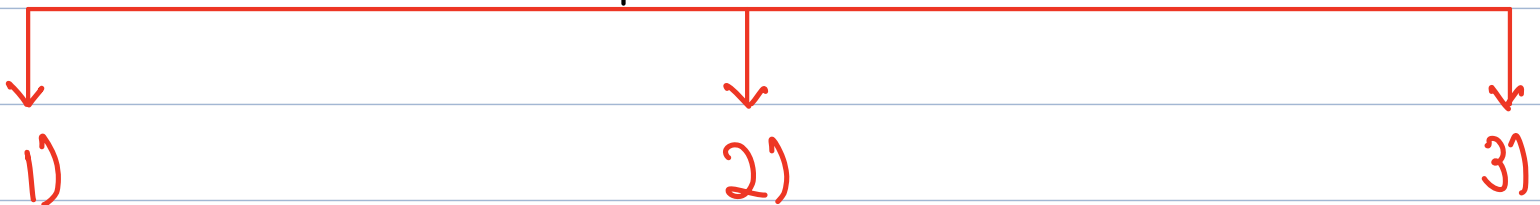
Key Management Personnels are

Those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise.

↓
almost same → Co. Act.
2 (51)

#3 RIP vs R.P.R.

(Part A)



1)

2)

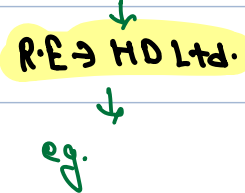
3)

Entities which are directly or indirectly controlled by Reporting entity (R.E.)

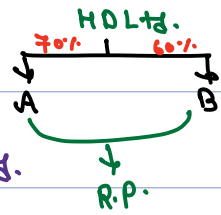
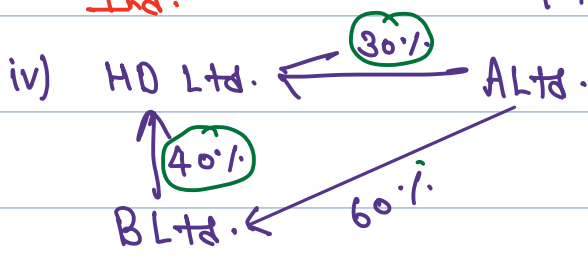
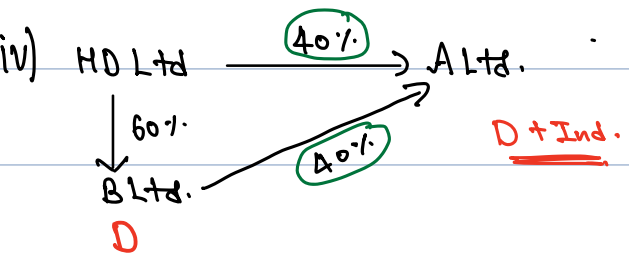
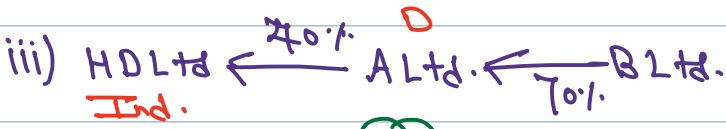
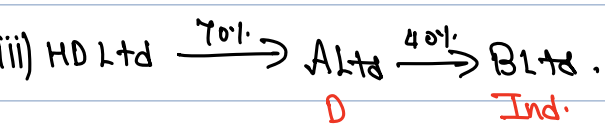
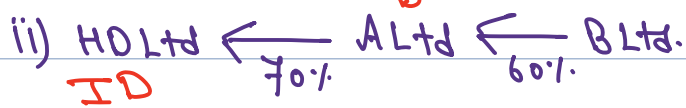
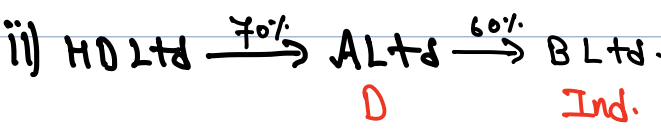
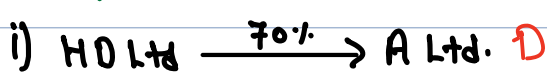
Entities which are directly / Indirectly Controls R.E.

