HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED

(A State Govt. undertaking)

Registered office	Vidyut Bhawan, HPSEBL, Shimla-171004(H.P)
(CIN)	U40109HP2009SGC31255
GST No	2 AACCH4894EHZB
Telephone No	0177-2803600, 2801675 (Office), 2658984(Fax)
Website address	www.hpseb.com
Email	cmd@hpseb.in & directorfa@hpseb.in

आज़ादी का अमृत महोत्सव

No. HPSEBL/F&A/Comp-II/IDC/2023-24- 24-40 Dated :- 25/4/2023

To

The Chief Engineer (ES)
HPSEB Ltd. Hamirpur.

The Chief Engineer (Generation)
HPSEB Ltd., Sundernagar.

The Chief Engineers(Comm)/(PCA) and SO, HPSEB Ltd.
Shimla-04.

All the Superintending Engineer,
(OP) Circle __________ HPSEB Ltd.

The Sr. Executive Engineer
(Mtc) Division, HPSEBLtd.
Shimla-4.

The Superintending Engineer,
M&T Circle HPSEBL, Bilaspur,

Subject :- **Scheme -wise list of interest paid by the HPSEB Ltd. During Financial year 2022-23.**

Sir,

Please find enclosed herewith the list of the scheme wise interest incurred (Except KFW Scheme for which details will be shared separately by 26.04.2023) along with the average ROI for the FY 2022-23. Further, the said enclosure is also available on the HPSEBL website link https://webdocuploader.hpseb.in/uploader/cao. Therefore, it is requested to take necessary action for capitalization of the interest cost as per the extant guidelines and "IND AS-23: Borrowing Cost" for which guidance note of ICAI having proper implementation details and FAQ(Website Link https://www.icai.org/post/release-of-educational-material-on-ind-as-23-borrowing-costs) is also enclosed herewith please.

DA:- As Above

Yours faithfully,

(Kapil Bhimta)
Chief Accounts officer,
F&A Wing, HPSEBL,
Shimla-4.

The Superintending Engineer (IT) HPSEBL, Shimla-4 is requested to upload the subject cited list at specify link for the year 2022-23 on HPSEB Ltd. Web site please.

(Kapil Bhimta)
Chief Accounts officer,
F&A Wing, HPSEBL,
Shimla-4.

HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED

(A State Govt. undertaking)

Registered office: Vidyut Bhawan, HPSEBL, Shimla-171004(H.P.)
CIN: U40109HP2009SGC031255
GST No: 2AAECH4894EHZB
Telephone No: 0177-2803600, 2801075 (Office), 2658984(Fax)
Website address: www.hpseb.com
Email: cmd@hpseb.in & directorfa@hpseb.in

Subject:- **IDC Report for the FY 2022-23.**

Enclosed please find herewith the Interest for the FY 2022-23 (IDC) for information and taking further necessary action in this matter please.

Accounts Officer (Loan),
F&A Wing, HPSEB Ltd.,
Shimla-4.

Accounts Officer (Comp.),
F&A Wing, HPSEB Ltd.,
Shimla-4.

U.O. No. HPSEBL/F&A/LS-Misc/2022-23-93 Dated:- 24-04-2023

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REC Scheme (Loan)				
Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
1	60459	System Improvement scheme for construction of 2x1.6 MVA, 33/11 KV S/Stn. (LILO) at Thanakalan in Tehsil Bagana District UNA (HP)	3,629	10.84%
2	62775	Aug. of existing 132/33 KV 2X18 trans. Bank to 1x25/31.5 MVA at Gondpur (Poanta)	5,38,243	9.32%
3	62780	Replacement of 132/33 KV, 9 MVA with 25/31.5 MVA at Kangra H.P	1,82,305	9.32%
4	62791	Replacement of 132/33 KV 25/31.5 MVA at Anu Hamirpur	2,17,779	9.32%
5	63286	P:SI Transmission Scheme for creation of 66/22KV 2x10 MVA Substation at Anni in Kullu Distt. Of H.P	7,89,045	9.32%
6	63296	Upgaradation of EHV system to meet the loan requirement of the state under Medium Term Plan	43,66,848	9 32%
7	63597	P:SI Transmission Aug. of existing 220/132/33 KV Sub Station at Kunihar by installing an additional transformer of 220/132 KV, 160/200 MVA in Solan Distt of H.P	4,85,514	9.83%
8	63605	P:SI (Distribution) Creation of 1 No 33 KV S/Stn. at Arki in Solan Distt.	5,74,382	9.83%
9	63617	P:SI Distribution Creation of 2X1.6 MVA, 33 KV S/Stn at Mandap under E/D Dharampur in Mandi Distt	30,30,409	9.32%
10	63662	P:SI Distribution Creation of 2x3.15 MVA 33 KV S/Stn at Oachgat in Solan Distt	1,48,697	9.83%
11	63665	P:SI Transmission (Const of 33 KV D-C link line between Khouli HEP and 33 KV S/Stn at Gaj in Kangra of H.P	11,29,690	9.32%
12	63666	P: SI Distribution Aug. of 33/11 Kv S/Stn from 2X1.16 MVA to 2X3.15 MVA at shillai in Sirmour Distt	2,46,424	9.83%
13	63685	Creation of 183.15 MVA, 33/11 KV unmanned S/Stn. at Khairi under Electrical Division Rajgrah in Sirmour district of H.P. State	25,41,307	9 83%
14	63780	Construction of 2.315 MVA, 33/11 sub station at check sarai Una Distt.	13,10,800	9.83%
15	63909	Augmentation of 22/132 KV Mattansidh S/S from 2880/100 MVA to 3880/100 MVA power transfer in Hamirpur District of H.P. State	22,38,806	9.32%
16	63910	Construction of 220/KV DC line from Tower No. 61 near Jamta of 1st ckt. Of Giri Solan line to Devani with single zebra conductor and 132 KV SC line on DC tower from 220/132 KV Devani S/S to existing 132/33 KV Kala-Amb S/S with panther conductor in H.P. State	52,42,930	9.32%
17	63912	Augmentation of 33/11 KV Sub-Station at Shahpur from 2X2.5 MVA to 2X6.3 MVA in OP Circle Kangra in Distt. Kangra of H.P.	56,464	9 83%
18	63917	Const. of 2X25/31.5 MVA 132/33 KV S/Stn at Taliwala alongwith 132 KV S/C line on D/C Towers from Una To Taliwala in UNA Distt	74,05,836	9.32%
19	63924	Const.of 1x3.15 MVA, 33/11 KV (Unattended type at Attara (Gangath) in Kangra Distt of H.P	40,311	9.83%
20	63925	Const.of 2X3.15 MVA, 33/11 KV S/Station at Rehan in Kangra Distt of H.P	2,51,486	9.83%
21	63926	Const of 2X3.15 MVA, 33/11 KV S/Stn at Barma Papri in Sirmour	8,41,460	9.83%
22	64217	Construction of 2x1.10 MVA, 33/11 KV Substation at Bhararoo in Mandi Distt. of H.P.	4,61,236	9 83%
23	67788	Construction of 33 KV HT line for interlinking of 33/22 KV S/Stn. Gohar and 33/11 KV Sub-Station Pandoh under Electrical Division, HPSEBL, Gohar	26,05,511	9.83%
24	63216	Creation of 33/11 KV S/Stn at Patti Panchrukhi under (OP) Circle Kangra	50,154	9.83%
25	63497	Renovation Modernization & Uprating Works of 5x108 MW Bhakra Left Bank Power Houses	45,44,195	10 08%

Accounts Officer (Loan),
HPSEB, F&A Wing,
Shimla 4.

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
26	63607	Augmentation of 220/33 KV Substation Baddi under Solan Circle, District Solan "(HP) by addition of 220/33 KV, 1x25/3.15 MVA Transformer of H.P	5,72,807	9.32%
27	63618	P:SI Transmission Aug. of 220/66 KV S/Stn Baddi under olan Circle by addition of 220/66 K, 1x80/100 MVA Transformer of H.P	14,62,697	9.32%
28	63688	P:SI Distribution Aug. of 33/11KV S/Stn. From 2x3.15 MVA to 2x6.3 MVA at Bhaira in Una Distt	2,68,300	9.83%
29	63735	Providing spare transformer and allied equipments for various existing EHV&HV substation under HPSEBL to meet with exigencies in various districts of H.P State	21,91,292	9.32%
30	63915	Aug. of 33/11 KV S/S at Jawali from 2x1.6 MVA to 2x3.15 MVA in OP Circle Kangra in Kangra Distt.	1,01,586	9.83%
31	63918	Providing 25 MVAR Capatitor Banks at Baddi and Brotiwala in Solan Distt. of H.P.	4,97,863	9.32%
32	63923	Construction of 2x3.15 MVA, 33/11 KV Substation at Kalkahar in Mandi Distt. of H.P.	10,48,887	9.83%
33	64068	Const. of 2x2.5/31.5 MVA 400 KV from 220/66 KV towers from 220/66 KV S/Stn Nalagrah to Baddi in Solan Distt of H.P.	75,37,012	9.32%
34	64215	Aug of 33/11 KV Substation from 2x3.15 MVA to 2x6.3 MVA at Dhaula Kuan in Sirmour Distt. of H.P.	5,51,175	9.83%
35	3383921	IT scheme of HPSEBL for computerisation of functions not covered under R-APDRP Part -A & ADB in all districts of H.P.	3,13,12,448	9.83%
36	3384280	Augmentation of 1 No. 132/11 KV Sub-Station at Barotiwala with 1x25/31.5 MVA transformer to replace 1x16/20 MVA Transformers in Solan Distt of HP.	5,21,991	9.32%
37	3384333	Augmentation of 33/11 KV S/Stn. Jabli from 2x2.5 MVA to 2x6.3 MVA in Bilaspur Distt. Of HP.	3,72,882	9.83%
38	3384337	Const. of 33 KV HT line for interlinking of 33/11 KV S/Stn Jakhu and 33/11 KV S/Stn Kakkar in Hamirpur Distt. of H.P.	64,826	9.83%
39	3384368	Const of 1 No. 33/11 KV S/Stn at Bharoli Jadid in Kangra Distt of H.P.	4,94,587	9.83%
40	3384566	Aug. of 2x1.6MVA to 2x3.15MVA,33/11kv sub-station atSarahan in distt.Sirmour	31,901	9.83%
41	3385180	Aug.of 220/132KV Sub-station Girinager from 2x50/63MVA to 2x80/100MVA inSirmour Distt.	26,92,100	9.32%
42	3385268	Aug. of 220/132KV Substation Jassure from 150 MVA capacity to 150 MVA+2X50/63 MVA in Kangra district of H.P.	4,41,412	9.32%
43	3385270	Construction of 2x6.3 MVA, 66/22 KV Substation Chopal alongwith 66 KV line from Sainj to Chopal in Shimla district of H.P.	1,21,41,498	9.32%
44	3385299	Scheme for evacuation of power from small HEPs (upto 25 MW) in Chamba Zone of HPSEBL in Himachal Pradesh.	14,83,302	9.32%
45	3385360	Augmentation of 33/132 KV Substation Dehan from 2x16 MVA to 2x25/31.5 MVA capacity alongwith 132KV S/C line on D/C towards from Dehan to Kangra in Kangra district of H.P.	11,57,988	9.32%
46	3385368	Augmentation of 33/132 KV Substation at Bhunter from 2x4 MVA TO 2X6.3 MVA in Kullu district of HP	3,50,160	9.83
47	3385416	Augmentation of 33/132 KV, 1x16MVA to 1x25/31.5 MVA Substation at Malana in Kullu District of H.P	6,18,717	9.83%
48	3385520	Construction of Un-manned 33/11 KV, 2x3.15 MVA Subscription at Hotla in Tehsil Palampur district Kangra of H.P.	24,68,672	9.83%
49	3385622	Augmentation of 33/11KV S/S at Thakurdwara from 2x3.15 MVA to 2x6.3 MVA	6,15,299	9.83%
50	3385623	Aug. of 7.783 Km 33 KV line between Una and Mehatpur from ACSR 100 mm2 to ACSR 130mm2 conductor in Una District of Himachal Pradesh	79,515	9.83%
51	3385625	Augmentation of 7.783 Km 33 KV line between Una and Mehatpur from ACSR 100 mm2 to ACSR 130mm2 conductor in Una district of H.P	15,72,399	9.83%
52	3385668	Replacement of old equipment at 2x4MVA+1x2.5 MVA, 33/11 KV Substation Maranda in Kangra Distt. H.P.	6,48,811	9.83%
53	3385695	Scheme for release of GSC (General Service Connections) in Solan Circle of HPSEBL in H.P.	46,88,921	9.83%
54	3385699	Scheme for release of GSC (General Service Connections) in Nahan Circle of HPSEBL in H.P.	19,24,446	9.83%

