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Analysis of Related Party Transactions in India

A Group and Non-Group company perspective

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Abstract ---The characteristics of transactions between related companies can vary in size and nature and are often difficult to detect. Globally, regulatory bodies have put in rules which require public listed companies indulging in related party transactions (RPTs), beyond a particular threshold, to report them in their financial reports. This self declaration requirement has put the onus on the company management to publish details of RPTs.

This paper reviews RPTs, as declared by companies listed on the Bombay Stock Exchange (BSE) for the period 2009 to 2015. 77 Companies were selected from non-financial sectors and which form a part of the BSE Index 100 group. The value and nature of these transactions has been taken from the Capitaline database which has extracted this information from the annual financial reports published by these companies.

The paper studies the related party transactions from 2009 to 2015 from a Group and Non-Group perspective. A company is considered a part of a Group if its major shareholders are individuals or belong to a particular company and can appoint a majority of the board members in the company.

The study also classifies the type of transactions whether they belong to a Balance Sheet, Profit and Loss or Guarantee type. This classification was made based on the impact it has on these accounts.

The study confirms that, for the period, companies belonging to a Group as compared to those which do not belong to a Group, have higher average annual RPTs. This higher value of average annual RPTs, is also found to be true for Profit and Loss type of transactions. The study also shows that RPTs for Group companies display higher annual growth rate compared to non-group companies for the Balance sheet and Guarantee type of transactions over the period. The analysis shows that for the period 2013 to 2015, for both sets of companies, RPTs are showing an increasing trend. This trend is an indication that the new Companies Act 2013, enacted with stricter provisions on disclosures of related party transactions, is proving to be effective.

Keywords—Related party transactions; Related Party Disclosures; Earnings Management;

1. INTRODUCTION

Related party transactions (RPTs) are those which occur between a reporting company and an entity, and which is connected to the reporting company in a particular relationship. This relation could be in the capacity of an individual Director/Manager or as a subsidiary/associate company. These transactions can take up several forms and could be beneficial to the business if appropriately used. However, they could also be manipulated by management to distort reported performances.

In India, several cases have been discovered where companies used related party transactions to distort their earnings and report their performance in a better light. In 2009, Satyam Computer Services was involved in a case of fraudulent reporting and was found to have a web of 356 investment companies which were used to allegedly divert funds from the parent company [5]. These companies had several transactions in the form of inter-corporate investments, advances and loans within and among them.

Globally interest in RPTs has increased when several corporate frauds have been discovered where RPTs were widely used. Enron, an American energy, commodities, and services company, indulged in a number of transactions with associated companies which were not disclosed in their financial reports. In China there are evidence of diversion of funds using RPTs, by several corporate group companies [1].

This paper studies RPTs as reported by companies which are part of the BSE Index 100 group from the period 2009 to 2015. The study focuses on the Group and Non-Group companies and studies the related parties from that perspective.

Research on RPTs in India is limited and this paper attempts to link the prevalence of RPTs from a Group and Non-Group company perspective.

LITERATURE REVIEW

\endash *Regulatory Definitions of RPTs*

Regulatory disclosures for RPTs are present in most countries and consist of different reporting requirements. Indian Accounting Standards (AS18) define related party transactions as those conducted between two parties who are related. The standard lists the categories of relationships as follows:

1. "Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries, and fellow subsidiaries);

\endash Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;

\endash Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over an enterprise, and relatives of any such individual;

\endash Key management personnel and relatives of such personnel; and

\endash Enterprises over which any person described in 3) or 4), above can exercise significant influence".

This definition includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

A study on banking industry by Shyamala Gopinath [2], has discussed the regulatory requirements for the Banking industry as per the Banking Regulation Act, 1949, and with respect to Related Party Transactions. Section 20 of BR Act, 1949 prohibits loans and advances to directors, to any firm or company in which directors are interested, or loans to individuals in respect of whom any of its directors is a partner or guarantor. Disclosure of interest by directors is mandatory and in case there is any likelihood of conflict of interest arising, the concerned director is required to abstain from participating in the decision-making process relating to that case.

In India, Clause 49 was introduced as part of the Listing Agreement between a company and a stock exchange and has several regulations for related party transactions above a threshold value. All related party transactions need to be approved by an Audit Committee, if they are not in the normal course of business of the company.

