

Notes to consolidated financial statements for the year ended March 31, 2018**30. Amalgamation with Advanta Limited**

The Hon'ble High Court of Gujarat vide its order dated 23rd June, 2016 had sanctioned the Scheme of Amalgamation of Advanta Limited, a subsidiary with the Company with an appointed date of 1st April, 2015. The Scheme had become effective on 20th July, 2016, pursuant to its filing with Registrar of Companies

In accordance with the provisions of the aforesaid scheme the Company had in prior year accounted for the amalgamation under the "Purchase Method" as prescribed by the Accounting Standard 14 - Accounting for Amalgamations, which is different from Ind AS 103 "Business Combinations". Accordingly the accounting treatment had been given as under:

- (i) The assets and liabilities of Advanta Limited as at 1 April 2015 have been incorporated at their book values in the financial statements of the Company.
 - (ii) All inter-corporate balances and obligations (including investments held by the Company in Advanta Limited, deposits, loans and advances, outstanding balances or other obligations) between the Company and Advanta Limited stood cancelled.
- b. The excess of fair value of equity shares and preference shares over the book value of assets and liabilities transferred and cancellation of Investments in Advanta held by the Company amounting to ₹3,697 Crores has been recorded as goodwill arising on amalgamation.
 - c. Consideration for amalgamation discharged by way of issuance of new Equity Shares has been recorded at fair value and Preference Shares had been recorded at face value. As the shares had been allotted subsequent to the March 31, 2016, the same had been disclosed under Share Capital Suspense account till the date of allotment.
 - d. In accordance with scheme, the goodwill recorded on amalgamation is being amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹370 Crores (31 March, 2017: ₹370 Crores) had been recognised in the statement of profit and loss.

Book value of assets and liabilities acquired from Advanta Limited are as under:

INR Crores

Assets	
Non Current Assets	645
Current Assets	81
Total Assets (A)	726
Liabilities	
Non-Current Liabilities	6
Current Liabilities	86
Total Liabilities (B)	92
Net Assets taken over (C)=(A-B)	634
Cancellation of Investments in Advanta Limited held by the Company (D)	539
Purchase consideration (E)	3,797
Less: Other adjustments (F)	(5)
Goodwill on amalgamation (G)=(E-F-C+D)	3,697