Accounts Officer (Loan),
HPSEB, F&A Wing,
Shimla-4.

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
55	3385700	Scheme for release of GSC (General Service Connections) in Shimla Circle of HPSEBL in H.P.	45,31,486	9.83%
56	3385701	Scheme for release of GSC (General Service Connections) in Dalhousie Circle of HPSEBL in H.P.	53,47,049	9.83%
57	3385702	Scheme for release of GSC (General Service Connections) in Hamirpur Circle of HPSEBL in H.P	1,11,842	9.83%
58	3385703	Scheme for release of GSC (General Service Connections) in Kangra Circle of HPSEBL in H.P.	77,62,281	9.83%
59	3385705	Scheme for release of GSC (General Service Connections) in Una Circle of HPSEBL in H.P.	11,23,413	9.83%
60	3385707	Scheme for release of GSC (General Service Connections) in Kullu Circle of HPSEBL in H.P.	13,63,272	9.83%
61	3385755	Augmentation of 1x1.0 MVA to 2x1.6 MVA 33/11 KV Substation (Unmanned) at Darang in Kangra Distt. Of H.P.	1,32,652	9.83%
62	3385836	Construction of 132/33 KV, 1x16 MVA Subscription at Gaura in Solan district of H.P.	20,67,136	9.32%
63	3385837	Construction of 1x315 MVA, 400/220 KV Subscription at Kunihar in Hamirpur district of H.P.	2,47,10,811	9.32%
64	3385845	Augmentation of Kotla Substation from 2x25/31.5 MVA, 220/66 KV to 1x80/100, 220/66 KV and 1x25/31.5+1x10 MVA, 66/22 KV capacity in Shimla district of H.P	50,28,767	9.32%
65	3386105	Construction of 2x6.3 MVA, 66/22 KV Sub Station at Bago Sandhu in Shimla District of Himachal pradesh	1,04,10,532	9.32%
66	3386173	Augmentation of 1x2.5+1x5.0 MVA, 33/11KV Substation Thapkaur to 2x5.0 MCA capacity in Kangra district of Himachal Pradesh	3,30,938	9.83%
67	3386174	Augmentation of 1x2.5 MVA, 33/11 KV Substation Khad to 1x6.3 MVA capacity in Una District of H.P	3,25,990	9.83%
68	3386175	Scheme for Augmentation of 33/11 KV Substation Badhukar from 2x2.5 MVA to 2x6.3 MVA capacity in Kangra district of H.P	3,67,619	9.83%
69	3386177	Replacement of old 33 KV MOCBs (alongwith control panel) with new 11 KV VCBs (alongwith control panel) and 11 KV VCBs at 33/11 KV Substation Shahpur in Kangra district of H.P.	5,20,553	9.83%
70	3386178	Scheme for Replacement of overhead conductor of HT/LT lines with AB cable in MC Area of Sri Naina Devi Ji in Bilaspur district of H.P.	1,32,515	9.83%
71	3386179	Construction of 132/33 KV, 2x16/20 MVA Substation at Kanghain alongwith connection line in Kangra District of H.P.	81,65,160	9.32%
72	3386180	Construction of 220/32 KV, 1x160/200 MVA Substation at Nehrain, Amb alongwith connecting lines in Una District of H.P.	3,10,38,617	9.32%
73	3386181	Scheme for construction of 2x1.6 MVA, 33/22KV Substaion Karsog in Mandi district of H.P.	21,29,594	9.83%
74	3386524	Scheme for release of GSC (General Service Connections) in Rampur Circle of HPSBL in H.P	50,81,453	9.83%
75	3386525	Scheme for release of GSC (General Service Connections) in Rohru Circle of HPSBL in H.P.	14,32,888	9.83%
76	3386795	Augmentation of 132/33 KV Sub-station Bijni from 1X16MVA +1X20 MVA to 1X20+1X25/31.5 MVA capacity in Mandi District of Himachal Pradesh	9,89,677	9.32%
77	3387015	Replacement of Electromechanical meters with Electronic Meters for the year 2012-13	2,00,10,445	9.83%
78	3387147	Aug. of 33 KV line from Bassi to Baijnath from ACSR 6/1/4.72 Conductor to 30/7/2.59 mm conductor in Kangra Distt. of HP.	2,87,879	9.83%
79	3387148	Construction of 2x10MVA, 33/11 KV Un manned Sub- Station Gondpur in Una Distt. Of HP.	26,77,985	9.83%
80	3387149	Construction of 2x3.15 MVA, 33/11 Un manned Sub- Station Sarabhai in Kullu Distt. Of HP.	17,29,871	9.83%
81	3387241	Replacement of 22KV OCBs and installation of auto reclosures at 22KV control point at Theog in Shimla Distt. Of HP	12,07,241	9.83%
82	3387527	Scheme for augmentation of 1x6.30+1x4.00+1x3.15 to 2x10MVA Power Transformer at 33/11 KV S/S Manjholi under (E) Sub - Division No.1 Nalagarh in Solan Distt. of HP	12,49,794	9.83%

Accounts Officer (Loan),
HPSEB, F&A Wing,
Shimla-4.

(4)

Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
83	3387541	Scheme for re-conduct ring of existing 33KV Una Amb feeder from ACSR 6/1/4.72 mm (100 mm2) DOG to AAAC 37/2.49 mm (150 mm2) WOLF conductor in Una Distt of HP	10,90,089	9.83%
84	3387542	Scheme for providing VCBs along with C.R. Panels and installation of online auto reclosures under CAPEX plan scheme in respect of Electrical Division HPSEB Ltd Sunni under OP Circle Shimla Distt of HP	7,55,703	9.83%
85	3387863	Evaluation of power from IPP by Strengthening of existing 33 KV Single Circuit line with ACSR 30/7/2.59mm (Wolf) from ACSR 3/1/4.72 mm conductor from 33/11 KV Sub-Station Sidhpur to Baner Power House Switchyard & 33 KV line from 33/11 KV Sub Station Sidhpur	15,72,370	9.83%
86	3387865	Augmentation of 33/KV S/Stn. At Maranda from 2x4MVA +1x2.5MVA to 2x10MVA under Electrical Division Palampur, Distt: Kangra H.P	12,42,602	9.83%
87	3387876	Up gradation of existing 33/11 KV 2x3.15 MVA, Sub-Station Fatepur to 132 KV level by providing 132/33 KV, 2x16 MVA Sub- Station Fatepur	49,13,622	9.32%
88	3387881	Providing modernized control & protection system to existing 33/11 KV, 1x2.5 MVA Sub-station (Un-named) Chobin under Electrical Division HPSEBL, Baijnath	2,42,710	9.83%
89	3387882	Augmentation of 33/11 KV Sub-station at Nagrota Bagwan from 3x2.5 MVA to 2x3.6 MVA under Electric Division, HPSEBL, Dharamshala	7,55,099	9.83%
90	3387888	Construction of 33 KV HT line for interlinking of 33/22 KV S/Stn. Gohar and 33/11 KV Sub-Station Pandoh under Electrical Division, HPSEBL, Gohar	9,77,046	9.83%
91	3387889	Augmentation of 33/11 KV Sub-station at Charna from 2x1.6 MVA to 3x3.15 MVA under Electric Division, HPSEBL, Rajgarh.	2,63,957	9.83%
92	3387934	Augmentation of 33/22 KV Sub-station at Sauli Khad from 33/22KV 2X3.15 MVA to 33/11 KV 2X5 MVA under Electric Division, HPSEBL, Mandi.	12,78,061	9.83%
93	3388108	Scheme for construction of 22 KV Control Sub-Station at Jeori under Electrical Sub-Division Sarahan Bushahr	7,15,936	9.83%
94	3388110	Implementation of proposed AMI, OMS & Smart Grid Pilot Project for industrial consumers in Kala-Amb, Distt. Sirmour	67,67,370	9.83%
95	3388113	Scheme for construction of 33/11 KV, 2x3.15 MVA Sub-Station (Un-Attended type) at Gandhigram under Electrical Sub- Division HPSEBL, Dharampur Distt. Solan, in HP	20,91,915	9.83%
96	3388183	Scheme for augmentation of 33/11 KV Sub-Station at Daulatpur from 1x3.15 MVA +1x6.3 MVA to 2x3.6 MVA under Electrical Sub-Division, HPSEBL, Daulatpur Chowk undre ED Gagret distt. Una in HP	5,22,124	9.83%
97	3388336	Augmentation of Existing 33/11 KV Sub-Station HPSEBL Chamba from from 2x6.3 MVA to 2x10 MVA under ESD Chamba No 1 under Electrical Division Chamba in Distt. Chamba of Himachal Pradesh.	10,05,249	9.83%
98	3388473	Scheme for construction of 33 KV HT Line from proposed 132/33 KV Sub-Station Jahu to 33/11 Substation Barchwar under Electrical Division, Sarkaghat in Distt. Mandi of H.P.	2,67,034	9.83%
99	3388528	Scheme for Construction of 220/66 KV 1x80/100 MVA & 66/11 KV, 4x20MVA Substation Mandhala by LILO of 220 KV D/C line from Uperla Nangal to Baddi upto Mandhala in Solan Distt. of H.P	1,46,12,632	9.32%
100	3388538	Strengthening/up gradation of existing 33 KV Maranda-Nagrota Bagwan-Tanda-Kangra line from ACSR 6/1/4.72(Dog) with ACSR 30/7/2.59(Wolf) under Electrical Division, Dharamshala, in Kangra Distt. of H.P	10,66,125	9.83%
101	3388539	Construction of 33/11 KV 1x3.15 MVA Sub-Station at Goela under Electrical Sub Division Goela in Solan Distt. of H.P	61,47,382	9.95
102	3388660	System improvement scheme for construction of 33/11 KV 2x10 MVA Sub-Station Bathu at 132/33 KV 2x31.5 MVA Sub-station Gurplah (Tahliwal) alongwith 33 KV D/C HT line for evacuation of power from 132/33 KV S/Stn Gurplah to existing 33/11 KV Sub-station	14,20,884	9.83%
103	3388661	Construction of 33 KV Sub-Transmission line from 33/11 KV 1x1.6 MVA Sub-Station Makriri to 33/11 KV 2x2.5 MVA Sub-Station Lad Bharol under Electrical Division, HPSEBL, Jogindernagar	20,40,388	9.83%
104	3388662	Construction of 22 KV Control Sub Station at Kingal (Bhareri) under Electric sub Division, HPSEBL, Baragaon	6,22,464	9.83%
105	3388821	Augmentation of 33/11 KV, 2x5 MVA power transformer to 2x10 MVA at 132/33/11 KV Sub Station Anu, District in Hamirpur under ES Division HPSEBL Hamirpur in Himachal Pradesh	9,86,161	9.83%

Accounts Officer (Loan),
HPSEB, F&A Wing,
Shimla-4.

Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
106	3388822	Augmentation of 2x4 MVA,33/11 KV, power transformer to 2x6.3 MVA capacity at 132/33/11 KV Sub-Station Dehra District Kangra under ES Division HPSEBL, Una, Himachal Pradesh.	7,74,009	9.83%
107	3388823	Augmentation of 33/11 KV,2x4 MVA power transformer to 2x6.3 MVA at 132/33/11 KV Sub-Station Dehan Palampur under ES Division HPSEBL, in, Himachal Pradesh.	9,10,181	9.83%
108	3388824	Augmentation of 33/11 Sub-Station Baijnath from 2x5+1x3.15 MVA to 2x10+1x5 MVA under Electrical Devision, HPSEBL, Baijnath, in Kangra District, in, Himachal Pradesh.	10,41,085	9.83%
109	3388995	Scheme for replacement of GI wire existing in Distribution System (HT/LT) with ACSR Conductor (2nd phase) under South Operation wing consisting of Shimla, Solan, Kinnour & Lahaul & Spiti Districts of Himachal Pradesh.	62,39,573	9.83%
110	3389097	Renovation/Replacement of Retro Fitting i.e. 1 No. 33 KV panel with Breaker and 9 Nos. 11 KV old OCB's Panel with new VCB's Panel (2 No. incomer and 6 No. outgoing and 1 No. Bus Coupler panel) at 33/11 KV Sub-Station Jaisingpur under ESD, HPSEBL, Jaisingpur in	5,73,600	9.83%
111	3389098	Scheme for providing 1 No. 33/11 KV VCB alongwith 33 KV C/R panel, CT,PT unit and renovation/replacement of Retro fitting i.e. 3 Nos. old 11 KV OCB's with new VCB's panel (2 nos incomers & 1 No. outgoing) at 33/11 KV substation Thural under ESD, HPSEBL Thural	2,25,010	9.83%
112	3389127	Augmentation of 33 KV, HT line from 33/11 KV Sub Station Baijnath to 33/11 KV Sub-Station Maranda from ACSR 6/1/4.72 mm conductor with ACSR 30/7/2.59mm WOLF conductor under Electrical Division, HPSEBL, Baijnath in Himachal Pradesh.	4,84,158	9.83%
113	3389146	Scheme for construction of 33/11 KV, 2x1.6 MVA Un-manned Sub-Station at Barangal (Bhalaie) under Electrical Division, HPSEBL, Dalhouse in Tehsil Salooni of District Chamba, Himachal Pradesh.	20,76,020	9.83%
114	3389147	Scheme for procurement of major T&P items for up-gradation of Mater Testing Laboratory and Transformer repair workshop under M&T circle Bilaspur for Solan, kangra and Sundernagar Division.	12,57,386	9.83%
115	3389197	Construction of new 2x3.15 MVA 33/11 KV Substation Basal at Saproon under Electrical Division Solan	19,47,423	9.83%
116	3389226	Augmentation of existing 33 KV Anu & Bhota (Barsar feeder) & Anu to Pucca Paroh (Bangana feeder) and System Improvement of 33/11 KV S/Stn. Mattansidh under Electrical Division, HPSEBL, Barsar of Hamirpur District.	4,91,229	9.83%
117	3389298	Construction of 22 KV Control Sub-Station at Khaneri under Electrical Sub-Division, Rampur in Shimla District of Himachal Pradesh.	13,75,653	9.83%
118	3389299	Construction of 33 KV Double Circuit Line from 132/33 KV Sub-Station at Jahu to fed from 33/11 KV Sub-Station Khudla and Ladrour from 33/11 KV Sub-Station Jahu under ESD Baldwara in Mandi district.	3,04,136	9.83%
119	3389345	Providing 33 KV VCB's along with control & Relay panels and 11 KV VCB's in place of old 33 KV MOCB's along with C&R Panels and 11 KV OCB's at 33/11 KV,3x5 MVA S/Stn. Sidhpur, 3x2.5 MVA S/Stn. Nagrota Bagwan and 1x1+1x2.5 MVA S/Stn. Baroh under Electrical	15,37,940	9.83%
120	3389458	Construction of 33/11 KV, 2x1.6 MVA un-manned Sub-Station at Jadrangal near Chamunda Mandir under Electrical Division, HPSEBL, Dharamshala in Kangra district of Himachal Pradesh.	23,82,656	9.83%
121	3389459	Construction of 22 KV control point at Chamain with VCBs in ESD HPSEBL Ltd., Bagi under Electrical Division Jubbal in Shimla district of Himachal Pradesh.	14,38,576	9.83%
122	3389502	Construction of Lineman Training Centre, Date Centre and Office Building at Solan in Solan District of Himachal Pradesh.	31,15,439	9.83%
123	3389519	Scheme for Construction of 33/11 KV, 2x1.6 MVA Un-Manned Sub-Station at Bhutti (Lug Velly) under Electrical Division, HPSEBL, Kullu of District Kullu Himachal Pradesh	21,51,667	9.92%
124	3389633	Scheme for Augmentation of 66/22 KV, 2x6.3 MVA to 2x10 MVA Transformer at 66/22 KV Sub-Station Kumarsain in Shimla district of Himachal Pradesh.	13,83,989	9.83%
125	3389693	Construction of 33KV interlinking line from 132/33 KV Sub-Station Jahu to proposed 33/11 KV un-manned Sub-Station Bhareri (Naltu) in Hamirpur District of Himachal Pradesh	5,66,899	9.83%
126	3389819	Construction of 1x50/63MVA,33/132 KV S/S at Kurthala (Near Tissa) and 132KV Double Circuit Transmission Line from Kurthala to Bathri Sub-Station of HPSEBL including 132 KV Terminal Bays at Bathri S/S in District Chamba of Himachal Pradesh.	3,51,15,962	9.32%
127	3389847	PSI Transmission Scheme for creation of 66/22KV 2x10 MVA Substation at Anni in Kullu Distt. Of H.P	2,61,952	9.32%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
128	3389907	Construction of 33/11 KV, 2x1.6 MVA Sub Station Raison under Electrical Sub Division, HPSEBL, Katrain in District Kullu Himachal Pradesh	5,12,814	9.83%
129	3389909	Scheme for providing additional 6.30 MVA, 33/11KV Power Transformer at 33/22/11KV Sub-Station Sundernagar under Sub-Station Sub Division, HPSEBL, Sundernagar in Mandi district of HP State	3,06,701	9.83%
130	3389910	Scheme for Renewal/Replacement of 33 KV Switchgear panel and Oil Circuit Breaker and allied accessories of 33/11 KV Sub Station at Sundernagar under Sub Station, Sub-Division Sunderbagar in Mandi District of H.P. State.	6,72,779	9.83%
131	3389921	Scheme for release of GSC connection of Hamirpur Operation Circle of HPSEBL in Himachal Pradesh.	3,19,97,905	9.83%
132	3389922	Scheme for release of GSC connection of Bilaspur Operation Circle of HPSEBL in Himachal Pradesh.	2,73,33,734	9.83%
133	3389923	Scheme for release of GSC connection of Shimla Operation Circle of HPSEBL in Himachal Pradesh	2,34,62,398	9.86%
134	33810153	Scheme for release of GSC connections in Operation Circle of Rampur Bushehar of HPSEBL in Himachal Pradesh.	1,61,63,917	9.83%
135	33810154	Scheme for release of GSC connections in Operation Circle of Dalhousie in Chamba district of HPSEBL in Himachal Pradesh	2,96,77,553	9.83%
136	33810155	Scheme for release of GSC connections in Operation Circle of Mandi in Mandi district of HPSEBL in Himachal Pradesh.	2,65,41,432	9.86%
137	33810481	Scheme for replacement of rotten wooden Poles with Steel Tubular Poles along with allied fitting etc for all district of Himachal Pradesh.	11,47,09,664	9.83%
138	33810482	Scheme for release of GSC connections in Operation Circle of Nahan in Sirmour district of HPSEBL in Himachal Pradesh.	1,14,53,906	9.83%
139	33810483	Scheme for release of GSC connections in Operation Circle of Una in Una district of HPSEBL in Himachal Pradesh.	2,64,52,357	9.83%
140	33810502	Scheme for release of GSC connections in Operation Circle of Solan in district Solan of HPSEBL in Himachal Pradesh.	1,19,29,248	9.83%
141	33810745	Scheme for release of GSC connection in Operation Circle Kangra in district Kangra in Himachal Pradesh.	4,98,94,687	9.83%
142	33810746	Scheme for construction of 22Kv control Sub-station at Kingal (Bhareri) under Electric Sub-Division, HPSEBL Bargaon in Shimla district of Himachal Pradesh. *(ADDITIONAL LOAN)*	3,99,721	9.83%
143	33810748	Repair/reconditioning of 03Nos 220/132KV, 25.67/33.33 MVA single phase and 04 Nos 132/33KV, 16 MVA Three Phase Power Transformer at various Sub-Station under ES wing, HPSEBL, Hamirpur in District Hamirpur of Himachal Pradesh.	19,71,606	9.83%
144	33810793	Scheme for replacement of old/obsolete switchgear equipment at 33/11 KV Sub-Station, Dalhausie and Sihunta under Electrical Division, HPSEBL Dalhausie in District Chamba of Himachal Fradesh	11,11,190	9.83%
145	33810794	Scheme for providing additional 1x10 MVA, 66/33 KV Transformer alongwith 66KV and 33KV equipments at 66/22 KV Sub-station, Anni (Nagan) in District Kullu of Himachal Pradesh.	23,47,243	9.83%
146	33811039	Scheme for augmentation, modernization/renovation of 33/11 KV 1x2.5 MVA into 1x6.3 MVA Sub-Station Swarghat under ESD Kot under Electrical Division HPSEBL, Bilaspur in District Bilaspur of Himachal Pradesh.	90,17,712	9.83%
147	33811069	Scheme for Distribution Works under IPDS in Bilaspur Circle in HPSEBL	9,05,544	9.83%
148	33811076	Scheme for Distribution Works under IPDS in Dalhausie Circle in HPSEBL	3,72,581	9.83%
149	33811077	Scheme for Distribution Works under IPDS in Hamirpur Circle in HPSEBL	4,06,444	9.83%
150	33811078	Scheme for Distribution Works under IPDS in Kangra Circle in HPSEBL	14,64,778	9.83%
151	33811079	Scheme for Distribution Works under IPDS in Kullu Circle in HPSEBL	14,45,486	9.83%
152	33811080	Scheme for Distribution Works under IPDS in Mandi Circle in HPSEBL	5,01,564	9.83%
153	33811081	Scheme for Distribution Works under IPDS in Nahan Circle in HPSEBL	3,07,834	9.83%
154	33811082	Scheme for Distribution Works under IPDS in Rampur Circle in HPSEBL	11,09,742	9.83%
155	33811083	Scheme for Distribution Works under IPDS in Rohru Circle in HPSEBL	10,84,069	9.83%
156	33811084	Scheme for Distribution Works under IPDS in Shimla Circle in HPSEBL	7,76,050	9.83%
157	33811085	Scheme for Distribution Works under IPDS in Solan Circle in HPSEBL	14,59,236	9.83%
158	33811086	Scheme for Distribution Works under IPDS in Una Circle in HPSEBL	12,41,471	9.83%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
159	33811100	Scheme release of GSC connections in Operation Circle Kullu in district Kullu in Himachal Pradesh.	78,42,885	9.83%
160	33811101	System Improvement scheme for Renovation/Replacement of Retro-Fitting i.e. 1 No. 33 KV Panel with VCB and 9 Nos. 11 KV old OBC's panel with new VCB's panel (2 Nos Incomer, 5 Nos. Outgoing, 1 No. Bus coupler & 1 No. Shunt Capacitor Panel) at 33/11 KV Sub-station	5,28,809	9.83%
161	33811139	Scheme for augmentation, modernization/renovation of 33/11 KV 1x2.5 MVA into 1x6.3 MVA Sub-Station Swarghat under ESD Kot under Electrical Division HPSEBL, Bilaspur in District Bilaspur of Himachal Pradesh.	15,96,906	9.83%
162	33811184	Scheme for Construction of 33/11 KV, 1x3.15 MVA Sub-Station(Manned) at sheela Bagh under Electrical Division HPSEBL, Rajgarh in District Sirmour of Himachal Pradesh.	29,51,085	9.83%
163	33811322	Const of 1 No. 33/11 KV S/Stn at Bharoli Jadid in Kangra Distt of H.P.	2,18,920	9.83%
164	33811399	Scheme for construction of 22 KV Control Sub-Station at Sangla Rukti under Electrical Division, Reckong-Peo in District Kinnour of Himachal Pradesh	9,89,771	9.83%
165	33811400	Scheme for conversion of 22KV System into 11 KV at Ner Chowk under Electrical Division, HPSEBL, Sunder Nagar in District Mandi in Himachal Pradesh	4,92,434	9.83%
166	33811790	Add. Loan for construction of 132/33/11 KV, 1x31.5 MVA S/S at Maliana, Shimla by LILO of one circuit of 132KV Kunihar Jutog Transmission line.	Closed	—
167	33811793	Scheme for providing double circuit HT line to connect 33/11KV,2x5MVA S/s Naggar & 2x10 MVA S/s Kullu with 33/220KV GIS S/s Fozal by providing LILO arrangement at Larankelo under Electrical Sub-Division, HPSEB Ltd., Naggar in District kullu of Himachal	9,39,172	9.83%
168	33811794	Providing supply of power to Tube, Wells under Op Circle, HPSEBL, Una in Una district in H.P. (Phase-II	52,41,236	10.01%
169	33811798	Scheme for augmentation of 25/31.5 MVA, 220/66 KV, 3 phase transformer with 80/100 MVA, 1-phase bank at 220/66KV S/S at Kotla in district Shimla of Himachal Pradesh.	88,20,093	9.32%
170	33812095	Scheme for construction of 33/11 KV, 1x3.15 MVA S/S at Sangrah under Electrical Division, HPSEB Ltd, Nahan in district Sirmour of Himachal Pradesh	31,21,315	10.04%
171	33812818	Scheme for replacement & strengthening of existing 22 KV, RMU with VCB's and other equipment and civil works at 22KV control points at Jhiknipul under ESD Nerwa, and construction of 22KV line from feeder Bay at 66/220KVS/S Sainj to existing 22KV HT line	7,86,139	9.83%
172	33812847	Scheme for reconductoring of 33KV HT line from ACSR conductor 6/1/4.72 (100)mm2 to30/07/2.59 mm2 Wolf conductor (150mm2) from Rakkar to Pandoga LILO point of existing Rakkar-Gagret 33KV line under Esd Khad	5,41,808	9.87%
173	33812860	Scheme for augmentation of 132/33KV, 16MVA Power Transformer(T-2) in to 132/33KV, 25/31.5MVA at 132/33KV Sub-Station Amb in district Una of Himachal Pradesh.	25,33,891	9.32%
174	33812862	Scheme for Cost of Land and site development for 33/11 KV Sub-Station /Control Point taken in DDUGJY & IPDS in district Chamba, Kangra, Kullu, Una, Shimla & Mandi of Himachal	63,50,698	9.86%
175	33813078	Scheme for augmentation of existing 33/11 KV un-manned Sub-station from 1x2.5MVA to 1x6.3MVA at Beri under ESD No-1, HPSEBL Bilaspu of Himachal Pradesh	12,29,397	9.88%