The Companies Act, 2013 in India, has revised the regulations for RPTs disclosures. The Act now considers all RPTs to be at arm's length. All RPTs now require prior audit committee approval. Audit Committee can refer to an external source and get their opinion on the transactions under review. Audit Committee must have full access to information contained in the records of the company. RPTs are required to be disclosed in board's report along with justification for entering into such transactions. RPTs not in the ordinary course or not at arm's length require prior board approval and also the prior approval of shareholders (special resolution), where it exceeds specified thresholds. Interested members have to abstain from voting on the special resolution. All details of RPTs are required to be filed with the Registrar of Companies (ROC).

The Act defines the related parties as follows:

4.3. Holding and Subsidiary companies (direct or indirect).
4.4. Associate Company (>20% or control of business decisions under an agreement).
4.5. Directors and Key Management Personnel (including their relatives) of the company or its holding company.
4.6. Firms and Private companies in which directors, managers or relatives are a partner, director or members.
4.7. Any person who provides advice to a director or manager, and which is not given in a professional capacity.
4.8. Public company in which the director or manager is a director and holds along with his relatives more than 2 % of the paid up share capital

The Act also requires that there should be prior approval of shareholders for all material RPTs. Further the Policy of dealing with RPTs is to be disclosed on the Company`s website and in the annual report.

In America, the Financial Accounting Standards Board (No. 57, Related Party Disclosures), defines a related party as an executive, a non-executive director, a principal owner or investor, a subsidiary, or a joint venture partner. Alternatively, the party may be a family member of or the company owned by or affiliated with, any of these related individuals.

The Board provides a few examples of common types of transactions with related parties: sales, purchases, and transfers of realty and personal property; services received or furnished, for example, accounting, management, engineering, and legal services; use of property and equipment by lease or otherwise; borrowings and lending's; guarantees; maintenance of bank balances as compensating balances for the benefit of another; intercompany billings based on allocations of common costs; and filings of consolidated tax returns.

As per International Accounting Standards (IAS 24), RPTs could take a variety of forms in the normal course of business, or one-off transactions made at a fair value on an arm's length basis, or at book value or some other amount that differs from market prices. These standards require that information related to RPTs to be disclosed based on certain definitions listed out in their standard.
Several regulations govern transfer pricing between related parties especially from the perspective of taxation in foreign countries where the subsidiary is located. OECD Guidelines [6] for transfer pricing provides "the arm's length" principle as the standard to guide transfer pricing.

Global studies by different authors have reviewed these requirements and reported their shortcomings. These studies also recommend methods through which these regulations can be further enhanced.

A study in USA [7], has listed the regulations covering the reporting of RPTs in the USA. This study found that by requiring disclosure rather than limiting certain transactions, regulators and standard setters do not indicate whether the related party transactions is beneficial to the firm/ shareholders or not. The study pointed out that the judgment of whether the transaction is useful or not, is left to the shareholders and other stakeholders. The study finds that disclosure requirements often prevent Managers from engaging in transactions which may be beneficial to the company. The study also points out that current regulations in America allow transactions below US$ 60,000 to remain undisclosed. However, this could create situations when information about transactions below this threshold limit could still be useful to financial report users.

B. Global Studies on occurrence of RPTs.

Related party transactions tend to be more prevalent among companies where the ownership is concentrated within a single entity. Several researchers' have found that shareholders which have controlling stake in the company tend to indulge in RPTs through which they derive personal benefits [1].

Through the medium of RPTs, organizations can achieve various objectives. Group companies in China often resort to related party transactions and the consequent earnings management, and try to meet the specified requirements as laid down by the government for new equity offerings. This strategy is also used when there is danger of getting delisted by the regulatory body for not meeting the earnings thresholds [1].

In China to qualify for rights issue, it is mandatory for the company to achieve ROE of at least 10% for three consecutive years prior to the offering. The study found that companies just managing to reach these targets have a high percentage of discretionary items such as accounts receivables, abnormal accruals, and non-core earnings [8].

A high volume of RPTs often indicate tunneling or diversion of funds from the parent company to various entities controlled by the dominant owner. In China, firms which have free cash flows, diverted these resources back to the controlling shareholders through generous trade credits and other loans [1].

A study on tunneling has found that this practice is widespread among Group companies in India [9].

In a paper on listed companies in Malaysia [10], it was found that RPTs are detrimental to the shareholders and reduce the performance of the company. However the study shows that the presence of good corporate governance in a form of board independence leads to lower RPTs.