Fellow Subsidiaries

Example :- R.E → HD Ltd.



Example :- R.E → HD Ltd.





∴ HD Ltd has
80% V.P in
A Ltd.

∴ A Ltd has 70%
in HD Ltd.



Part B

i)

entity of which R.E
is associate or
Jointly Controlled Entity
(J.C.E.)

eg:- R.E → HD Ltd.

i) HD Ltd ← 40% A Ltd.

ii) HD Ltd ← 40% A Ltd ← 70% B Ltd.

iii) HD Ltd ← 50% A Ltd.
50% B Ltd.

ii)

Entity of which
R.E. is investor
or hold J.C.E.

eg:- R.E → HD Ltd.

i) HD Ltd $\xrightarrow{40\%}$ A Ltd.

ii) HD Ltd $\xrightarrow{70\%}$ A Ltd. $\xrightarrow{40\%}$ B Ltd.

iii) HD Ltd $\xrightarrow{50\%}$ Buddy Ltd.
(J.C.E.)
50%
Dix Ltd.

Part C

i)

2)

3)

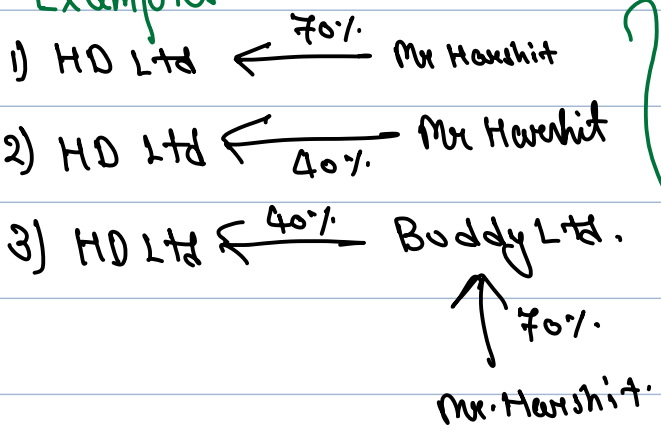
individual & its
Relatives who



directly
or
indirectly.

Controls or has
S.I. over R.E.

Examples.



KMP (his
relatives)
are RP to R.E.

example.

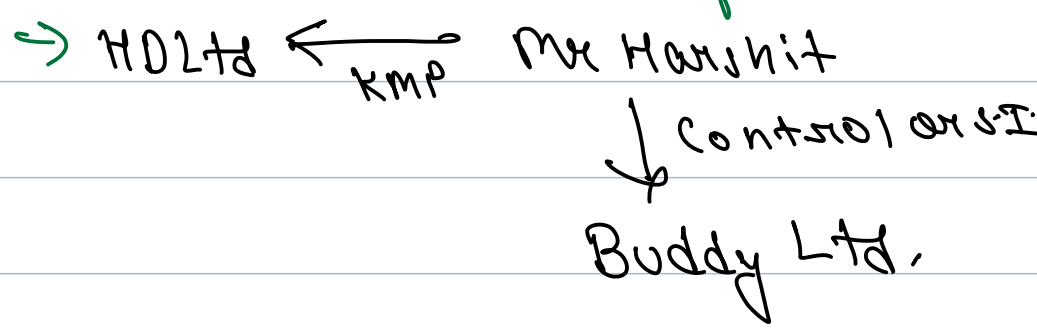
Same as
previous
except make
Harshit as
KMP.

individual,
KMP, & their



relative
having S.I.
in any
entity
then that
entity is
RP of
R.E.

Example.



Buddy Ltd is RP of HD Ltd
(R.E.)

∴ instead of Harshit, if relative
of Harshit has S.I. on Buddy
Ltd. then also RE = RP of
Buddy Ltd



#4 Exception to RIP.

- i) Co. under Common director
- ii) Providers of finance.
- iii) Trade unions.
- iv) govt agencies & Dept.
- v) franchisor & franchisee.
- vi) Single customer
- vii) Distributor

#5 Exemptions from Disclosures.

- i) Confidential ~~II~~ items
- ii) State managed entities
- iii) In Cons. of trans. b/w H.S.E.

Refer Q. from H.D. textbook