176	33813080	Augmentation of existing 33/11KV, 2x3.15MVA Baglehar sub-station to 66KV level by providing 66/11, 2x10MVA Power Transformer under ED Nalagarh, HPSEBL Solan.	76,69,469	9.83%
177	33813082	Augmentation of 2x2.5MVA, 33/11KV Sub Station to 2x6.3MVA, 33/11 Sub Station at Sataun under Electrical Division HPSEB Ltd. Paonta Sahib	13,41,559	9.83%
178	33813130	Providing 2nd circuit on existing 132kV double circuit tower from Chullah to Bassi Power House	27,06,186	9.32%
179	33813192	Augmentation of existing 33/11kV, 2x3.15MVA Bijhar S/s to 132kV Voltage level by providing 132/33kV, 2x18/20MVA Power Transformer along with 132kV Single Circuit Transmission line on DC Tower form 132kV Jahoo S/s of HPSEBL	1,58,55,374	9.41%
180	33813193	Construction of 66/33/11kV (2x20MVA, 66/33kV & 1x20MVA, 66/11kV) sub-station at village Sanerh, Solan.	1,07,36,865	9.90%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
181	33813200	Construction of 22KV Control Sub-Station at Khrahan ESD Nankhari.	15,42,327	9.83%
182	33813201	Construction of 22KV Control Sub-Station at Dhanu Dhar ESD Nirmand.	18,54,380	9.83%
183	33813372	Construction of 1x3.15MVA, 33/11KV Sub Station at Sayri under Electrical Division HPSEBL Arki in HP	48,28,750	9.90%
184	33813497	System improvement scheme for replacement of old/obsolete switchgear equipment at 33/11 KV Sub-Station Koti, Nakror & Garola under Electrical Division, HPSEB Ltd. Chamba.	8,15,898	10.10%
185	33813522	System Improvement scheme for construction of 33KV H.T. line single circuit from 132/33KV 2x16 MVA Sub-Station Dehra by tapping 33KV Dehra-Dadasiba line near Dhalara to 33/11KV Sub-Station Bharwain under Electrical Sub-Division, HPSEBL Ltd. Bharwain in	10,00,532	9.83%
186	33813548	Construction of 33KV interlink line (S/C) from 33/11KV 2x3.15MVA Sub-Station Dharmpur to 33/11KV, 2x6.3MVA Sub-Station Bahri under ESD Dharmpur.	10,01,577	9.83%
187	33813550	Replacement of existing 22KV, RMU's with indoor VCB's and other equipments at 22KV Control Point Pujarli-4 under Electrical sub-Division, HSEBL,Tikkar, under Electrical Division, HPSEBL Rohru	8,83,302	9.88%
188	33813551	Augmentation of 2x3.15 MVA to 2x6.3 MVA at 33/11 KV sub-station Basal under Electrical Division HPSEBL Una Distt. Una (H.P.)	8,07,258	9.83%
189	33813552	Scheme for construction of 33/11KV, 2x3.15 MVA Sub-Station (Manned) at Patlander (Ansla) under Electrical Division, HPSEBL, Hamirpur in Himachal Pradesh.	11,64,106	9.83%
190	33813556	Scheme for construction of 33/11KV, 2x3.15 MVA Sub Station (Manned) at Lambloo under Electrical Division, HPSEBL, Hamirpur in Himachal Pradesh.	33,12,269	9.97%
191	33813879	Construction of 33KV interlink line (S/C) from proposed 33/11, 1x3.15 MVA Sub-Station Marhi to fed 33/11KV Sub-Station Sandhole in ESD Sandhole under ED Dharampur.	22,05,915	9.83%
192	33813907	Construction of new 33/11KV, 2x3.15MVA Sub-Station (Manned Type) at Panog under Electrical Division HPSEBL Rajgarh .	50,29,458	9.91%
193	33814063	Monitoring of real-time-data at SLDC/ALDC, Shimla to regulate the power flow of HP Grid by providing appropriate Communication equipments, Remote Terminal units and OPGW at identified location.	72,19,537	9.84%
194	33814187	Scheme for Providing additional 16 MVA, 132/33kv, 3-ph Power transformer at 132/33kV, Gaura Sub-Station.	27,10,895	9.32%
195	33814189	Scheme for Setting up Video Conferencing Facility & Replacement of old PCs and Peripherals at HPSEB Ltd.(District - Shimla)	12,09,682	9.83%
196	33814205	System Improvement Scheme for construction of 1x3.15MVA, 33/11 KV Sub-Station at Marhi under Electrical Division HPSEBL Dharampur.	43,42,973	9.88%
197	33814208	System Improvement Scheme for providing 33 KV VCBs along with Control and relay panels and 11 KV VCBs in place of old 33 KV MOCBs along with C&R panels and 11 KV OCBs at 33/11 KV 1x1+1x3.15 MVA Sub Station Darkata (Ranital) under Electrical Division HPSEBL	5,86,541	9.83%
198	33814218	Deviation cum additional loan against HPSEBL scheme no. 'HP-TD-DIS-338-2012-6179' for construction of 132/33kV,2x16MVa Sub-Station at Kanghain along with 132kV S/C Transmission Line over D/C towers from Chullah-HEP to Kanghain in Kangra district.	13,34,346	9.32%
199	33814239	Replacement of existing 220/132kv,7x26.67/33.33 MVA, 1- Phase Power Trasformer bank by installing 220/132kv, 3x53.33/66.67 MVA 1- Phase Power Trasformer bank at Kunihar	1,34,07,012	9.32%
200	33814254	System Improvement Scheme for Renovation & Modernization of 33/22kV,3x3.15MVA SS Pangana under ESD Pangana	5,02,690	10.08%
201	33814330	System Improvement Scheme for providing 33/11KV, 2x6.3 MVA Substation at Jagatpur Johron in Electrical Sub-Division HPSEBL, Dhaulakuan under Electrical Division Paonta Sahib.	41,65,590	9.93%
202	33814390	System Improvement Scheme for providing 33/11KV HT line form Dehan to Thural from existing 7/4.26(100mm2) Dog conductor of 150mm2 ACSR 30/7/2.59 (Wolf) Conductor under Electrical Division HPSEBL Lambagaon. (District - Kangra)	16,71,371	9.83%
203	33814445	Re-conductoring of existing conductor 22KV tie line from Kumarsain to Nogli with HTLS-ACSS Linnet conductor in Electrical Sub-Division Taklech under ED Rampur Bushahr	22,67,399	9.83%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
204	33814450	Scheme for Purchase of One no. Spare Runner for 2x3 MW Binwa Power House Uttrala	11,54,103	10.34%
205	33814600	Scheme for supply, erection, testing and commissioning of 4 Nos. new upper brackets (including dismantling of existing 4 nos. upper brackets), re-insulation of 02 nos. rotor poles (of machine no. -II), including dismantling, erection & commissioning of 4 nos Rotor leads	41,13,467	10 59%
206	33814664	Construction of 33/11 KV, 2x3.15 MVA Sub-Station at Berthin under Electrical Division, HPSEBL, Ghumarwin District Bilaspur (H.P.)	17,76,345	9.90%
207	33814665	Construction of 33/22 KV, 2x1.6 MVA Sub-Station at Chhatri in Electrical Sub-Division, HPSEBL, Chhatri under Electrical Division, HPSEBL, Karsog District Mandi (H.P.)	44,54,508	9 84%
208	33814666	Scheme for construction of 33/11 KV, 2x3.15 MVA Sub-Station at Chail in Electrical Sub-division, HPSEBL, Kandaghat under Electrical division, HPSEBL, Solan	4,98,382	9.92%
209	33814667	Scheme for providing 33/11 KV, 1x3.15 MVA sub-station at Kaffota in Electrical Sub division HPSEBL Shillai under Electrical division Paonta Sahib in Sirmour district of H.P.	10,75,215	9.83%
210	33814711	Scheme for release of General service Connection in operation Circle, HPSEBL, Solan	1,28,70,008	9.83%
211	33814836	Scheme for release of General Service Connections in Operation Circle, HPSEBL, Nahan.	1,66,03,129	9.85%
212	33814883	Scheme for construction of 33/11 KV, 2x3.15 MVA Sub-Station at Khaggal (Nalti) under Electrical Division, HPSEBL, Hamirpur.	43,29,359	9 85%
213	33814884	Scheme for construction of 33/11 KV, 2x3.15 MVA Sub-Station along with the provision of additional transformer bay for further augmentation at Jukhala under Electrical Division, HPSEBL, Bilaspur.	31,41,651	9.86%
214	33814885	System Improvement scheme for interlinking of 33/11 KV, 2x1.6 MVA Substation Bharari with 132/33 KV, 1x25/31.5 MVA Sub Division Jahu under ESD, HPSEBL, Bharari and re-conductoring of 43.17 Km long 33 KV Bharari-Naswal-Kandrour-Kangoo feeder under	8,10,955	9 90%
215	33814886	System Improvement scheme for upgradation of existing ERP project under IPDS - ERP	18,08,978	9.83%
216	33814936	Scheme for construction of 33/11 KV, 1x3.15 MVA Sub-Station at Nagni under Electrical Division, HPSEBL, Lambagaon.	31,89,092	9.92%
217	33814965	Scheme for augmentation of 33/11 KV manned Sub-Station at Naswal from 1x4.0+1x5.0=9MVA to 2x6.3 MVA alongwith renovation and modernization of existing switchgear under ED, HPSEBL, Ghumerwin (HP).	13,45,434	9.92%
218	33815030	Scheme for Augmentation of existing 33/11 KV, 2x6.3 MVA Kalpul Substation to 2x10MVA and up-gradation /strengthening of Sidpur-Kalpul 33KV Line from existing AAAC 7/4.26 mm2 to ACSR 30/7/2.59 mm2 (Wolf) under Electrical Division, HPSEBL, Dharamshala.	29,94,489	9.90%
219	33815031	Scheme for Augmentation of existing 33/11 Kv, 2x6.3 MVA Substaion to 2x10 MVA (Manned Type) at Dosarka Nahan under Electrical Division Nahan.	33,77,448	10.25%
220	33815033	Scheme for revamping and modernization of existing 33/11 KV, 2x6.3 MVA Substation old Badripur to meet up the growth and prospective load of Paonta Sahib..	14,03,100	9.87%
221	33815048	Scheme for augmentation, renovation and modernization of 33/11 KV, 2x2.5MVA Substation to 2x3.15 MVA Substation Slapper under Electrical Sub-Division Slaper under Electrical Division, HPSEBL Sundernagar(HP).	86,65,298	9.92%
222	33815266	System Improvement Scheme for low voltage pockets in Himachal Pradesh (1st Phase).	8,37,55,445	9.84%
223	33815345	Scheme for providing the additional 50/63 MVA, 132/33 KV Power Transformer at 132 KV substation Solan.	40,02,166	9.39%
224	33815546	Construction of 33 KV Single Circuit HT line form 132/33 KV, 2x3.15 MVA Sub-Station Hamirpur by tapping 33 KV Nadaun-Jawalamukhi line near Kohla-Malankan to 33/11 KV Sub-Station Bharoli-Jadid under Electrical Division, HPSEBL Dehra.	13,02,464	9 95%
225	33815353	Scheme for construction of 220 KV S/C Transmission Line with twin moose conductor on 400 KV D/C Towers from Tower no. 11 of 400 KV S/C Line Reru-Kunihar to 220 KV Uperla Nangal Sub-Station along with terminal bays at both 220 KV Kunihar and Uperla Nangal Sub-	10,38,499	9 32%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
226	33815388	Augmentation of 33/22 KV, 2x3.15 MVA to 33/22 KV, 2x6.30 MVA Sub-station Baggi at Chunahan including other allied equipments/ items under ESD HPSEBL, Baggi.	9,20,239	10.37%
227	33815390	Augmentation of 33/22 KV, 1x1.6+1x2.5 MVA to 33/22 KV, 1x2.5+1x6.3 MVA Sub-station at Gohar i/c other allied equipments/items under ESD HPSEBL, Gohar	7,62,328	10.24%
228	33815391	Augmentation of 33/22 KV, 2x2.5 MVA to 33/11 KV, 1x2.5+1x6.3 MVA Sub-Station at Pandoh i/c other allied equipments/items under ESD HPSEBL, Pandoh.	20,88,034	10.59%
229	33815392	Augmentation of 33/22 KV, 1x1.6+1x3.15 MVA to 33/22 KV, 2x3.15 MVA S/Stn. At Thunag other allied equipments/items under ESD HPSEBL, Janjehli.	3,23,116	10.24%
230	33815512	Strengthening of Sub-Transmission & Distribution network including metering in 11 Operation Circles of HPSEBL	1,93,05,521	9.83%
231	33815534	Scheme for construction of 33/11 KV, 2x3.15 MVA Sub-Station at Nagheta under Electrical Division, HPSEBL Paonta Sahib.	62,86,096	9.91%
232	33815535	Scheme for construction of 33/11 KV, 1x3.15 MVA Sub-Station at Kulava(Sarli) under Electrical Sub-Division, HPSEBL Bhumti.	2,11,166	10.29%
233	33815553	Sanction of loan in 11 Districts under System Improvement (Distribution) Category	4,61,92,147	9.90%
234	33815572	Augmentation of 33/11 KV Sub-Station Kural from 2x1.6 MVA to 2x3.15 MVA under Electrical Division HPSEBL, Palampur in the Kangra district of Himachal Pradesh.	67,330	9.83%
235	33815773	Scheme for augmentation of 2x3.15 MVA to 2x6.3 MVA Power Transformer at 33/11 KV Sub-Station Totarani under Electrical Division, HPSEBL Dharamshala in Kangra District of Himachal Pradesh.	56,445	10.33%
236	33815555	Renovation & Modernization of 33/11KV Sub-Station Barsar, Bijhar & Bhoranj under Electrical Division HPSEBL, Barsar in Hamirpur District of Himachal Pradesh.	13,99,434	10.08%
237	33815612	System Improvement Scheme for replacement of old/obsolete switch gear equipments at 33/11 KV, 1x5+1x2.5 MVA Sub-Station Ladrour and 1x1.6+1x1 MVA Sub-Station Bhota under Electrical Division HPSEBL, Barsar in Hamirpur district of Himachal Pradesh.	5,82,454	9.83%
238	33815631	Supply, erection, testing and commissioning of 4 set of upper bracket bearing assembly (Thrust Bearing & Guide Bearing) with new bearing design of Kingsbury pad support, self pumping and insulated upper bearing including necessary modification in upper bracket, 4	59,57,894	10.59%
239	33815879	Scheme for construction of 33/11 KV, 2x3.15 MVA Sub-Station at Ukhli under ESD Bhota under Electrical Division, HPSEBL Barsar in Hamirpur District of Himachal Pradesh	2,51,561	10.08%
240	33815899	Scheme for reconductoring & strengthening of 22 KV outgoing feeders (Pulbahal, Deha and Chailla) from 66/22/11 KV Sub-station Sainj in ESD Sainj under Electrical Division, HPSEBL, Theog in Shimla District of Himachal Pradesh.	3,77,425	10.08%
241	33815905	Supply, erection, testing and commissioning of 220 V/750 Ah Battery Bank consisting of 110 Nos. (2 Nos. additional/spares cells) 2V/750 Ah Lead Acid Plante type cells having transparent container in dry & uncharged condition as per IS 1652:1991, Including dismantling and removal of old Battery Bank form the site for safe disposal as per the guide lines of ministry of environment & forest and supply, installation, testing and commissioning of 415 V AC 3-Phase 4 wires 220 V DC/100 amps. Dual float cum boost battery charger suitable for plante type battery bank to be used in 4x16.5 MW Bassi HEP HPSEBL Jogindernagar.	2,23,231	10.95%