In a study in India, [11] it was found that RPTs were lower in those companies where big audit firms were the external auditors. The study also found that companies with high RPTs related to sales and income reported lower performance compared to companies with low RPTs.

In a study [12], of group companies in East Asian economies, it was found that members of a group tend to be involved in extensive internal party transactions. These could be beneficial for the group members but often lead to increased earnings management and inefficient allocation of resources between the group members

A study on finance companies in New Zealand [4], reviewed related party transactions of 13 failed finance companies and found that they were involved in high lending without satisfactory securities and for which there were breaches of statutory requirements and agreements.

A study in China, [8] found that companies who had obtained rights issue approval using a high proportion of RPTs were found to perform poorly in the stock exchange in later years.

In a study [13], in the USA it was found that fraud was committed using related party transactions by providing misstatements regarding fictitious sales made to a related party or by payments made to a related party for services.

A view that RPTs are efficient transactions and add value to the firm has also been studied. Extant literature has found that RPTs could, in the long run, reduce the cost for the organization when purchases are made from a related party. These type of transactions between entities known to each other often lead to a smoother process [7].

A study of RPTs in Malaysia [10], found that RPTs are lower in companies which have higher board independence, executive directors' remuneration and auditor size. These entities monitor any RPTs and discourage them whenever the company management proposes them. Good governance has been found to be a discouraging factor when the management wishes to transact with related parties. Good governance comes with strong monitoring mechanisms, and this prevent rampant use of RPTs to boost up performance [7],[14].

A study in China [15], finds that corporate governance ensured that only those RPTs which are not in the nature of conflict of interest are executed.

\endash_ METHODOLOGY

In this paper, we use a sample of 77 companies from non-financial sectors listed on the Bombay Stock Exchange. We analyze the occurrence of related party transactions as reported by these companies from 2009 to 2015.

The transactions have been studied based on their nature and type for these years. The data has been divided into Group companies (13 in number) and non-Group companies (64 in number). Group companies are those where the majority shareholding is held by a particular company or individual and can exercise 26% of voting rights, or can appoint the majority of the board members in the company.

The study has analyzed the data from a Group and Non Group perspective and major areas of difference between the two entities have been reviewed in detail.

A. Sample

The sample was collected from the Capitaline database. The sample consisted of detailed data which gave information on related party transactions by each company and for each year.

The data was analyzed and classified as follows:

1. Companies were divided into the two categories: whether having an affiliation to a Group or not.
2. Related party transaction were classified into following types: Balance Sheet, Profit and Loss, Guarantee and others.
3. Type of related parties with whom the transaction was made were categorized as Associate, Subsidiary, Key Management Personnel, Relatives of Key Management Personnel, Joint Venture, Individuals, Holding Companies and Others. This classification was made based on the declaration made by the company in its annual report and as reported in the Capitaline database.

B. Presentation of Data

The related party transactions data for the period 2009 to 2015 was presented for the two categories of companies: Group and non-Group companies. The analysis was presented with the following information for each type of transaction:

Average value of RPT per year for each category and type of transaction- Balance Sheet, Profit and Loss, Guarantee, Others (Appendix: Table 1)

Annual growth in each category and type (Appendix: Table 2).

Analysis of the entity with which the transaction was carried out (Appendix : Table 3,4 and 5)

7.4. Hypothesis

The following hypothesis are tested:

The average value of RPTs per year is higher for companies which belong to a Group.

The average value of RPTs per year which are of the Balance sheet and Profit and Loss type of transactions are higher for Group Companies than for Non-Group Companies.

7.5. Descriptive Statistics

The general descriptive statistics of the data presents the following information (Appendix: Table 6 and 7):

Total annual value of RPTs for all companies in the two categories of companies (Group and Non-Group) and under each type of transaction (Balance Sheet, P&L, Guarantee and Others).

Mean value of RPT per company per year for the two sets of companies for each of the types of transactions (Balance Sheet, P&L, Guarantee and Others).

Standard Deviation for each category and type.

Maximum value of RPTs under each category and type.

IV. ANALYSIS AND RESULTS

The study of the data has brought about the following results:

A. Test of Hypothesis

The following proposed hypothesis are statistically tested:

7.6. Average value of RPTs per year are higher for companies which belong to a Group.

7.7. Average value of RPTs per year and related to Balance sheet and Profit and Loss type of transactions are higher for Group Companies than for Non-Group Companies.

