

**Notes to standalone financial statements** for the year ended March 31, 2018**37. Capitalization of expenditure**

During the year, the Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

INR Crores		
Nature of Transaction	March 31, 2018	March 31, 2017
Employee cost & other expenses	26	22

**38. Hedging activities and derivatives****Derivatives not designated as hedging instruments**

The Company uses full currency interest rate swap and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

The Company enters into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

	Currency	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017	Purpose
		(In. '000)	(INR Crores)	(In. '000)	(INR Crores)	
Nature of Instrument						
Forward contract - Buy	USD	22,520	147	23,856	155	Hedging
Derivative contracts						
Full Currency Interest Rate Swap contracts - Buy	USD	1,11,179	725	1,11,179	550	Hedging-refer note below
Full Currency Interest Rate Swap contracts - Buy	EUR	25,667	207	25,667	210	Hedging-refer note below

**Note:**

Hedging against the underlying INR borrowings by which:

- Company will receive principal in INR and pay in foreign currency
- Company will receive fixed interest in INR and pay fixed / floating interest in foreign currency

**Un-hedged Foreign Currency balances:**

	Currency	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
		(In. '000)	(INR Crores)	(In. '000)	(INR Crores)
Payables	USD	2,44,823	1,596	2,78,940	1,809
	EUR	2,166	18	27,804	193
	GBP	183	2	195	2
	JPY	-	-	97	0
	AUD	3	0	2	0
	CHF	-	-	1	0
	AED	60	0	-	-
Receivable	USD	2,39,793	1,563	2,52,573	1,638
	EUR	39,192	317	24,408	169
	AUD	554	3	782	4
	GBP	-	-	35	0
	CHF	199	1	-	-
	JPY	821	0	968	0