242	33815963	Scheme for providing fire fighting equipment, passenger elevator and furniture & furnishing equipments in General Skill Development Centre building complex at Solan H.P.	3,56,095	9.83%
243	33816168	Scheme for Improvement of supply system in Solan Town under (Op) Circle, HPSEBL Solan.	5,08,065	10.14%
244	33816194	Scheme for release of GSC in Operation Circle Bilaspur of HPSEBL in Himachal Pradesh.	56,85,417	10.03%
245	33816230	Augmentation of 33/11KV, 2 x 3.15 MVA to 2 x 6.3 MVA Sub-Station Basal at Saproon under Electrical Division, HPSEBL, Solan.	8,01,467	10.03%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
246	33816240	Scheme for augmentation of existing 1x6.3 MVA, 66/22 KV Power Transformer to 1x10MVA at existing 66/22/11 KV Substation Sainj (Theog) under ES Division, HPSEBL, Shimla.	12,85,970	9.83%
247	33816270	System improvement scheme for replacement of old/obsolete switchgear equipment at 33/11 KV Sub-station Bakloh and Chowari under Electrical Division Dalhousie in Chamba district of Himachal Pradesh.	29,506	10.34%
248	33816346	Scheme for construction of 33 KV express feeder to interlink the 33/11 KV, 2x1.6 MVA Substation Sandhole from 132/33 KV Kangehan UESD Sandhole under ED, HPSEBL Dharampur in distt Mandi of Himachal Pradesh.	12,78,451	9.93%
249	33816347	Scheme for construction of 33/11 KV, 1x3.15 MVA Sub Station (Manned) at Shri. Naina Devi Ji under Electrical Sub-Division, HPSEBL, Kot Distt. Bilaspur (H.P.)	39,878	10.08%
250	33816356	Scheme for augumentation of existing 2x5MVA Power Transformer to 2x10 MVA 33/11 KV at existing 132/33/11KV Sub-Station Amb under ES Division UNA.	33,816	10.08%
251	33816371	Scheme for renewal and replacement of old equipments of 33/11 KV, 1x2.5+1x4.00 MVA Sub-Station at Lad Bharol under Electrical Division, HPSEBL, Joginder Nagar in Mandi distt. of Himachal Pradesh.	44,092	9.83%
252	33816402	Scheme for construction of new 33 KV Double Circuit line from 33/11 KV, 2x6.3 MVA Sub-Station Jabli to proposed 132/33 KV Sub-Station Kothipura under Electrical Sub-Division No. 1 and Construction of 33 KV Single Circuit link line from proposed 132/33 KV Sub-Station	9,31,885	9.83%
253	33816411	Scheme for Augmentation, Modernization/ Renovation of 33/11kV 2x2.5 MVA into 2x3.15 MVA Substation Namhol under Electrical Sub-Division Namhol HPSEB Ltd.	21,633	10.08%
254	33816418	System Improvement scheme for renovation and modernization of 33/11 KV, 2x6.3 MVA Substation at Kunihar under Electrical Division, HPSEBL Arki in district Solan of Himachal Pradesh.	2,22,298	9.96%
255	33816419	Scheme for providing, erection and commissioning of 66 KV Sainj-Chopal Transmission line along with SCADA System for 66/22 KV Sub-Station Lastadhar(Chopal).	1,26,60,258	9.38%
256	33816435	Scheme for release of General Service Connections in Operation Circle HPSEBL Solan	1,65,34,090	9.83%
257	33816472	Scheme for construction of 33/11 KV, 2x10 MVA Sub Station at Baragaon along with 33 KV single circuit line from Beolia to Baragaon and associated lines and other allied civil works i.e. site development, construction of control room building etc. under Electrical Sub-Division, HPSEBL, Shimla-II in Distt. Shimla (H.P.)	14,18,347	10.00%
258	33816468	Scheme for release of GSC of Hamirpur operation circle of HPSEBL in Himachal Pradesh.	38,49,954	9.83%
259	33816469	System Improvement scheme for augmentation of 3x5 MVA to 2x10 MVA Power Transformer at 33/11 KV Sub-Station Sidhpur under Electrical Division, HPSEBL Dharamshala in district Kangra of Himachal Pradesh.	8,13,085	9.87%
260	33816470	Scheme for construction of 33/11 kV, 1x3.15 MVA Sub-Station at Balla (Sandhole) under Electrical Division, HPSEBL, Dharampur.	6,20,789	10.16%
261	33816471	Scheme for release of General Service Connections in Operation Circle HPSEBL Shimla.	36,71,862	10.08%
262	33816476	System Improvement Scheme for construction of 33kV new Line from 33/11kV Sub-station Shahpur to 33/11kV Sub-Station Lunj under Electrical Division, HPSEBL, Shahpur.	11,68,420	9.83%
263	33816500	Scheme for release of GSC of Una operation circle of HPSEBL in Himachal Pradesh.	23,71,143	10.22%
264	33816537	Scheme for release of GSC of Kangra operation circle of HPSEBL in Himachal Pradesh.	1,13,11,706	9.83%
265	33816538	Scheme for release of General Service Connections in Operation Circle HPSEBL Mandi.	61,75,959	9.83%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
266	33816539	Scheme for release of General Service Connections in Operation Circle HPSEBL Rampur.	11,47,972	9.83%
267	33816540	Scheme for release of GSC of Dalhousie operation circle of HPSEBL in Himachal Pradesh.	12,90,331	9.83%
268	33816541	Scheme for construction of 33/11 KV, 1x3.15 MVA manned Sub-Station at Sohari under Electrical Division, HPSEBL Amb in Una district of Himachal Pradesh.	1,78,627	10.16%
269	33816546	Scheme for construction of 33/11 KV, 1x3.15 MVA manned Sub-Station at Darini along with 4.00 Km 33 KV line under Electrical Division, HPSEBL Shahpur.	3,80,005	9.83%
270	33816484	Scheme for release of General Service Connections in Operation Circle HPSEBL Kullu.	43,82,021	10.11%
271	33816549	Scheme for construction of new 33 KV line from 132/33 KV Sub Station Kanghain to 33/11 KV, 1x1 MVA+1x3.15 MVA Sub-Station Chadiar under ED HPSEBL, Baijnath in Kangra district of Himacahal Pradesh.	17,08,143	10.05%
272	33816551	Scheme for release of General Service Connections in Operation Circle HPSEBL Nahan.	86,51,337	9.96%
273	33816565	Scheme for providing additional 1x10MVA Power Transformer at existing 2x10 MVA, 66/22 KV Sub-Station Hulli (Kotkhai) under ES Division, HPSEBL.	51,698	9.83%
274	33816593	Scheme for providing 01 no of aditional 132/33 kV, 16MVA Power Transformer and 02 Nos of 33 KV Bay along with bus coupler 220/132/33 kV Sub-Station at Kunihar	22,04,793	9.39%
275	33816628	Scheme for release of GSC of Rohru operation circle of HPSEBL in Himachal Pradesh.	9,82,697	9.83%
276	33816652	Scheme for providing 1no. Additional 1*25/31.5MVA ,132/33 kv power transformer along with 1no. 33kv Incomer GIS Bay and 3 nos. feeder GIS bays at 132/33Kv sub-station Maliana	31,09,906	9.35%
277	33816721	Scheme for energizing upcoming as well as existing pump/tube well connection and segregation of agariculture and domestic consumers under electrical division ,HPSEBL Nalagarh in Solan District of Himachal Pradesh.	1,86,192	10.34%
278	33816824	Separate scheme for balance work of construction of 22kv control point/control room building at Khrahan under ED HPSEBL,Rampur	80,089	9.83%
279	33816880	System Improvement scheme for low voltage pockets in Himachal Pradesh(2 Phase)	1,92,459	10.34%
280	33816881	Scheme for augmentation of 33/11 kv,2*6.3 MVA substation 2*10MVA at Do-Sarka Nahan under electrical division HPSEBL,Nahan (Balance Work)	59,125	10.34%
281	33816886	SI System for Replacement of old/obsolete switchfear equipment at 33/11 kV , 2*6.3 MVA Sub-station Garkhal under electrical Division Kasauli , ED HPSEBL Parwanoo	10,969	10.34%
282	33816895	System For Renovation and Modernisation of 33/11kV S/stn. At manlholi by replacing the old panel with new panel under ESD Nalagarh No. 1 HPSEBLNalagarh.	14,587	10.34%
283	33815900	System Improvement scheme for renewal and replacement of old equipments of 33/11 KV, 2x3.15 MVA Sub-Station Khudla under ED HPSEBL Sarkaghat in Mandi district of Himachal Pradesh.	18,056	9.83%
284	33815903	Scheme for augmentation of existing 33/11 KV Sub-Station Rangas from 1x1.6+1x2.5 MVA into 2x3.15 MVA under Electrical Division, HPSEBL, Nadaun in Hamirpur District of Himachal Pradesh.	45,423	10.59%
285	33816938	System forf energization of upcoming as well as existing Pump/Tube well connection and segeregation og agriculture and domestic consumer under ED paonta sahib	2,59,480	10.34%
286	33817084	Construction of 66kV D/C line from Gazeri to bago Sandhu along with communication equipment and O&M of 66kV Sub Station at Bago Sandhu	1,02,596	10.52%
287	33817085	Revised Scheme construction of 66kV D/C transmission line from 400/200/66 kV Sub-Station Pragatinagar of HPPTCL to 66/22kV Sub-Station Hulli.	2,483	10.52%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
288	33817090	Scheme for additional works in Augmentation, Modernization/Renovation of 33/11kV, 1x2.15MVA into 1x6.3MVA Sub Station Swarghat under Electrical Sub Division, HPSEBL Kot.	12,735	10.52%
289	6000743	Scheme for creation of 33/11 KV 2X1.6 MVA Sunstation in UNA Distt	8,580	9.83%
290	65001078	PSI Transmission Scheme for creation of 66/22KV 2x10 MVA Substation at Anni in Kullu Distt. Of H.P	1,81,040	9.32%
291	65001079	Upgaradation of EHV system to meet the loan requirement of the state under Medium Term Plan	12,49,875	9.32%
292	65001080	PSI Transmission Aug. of existing 220/132/33 KV Sub Station at Kunihar by installing an additional transformer of 220/132 KV, 160/200 MVA in Solan Distt of H.P	13,61,740	9.32%
293	65001082	Augmentation of 33/11 KV Sub-Station at Shahpur from 2X2.5 MVA to 2X6.3 MVA in OP Circle Kangra in Distt. Kangra of H.P.	17,819	9.83%
294	65001084	Const.of 2X3.15 MVA, 33/11 KV S/Station at Rehan in Kangra Distt of H.P	58,604	9.83%
295	66000343	Creation of 183.15 MVA, 33/11 KV unmanned S/Stn at Khairi under Electrical Division Rajgrah in Sirmour district of H.P. State	28,828	9.83%
296	66000378	Construction of 220/KV DC line from Tower No. 61 near Jamta of 1st ckt. Of Giri Solan line to Devani with single zebra conductor and 132 KV SC line on DC tower from 220/132 KV Devani S/S to existing 132/33 KV Kala-Amb S/S with panther conductor in H.P State	21,92,222	9.32%
297	66000379	Const. of 2X25/31.5 MVA 132/33 KV S/Stn at Taliwala alongwith 132 KV S/C line on D/C Towers from Una To Taliwala in UNA Distt	21,81,291	9.32%
298	66000348	Providing spare transformer and allied equipments for various existing EHV&HV substation under HPSEBL to meet with exigencies in various districts of H.P State	9,16,243	9.32%
299	3385001083	IT scheme of HPSEB Limited for computerization offunction not covered under R-APDRP Part-A and ADB in all districts of H.P	79,03,324	9.83%
300	3385001091	Const of 1 No. 33/11 KV S/Stn at Bharoli Jadid in Kangra Distt of H.P	94,555	9.83%
301	3385001098	Augmentation of 33/132 KV Substation Dehan from 2x16 MVA to 2x25/31.5 MVA capacity alongwith 132KV S/C line on D/C towards from Dehan to Kangra in Kangra district of H.P.	3,55,607	9.32%
302	3385001109	Augmentation of 1x2.5 MVA, 33/11 KV Substation Khad to 1x6.3 MVA capacity in Una District of H.P	52,062	9.83%
303	3385001110	Construction of 132/33 KV, 2x16/20 MVA Substation at Kanghain alongwith connection line in Kangra District of H.P.	10,98,034	9.32%
304	3385001205	Scheme for construction of 22 KV Control Sub-Station at Jeori under Electrical Sub-Division Sarahan Bushahr	98,175	9.83%
305	3385001207	Scheme for construction of 33 KV HT Line from proposed 132/33 KV Sub-Station Jahu to 33/11 Substation Barchwar under Electrical Division, Sarkaghat in Distt. Mandi of H.P	27,895	9.83%
306	3385001713	System improvement scheme for construction of 33/11 KV 2x10 MVA Sub-Station Bathu at 132/33 KV 2x31.5 MVA Sub-station Gurplah (Tahliwal) alongwith 33 KV D/C HT line for evacuation of power from 132/33 KV S/Stn Gurplah to existing 33/11 KV Sub station	2,26,920	9.83%
307	3385001215	Augmentation of 33/11 KV, 2x5 MVA power transformer to 2x10 MVA at 132/33/11 KV Sub Station Anu, District in Hamirpur under ES Division HPSEBL Hamirpur in Himachal Pradesh	1,00,070	9.83%
308	3385001220	Scheme for providing 1 No. 33/11 KV VCB alongwith 33 KV C/R panel, CT,PT unit and renovation/replacement of Retro fitting i.e. 3 Nos. old 11 KV OCB's with new VCB's panel (2 nos incomers & 1 No. outgoing) at 33/11 KV substation Thural under ESD, HPSEBL Thural	30,855	9.83%
309	3385001240	Scheme for release of GSC connection of Hamirpur Operation Circle of HPSEBL in Himachal Pradesh.	21,68,428	9.83%
310	3385001255	Scheme for Cost of Land and site development for 33/11 KV Sub Station /Control Point taken in DDUGJY & IPDS in district Chamba, Kangra, Kullu, Una, Shimla & Mandi of Himachal	280	9.83%
311	3386000464	Const. of 33 KV HT line for interlinking of 33/11 KV S/Stn Jakhu and 33/11 KV S/Stn Kakkar in Hamirpur Distt. of H.P	18,945	9.83%
312	3386000692	Scheme for evacuation of power from small HEPs (upto 25 MW) in Chamba Zone of HPSEBL in Himachal Pradesh	3,13,198	9.32%