The above hypothesis are tested using the t-test with the following three sets of data:

- Average value of RPT per year for 64 companies which do not have any Group affiliation and for 13 companies which belong to Groups.
- Average value of RPT per year of the Balance sheet type of related party transaction for 64 companies which do not belong to a Group and 13 companies which belong to a Group.
- Average value RPT per year of the Profit and Loss type of related party transaction for 64 companies which do not belong to a Group and 13 companies which belong to a Group

Output of the t-test shown in Table 8, 9 & 10 and provides the following results:

1. Group Companies are found to have a significantly higher value of average RPTs per year than Non-Group companies ($t(12) = 2.37$, $p<.05$).
2. Group companies have higher average RPTs related to Profit and Loss Account type of transactions as compared to non-Group companies ($t(12)=2.087$, $p<0.5$).
3. The average of Balance sheet type of related party transactions are similar for both categories of companies (Group and non-Group)

The above results indicate that companies which belongs to a Group, support related parties through various types of transactions, and which are mainly related to Profit and Loss accounts. This strategy could also be used to manage earnings by both the related companies.

B. Trends in the RPTs over the period for Group and Non-Group companies and for the different types of transactions

The analysis of the data is also presented for the average growth per year for each of the category of the company and for each type of transaction (Appendix Table 2). This analysis shows that:

1. The average growth percentage for RPTs is showing an increasing trend for both Group and non-Group companies. This trend jumps in the period 2013-2015 and the average growth is 47% for Group companies and 40% for Non-Group companies during this period.

   The increase in the period 2013 to 2015 could be attributed to the recently enacted Companies Act 2013, which mandates that companies declare all their RPTs in detail in the financial reports.
2. Trend of Balance sheet type of related party transactions:

   For both categories, Group and Non-Group, balance sheet types of transactions show an increasing trend over the years. During the period 2013 to 2015 the average increase is 71% for Group companies as compared to 41% for non-Group Companies.
3. Trend of P&L type of related type of transactions: There is an increasing trend for both categories of companies for Profit and Loss types of transactions. During the period 2013 to 2015 the average increase for Group companies is 11% as compared to 27% for Non-Group companies.

4. Trend of Guarantee type of related type of transactions: There is an increasing trend for both categories for these types of transactions. During the period 2013 to 2015 the average increase percentage for Non-Group companies is 162% as compared to 175% for Group companies. This jump in this period indicates that many companies are now having transactions related to guarantees with a higher value. Or it could also indicate that the companies were incurring transactions related to Guarantees in years beforev2013 but were not disclosing them.

C. *Analysis of related parties with whom these transactions are made.*

This analysis focused on how the related party transactions are spread across the following different types of related parties: Associate, Subsidiary, Key Management Personnel, Relatives of key Management Personnel, Joint Venture, Individuals, Holding Companies and Others (Appendix -Table 3, 4 and 5)).

1. Analysis across all companies

   For all companies majority of the related party transactions are with Subsidiaries (69%) (Table 5).

   Balance sheet and Guarantee type of transactions are mainly with Subsidiaries (Table 5).

   Profit and Loss transactions are transacted with Subsidiaries (51%) and also with joint ventures (18%) (Table 5).

2. Non- Group companies

   For Non-Group companies majority of transactions are with subsidiaries (52%) and with joint ventures (17%) (Table 4).

   For the analysis of type of transaction for Non-Group companies, Balance sheet type of transactions are mainly with subsidiaries (75%) while P&L type of transactions are with Subsidiaries (34%) and Joint Ventures (27%) (Table 3).

3. Group Companies

   For group companies majority of the transactions are with subsidiaries (87%) (Table 4).

   For Group companies, Balance sheet and Guarantee type of transactions are mainly with subsidiaries (93% and 97%) while P&L type of transactions are mainly transacted with Subsidiaries (76%) (Table 3).

V CONCLUSION

This paper studies the related party transactions in India through two major categories of companies: those that belong to a Group and others which are Non- Group.

The study confirms that average transaction made by a Group company with a related party in a year is higher in value than a non-Group company across the period 2009-2015. The result also shows that compared to Non-Group companies, Group companies have a higher value of related party transactions which are of the Profit and Loss type. The study shows that during the period, Group companies tend have related party transactions with their subsidiary companies and which are mainly related to the profit and loss accounts.

