

## Notes to standalone financial statements for the year ended March 31, 2018

INR Crores

43. Exceptional items	March 31, 2018	March 31, 2017
Amount payable on settlement of a contract in respect of earlier years	-	14
Provision of Stamp duty on merger of Advanta	-	32
Amount payable as per final order of The Competition Commission of India	7	-
	<b>7</b>	<b>46</b>

### 44. Foreign Exchange Management Act

In January 2013, the Company had received a show cause notice from the Directorate of Enforcement, alleging that the Company had contravened certain provisions of Foreign Exchange Management Act, 1999 with regard to foreign direct investment made and utilisation of proceeds of FCCB / ECB. The Company had replied to the show cause notice and had personal hearings to represent their matter and filed written submissions on the basis of which Directorate of Enforcement vide order dated 28th February, 2018 has dropped all the charges levied against the Company.

### 45. Amalgamation with Advanta Limited

The Hon'ble High Court of Gujarat vide its order dated 23rd June, 2016 has sanctioned the Scheme of Amalgamation of Advanta Limited, a subsidiary as per Ind AS, with the Company with an appointed date of 1st April, 2015. The Scheme has 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:

- a. The amalgamation has been accounted under the "Purchase Method" as prescribed by Accounting Standard 14 - Accounting for Amalgamations which is different from Ind AS 103 "Business Combinations". Accordingly, the accounting treatment has 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 stands 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 has been recorded at face value. As the shares have been allotted subsequent to the March 31, 2016, the same has been disclosed under Share Capital Suspense account till the date of allotment.
- d. In accordance with scheme, the goodwill recorded on amalgamation has been amortised and the Company has estimated its useful life of 10 years. Accordingly, amortisation for the year amounting to ₹370 crores (31 March, 2016: ₹370 Crores) has been recognised in the statement of profit and loss.