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Sr.No	Scheme Code	Name of Scheme	Interest for FY-2022-23 (Rs)	Averag
313	3386000734	Augmentation of 33/132 KV Substation at Bhunter from 2x1 MVA TO 2X6.3 MVA in Kullu district of HP	31,590	9.83%
314	3386000759	Augmentation of 7.783 Km 33 KV line between Una and Mehatpur from ACSR 100 mm2 to ACSR 130mm2 conductor in Una district of H.P	14,726	9.83%
315	3386000815	Construction of 132/33 KV, 1x16 MVA Subscription at Gaura in Solan district of H.P.	4,64,152	9.32%
316	3386001087	Replacement of Electromechanical meters with Electronic Meters for the year 2012-13	37,06,019	9.83%
317	3386001112	Aug. of 33 KV line from Bassi to Baijnath from ACSR 6/1/4.72 Conductor to 30/7/2.59 mm conductor in Kangra Distt. of HP	52,496	9.83%
318	3386001190	Scheme for augmentation of 1x6.30+1x4.00+1x3.15 to 2x10MVA Power Transformer at 33/11 KV S/S Manjholi under (E) Sub – Division No.1 Nalagarh in Solan Distt. of HP .	1,91,840	9.83%
319	3386001191	Scheme for re-conduct ring of existing 33KV Una Amb feeder from ACSR 6/1/4.72 mm (100 mm2) DOC to AAAC 37/2.49 mm (150 mm2) WOLF conductor in Una Distt of HP	1,41,464	9.83%
320	3386001257	Evaluation of power from IPP by Strengthening of existing 33 KV Single Circuit line with ACSR 30/7/2.59mm (Wolf) from ACSR 3/1/4.72 mm conductor from 33/11 KV Sub- Station Sidhpur to Baner Power House Switchyard & 33 KV line from 33/11 KV Sub-Station Sidhpur	2,08,379	9.83%
321	3386001488	Augmentation of 33 KV, HT line from 33/11 KV Sub Station Baijnath to 33/11 KV Sub Station Maranda from ACSR 6/1/4.72 mm conductor with ACSR 30/7/2.59mm WOLF conductor under Electrical Division, HPSEBL, Baijnath in Himachal Pradesh	64,890	9.83%
322	3386001751	Scheme for release of GSC connections in Operation Circle of Mandi in Mandi district of HPSEBL in Himachal Pradesh.	22,62,455	9.83%
323	3386001905	Const of 1 No. 33/11 KV S/Stn at Bharoli Jadid in Kangra Distt of H.P	50,112	9.83%
		Grand Total	1,29,29,72,754	