The analysis finds that there is a huge growth of related party transactions disclosed from 2013 to 2015 for all companies. This increased value of RPTs could have been prompted by the passage of the new Companies Act 2013 and which has mandated that companies now disclose all the transactions made with related parties from 2014. As per the Act non-disclosure could lead to high penalties and even imprisonment.

The growth in related party transactions during the period 2013 to 2015, could also signify that there were transactions in the previous years and which were never disclosed.

This paper has limited the study to 3 major Groups and the companies which are a part of the BSE Index 100 group. This scope needs to be widened and additional companies and groups should be included in a future study.

The data on RPTs as published by the companies in India is not uniform and hence difficult to analyze across companies. A common template should be introduced by Stock Exchange Board of India for reporting these items in the financial reports. This will provide the information in a manner which can be easily compared and analyzed.

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APPENDIX

Table 1. Annual Average RPTs Based on Type of Transactions for Group and Non Group Companies						Rs Million	
	2009	2010	2011	2012	2013	2014	2015
Balance Sheet							
Non Group	10,792	10,098	11,895	11,290	14,505	24,791	30,600
Group	125,562	124,364	98,879	57,533	78,640	124,230	270,433
P&L							
Non Group	14,855	11,978	15,332	22,813	31,895	41,843	45,960
Group	42,752	61,816	83,780	92,685	77,238	105,149	118,995
Guarantee							
Non Group	9,795	2,504	8,086	6,441	4,573	23,525	47,478
Group	21,564	5,719	4,613	12,452	9,324	14,367	85,653
Others (which cannot be grouped in the above types)							
Non Group	939	425	1,365	783	366	(258)	217
Group	197	1,286	224	1,119	2,406	1,239	13
Annual average across all types of transactions							
Non Group	10,054	7,548	10,342	12,132	15,641	25,264	32,687
Group	53,930	55,412	53,936	46,639	47,738	69,997	133,441

Table 2. Annual Average Growth in RPTs (percentage)							
	2010	2011	2012	2013	2014	2015	Average Growth per year from 2013-2015
Balance Sheet							
Non Group	-6%	18%	-5%	28%	71%	23%	41%
Group	-1%	-20%	-42%	37%	58%	118%	71%
P&L							
Non Group	-19%	28%	49%	40%	31%	10%	27%
Group	45%	36%	11%	-17%	36%	13%	11%
Guarantee							
Non Group	-74%	223%	-20%	-29%	414%	102%	162%
Group	-73%	-19%	170%	-25%	54%	496%	175%
Others (which cannot be grouped in the above types)							
Non Group	-55%	222%	-43%	-53%	-170%	-184%	-136%
Group	554%	-83%	399%	115%	-48%	-99%	-11%
Annual average across all types of transactions							
Non Group	-25%	37%	17%	29%	62%	29%	40%
Group	3%	-3%	-14%	2%	47%	91%	47%

Table 3- RPT distribution based on Entity for Group and Non-Group companies (percentages)								
	Non-Group Companies				Group Companies			
	Balance Sheet	P&L	Guarantee	Others	Balance Sheet	P&L	Guarantee	Others
Associates	3%	8%	0%	1%	4%	13%	2%	18%
Subsidiaries	75%	34%	66%	66%	93%	76%	97%	56%
Key Management Personnel	0%	1%	1%	1%	0%	0%	0%	0%
Relatives of Key Management	0%	0%	0%	0%	0%	0%	0%	0%
Joint Ventures	8%	27%	1%	14%	1%	4%	1%	19%
Individuals	0%	0%	0%	0%	0%	0%	0%	0%
Others	11%	22%	27%	16%	2%	2%	0%	2%
Holding Companies	3%	8%	6%	3%	0%	5%	0%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table 4- RPT distribution classification of entity for each category (Non-Group, Group)									
Category	Associates	Subsidiaries	Key Management Personnel	Relatives of Key Management	Joint Ventures	Individuals	Others	Holding Companies	Total
Non-Group Companies	5%	52%	0%	0%	17%	0%	19%	6%	100%
Group Companies	7%	87%	0%	0%	2%	0%	2%	2%	100%
Grand Total	6%	69%	0%	0%	10%	0%	11%	4%	100%

Table 5- RPT distribution based on Entity for All companies (percentages)									
Category	Associates	Subsidiaries	Key Management Personnel	Relatives of Key Management	Joint Ventures	Individuals	Others	Holding Companies	Total
Total Balance	4%	86%	0%	0%	4%	0%	5%	1%	100%
Total Guarantee	1%	76%	0%	0%	1%	0%	18%	4%	100%
Total Others	5%	63%	1%	0%	15%	0%	13%	3%	100%
Total Profit & Loss	10%	51%	0%	0%	18%	0%	14%	7%	100%
Grand Total	6%	69%	0%	0%	10%	0%	11%	4%	100%

Rs million

Table-6- Descriptive Statistics – Non Group

Type of Transaction		2009	2010	2011	2012	2013	2014	2015
Balance Sheet	Total	690,678	646,277	761,285	722,559	928,312	1,586,635	1,958,418
	Mean	10,792	10,098	11,895	11,290	14,505	24,791	30,600
	St Dev	29,441	29,535	34,294	24,327	31,202	48,857	56,401
	Max	193,666	229,050	261,350	162,025	182,811	271,662	317,823
Profit and Loss	Total	950,694	766,583	981,264	1,460,038	2,041,279	2,677,973	2,941,415
	Mean	14,855	11,978	15,332	22,813	31,895	41,843	45,960
	St Dev	22,729	20,294	26,893	43,209	66,861	80,219	71,835
	Max	135,167	119,578	155,861	247,741	419,709	447,584	399,675
Guarantee	Total	342,811	87,651	283,015	225,433	160,049	823,381	1,661,735
	Mean	9,795	2,504	8,086	6,441	4,573	23,525	47,478
	St Dev	39,378	7,725	20,505	28,055	25,009	75,266	156,811
	Max	231,648	25,075	84,300	163,001	146,387	315,427	858,159
Others	Total	36,639	16,559	53,244	30,523	14,277	(10,054)	8,446
	Mean	939	425	1,365	783	366	(258)	217
	St Dev	1,295	1,386	1,821	1,077	421	2,321	2,278
	Max	9,421	6,769	13,810	12,347	10,898	8,039	7,893

Table 7- Descriptive Statistics - Group Companies								Rs million
Type of Transaction		2009	2010	2011	2012	2013	2014	2015
Balance Sheet	Total	1,632,306	1,616,726	1,285,431	747,932	1,022,323	1,614,986	3,515,625
	Mean	125,562	124,364	98,879	57,533	78,640	124,230	270,433
	St Dev	315,443	260,076	187,948	89,016	99,294	141,644	542,604
	Max	1,165,621	971,091	696,560	328,770	283,330	380,920	1,879,140
Profit and Loss	Total	555,780	803,613	1,089,137	1,204,906	1,004,091	1,366,939	1,546,934
	Mean	42,752	61,816	83,780	92,685	77,238	105,149	118,995
	St Dev	47,422	76,238	104,974	101,975	100,288	155,742	178,803
	Max	144,379	242,079	315,975	315,701	358,371	483,436	615,588
Guarantee	Total	237,206	62,911	50,743	136,976	102,565	158,034	942,183
	Mean	21,564	5,719	4,613	12,452	9,324	14,367	85,653
	St Dev	38,721	7,060	4,782	20,558	15,802	17,149	126,714
	Max	122,388	22,137	14,455	54,720	50,650	47,910	356,920
Others	Total	1,574	10,286	1,793	8,950	19,249	9,914	107
	Mean	197	1,286	224	1,119	2,406	1,416	13
	St Dev	276	3,200	361	-	6,517	3,747	38

Table 8. t-Test results -Comparison of the annual average of Group and Non Group RPTs for all types of Transactions

Category of Company	n	Mean (Rs Million)	Standard Deviation (Rs Million)	t-calculated	t-critical	df	p
Group	13	228,013	266,870				
Non-Group	64	50,998	64,676				
				2.377432	1.782288	12	0.0175

Table 9. t-Test results -Comparison of the annual average of Group and Non Group RPTs for Balance sheet types of Transactions

Category of Company	n	Mean (Rs Million)	Standard Deviation (Rs Million)	t-calculated	t-critical	df	p
Group	13	125,663	219,609				
Non-Group	64	16,282	30,191				
				1.792393	1.782288	12	0.0491

Table 10. t-Test results-Comparison of the annual average of Group and Non Group RPTs for Profit and Loss types of Transactions

Category of Company	n	Mean (Rs Million	Standard Deviation (Rs Million)	t-calculated	t-critical	df	p
Group	13	83,202	96,347				
Non-Group	64	26,382	41,510				
				2.08737	1.7709334	13	0.0286