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RGGVY Scheme (Loan)

Sr.No	Schem Code	Name of Scheme	Interest for FY-2021-22(Rs)	Average weighted ROI%
1	300002	Electrification of 3877 Rural House holds in 5 block in Solan Distt. Code No. 300002	99,393.00	11.00
2	300003	Electrification of 3805 Rural House holds in 5 block in Una Distt. Code No. 300003	16,234.00	10.64
3	300008	Electrification of 6301 Rural House holds in 10 block in Mandi (300008)	8,842.00	10.64
4	300011	Electrification of 1113 Rural House holds in 3 block in Kinnaur (300011)	66,543.00	10.64
5	300012	Electrification of 999 Rural House holds in 3 block in Lahaul & Spiti (300012)	18,194.00	10.64
6	6000205	Moratorium Loan: 6000205)Electrification of 999 Rural House holds in 3 block in Lahaul & Spiti (300012):	7,907.00	10.64
7	6000206	Moratorium Loan:6000206:Electrification of 1113 Rural House holds in 3 block in Kinnaur (300011)	28,920.00	10.64
	Total		2,46,033.00	

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DDUJGY Scheme					
Sr.No	Schem Code 10% & 5%		Name of Scheme	Interest for FY-2022-23	Average weighted
1	57012500	57013965	Distribution works under DDUGJY in Billaspur District.	3,34,893.00	10.08
2	57012501	57013978	Distribution works under DDUGJY in Chamba District.	17,88,817.00	10.08
3	57012502	57014050	Distribution works under DDUGJY in Hamirpur District.	2,84,709.00	10.08
4	57012503	57014053	Distribution works under DDUGJY in Kangra District.	46,87,800.00	10.08
5	57012504	57014054	Distribution works under DDUGJY in Kinnaur District.	9,78,351.00	10.08
6	57012505	57014055	Distribution works under DDUGJY in Kullu District.	15,53,390.00	10.08
7	57012506	57014056	Distribution works under DDUGJY in Lahul & Spiti District.	18,533.00	10.08
8	57012507	57014057	Distribution works under DDUGJY in Mandi District.	49,65,584.00	10.08
9	57012508	57014058	Distribution works under DDUGJY in Shimla District.	47,91,266.00	10.08
10	57012509	57014059	Distribution works under DDUGJY in Sirmaur District.	14,57,476.00	10.08
11	57012510	57014060	Distribution works under DDUGJY in Solan District.	12,97,478.00	10.08
12	57012511	57014061	Distribution works under DDUGJY in Una District.	13,33,851.00	10.08
				2,34,92,148.00	

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INTEREST PAID ON PFC LOANS FOR THE YEAR 2022-23

Sr.No.	Name of Scheme	Actual Interest for the year 2022-23	Average ROI%
1	RMU & LE of bassi HEP (04105004)	56,68,616	12.15%
2	Restoration (R&M) work of existing Thirot HEP (04105005)	16,64,610	12.15%
3	RMU & LE of bassi HEP (04105006)	1,37,58,703	11.33%
4	R&M of 4x1.5MW Bassi HEP at Mandi (04105007)	36,13,343	10.66%
5	R&M work in 8 (HEP) H.P. (04105008)	3,13,51,022	10.60%
6	R&M of 2x1.50MW Gumma Power House under Andhra Power House , HPSEBL Chirgaon (04105009)	21,38,550	11.42%
7	R&M of 4x16.5MW Bassi HEP Div. HPSEB Ltd. Jogindernagar '(04105010)	53,97,833	12.01%
8	Distributionworks covering civil work and other component in R-APDRP Part-B scheme of 14 town in H.P. (04403001)	1,91,68,526.00	0.10
9	R&M of 3x40MW SVP Bhaba PH Kinnour (HP) (04405001)	4,99,95,708.00	10.97%
10	R&M of Unit-I, II, III and precurement 2 Nos forged fabricated pelton runner of 3x40MW SVP Bhaba PH Kinnour (HP) (04405002)	4,28,78,393.00	11.60
11	LILO of 66KV S/c Barotiwala Parwanoo line at 220/66KV, 1x80/100 MVA S/Station Madhala H.P. '(04407003)	21,06,465.00	10.48%
	Total:-	17,77,41,769.00	

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R-APDRP Part-B Counter Part Loans for the year 2022-23

Sr.No.	Particulars	Actual Interest for the year 2022-23	
1	R APDRP (Part-B) Loan for Baddi (04437001)	51,37,647	10.70%
2	R APDRP (Part-B) Loan for Bilaspur (04437002)	79,157	10.82%
3	R APDRP (Part-B) Loan for Chamba(04437003)	2,13,500	10.72%
4	R APDRP (Part-B) Loan for Dharamshala (04137004)	4,89,456	10.35%
5	R APDRP (Part-B) Loan for Hamirpur 04437005	3,17,763	10.73%
6	R APDRP (Part-B) Loan for kullu (04437006)	5,37,480	10.73%
7	R-APDRP(PART-B)loan for Mandi(04437007)	13,98,366	10.73%
8	R APDRP (Part-B) Loan for Nahan(04437008)	3,88,680.00	10.61%
9	R APDRP (Part-B) Loan for Paonta Sahib 04437009	20,30,002.00	10.46%
10	R APDRP (Part-B) Loan for Shimla (04437010)	80,08,306.00	10.70%
11	R APDRP (Part-B) Loan for Solan (04437011)	13,90,496	10.80
12	R APDRP (Part-B) Loan for Sundernagar(04437012)	1,03,530	10.35%
13	R APDRP (Part-B) Loan for UNA(04437013)	5,31,171	10.73%
14	R APDRP (Part-B) Loan for Yol (04437014)	1,60,842	10.35%
	Total:-	2,07,86,396.00	

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Educational Material on Ind AS 23, Borrowings Costs

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Educational Material on Indian Accounting Standard (Ind AS) 23, *Borrowing Costs*

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Foreword

The Financial Reporting environment in India has undergone significant reform with the advent of the IFRS converged Indian Accounting Standards. This set of new accounting standards has made the financial reporting in India on par with the financial reporting across the globe. ICAI is playing a paramount role in this new era of accounting reforms in India. This has resulted in the enhancement of comparability of the Financial Statements of Indian Companies with the Companies all over the World. Comparability between entities and consistency in the application of principles over time increases the informational value of comparisons of relative economic opportunities or performance. We at the ICAI are committed and playing leading role for smooth implementation of Ind AS and have been taking various initiatives for training of accounting professionals, creating awareness and providing guidance. Stakeholders are benefitted by our various related initiatives to enhance their skill-sets and capabilities and making this ongoing major accounting reform in India a big success.

In light of the objectives for providing guidance on implementation of Ind AS, the Accounting Standards Board of the Institute of Chartered Accountants of India has formulated an Educational Material on Ind AS 23, *Borrowing Costs* which provides adequate guidance on the implementation of the Standard for recognising the borrowing costs incurred by entities. This publication contains a summary of the Standard and Frequently Asked Questions (FAQs) that are likely to be encountered while applying the Standard.

I would like to offer my sincere gratitude and appreciation for the efforts put in by CA. M P Vijay Kumar, Chairman, CA. Sanjeev Singhal, Vice-Chairman, and other members of the Accounting Standards Board for their immense efforts to formulate this publication for the benefit of the stakeholders and the members of the Institute, keeping in mind the practical aspects of the Indian accounting system.

I am sure that the publication would be of immense use to professionals and other stakeholders while implementing and applying the Ind AS for fulfilling their financial reporting requirements.

New Delhi
January 10, 2021

CA. Atul Kumar Gupta
President, ICAI

Preface

In the era of highly competitive global economy, it is imperative for the businesses to have financial reports comparable across the world. To achieve this comparability, the Institute of Chartered Accountants of India (ICAI) have formulated the IFRS-converged Indian Accounting Standards (Ind AS) pursuant to the provisions of Section 133 of the Companies Act, 2013. Implementation of Ind AS has been driven by tireless efforts of the ICAI to make sure that the principles are consistently applied in the preparation of the financial statements. For this purpose, ICAI is actively engaged in providing guidance to members and other stakeholders through its various collective efforts in programs and publications.

The Accounting Standards Board has been making relentless efforts to ensure effective implementation of Ind AS through its various endeavours. The Board has been working tirelessly to provide guidance to the members and other stakeholders on the notified Ind AS. For this purpose, Educational Materials on various Ind AS covering various issues have been issued. Apart from this, the Board has also launched Online Certificate Course on Ind AS and it conducts In-house training programmes on Ind AS for regulatory bodies such as RBI, C&AG, IRDAI, CBDT etc. and other corporate entities, develops video lectures on Ind AS, organises seminars, awareness programmes on Ind AS and series of webcasts on Ind AS.

The Ind ASs provide accounting and financial reporting guidance in respect of various aspects of the financial transactions of the entities. One such aspect is the borrowings of entities and the costs incurred by entities on such borrowings for financing its various activities. Ind AS 23, *Borrowing Costs* lays down the principles relating to accounting of same. To provide guidance on application and implementation of Ind AS 23, *Borrowing Costs*, the Accounting Standards Board has formulated this Educational Material which provides guidance on various practical issues in the form on Frequently Asked Questions (FAQs) that the preparers of the financial statements face while applying the Standard.

I would like to convey my sincere gratitude to our Honourable President, CA. Atul Kumar Gupta and Vice-President, CA. Nihar Jambusaria for providing us the opportunity of bringing out this publication. We are also thankful to the Vice Chairman CA (Dr) Sanjeev Singhal as well as convenor of the study group for his active guidance in formulation of this publication. I would also like to thank all the members of the Accounting Standards Board for their valuable contribution in various endeavours of the Board.

I acknowledge with thanks the technical contribution made by the members of the study group, CA. Nikhil Agrawal, CA. Neeraj Bansal, CA. Kulbhushan Sharma, CA. Hari Nagrani, CA. Charan Gupta, CA. Anuradha Jain, CA. Shabadjeet Singh Soin in drafting the Educational material and CA. Parminder Kaur, Secretary, CA. Ruchika Gupta, Assistant Project Officer, CA. Prachi Jain, Executive Officer and CA. Choshal Patil, Consultant, Accounting Standards Board in bringing out this publication.

I believe that this publication would be of great help to the members and other stakeholders for overall understanding and implementation of Ind AS 23.

CA. M P Vijay Kumar
Chairman
Accounting Standards Board

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Educational Material on Indian Accounting Standard (Ind AS) 23, *Borrowing Costs*

I. Summary

Definition

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

Scope

This standard is not required to be applied to borrowing costs directly attributable to the acquisition, construction or production of:

(a) a qualifying asset measured at fair value, for example, a biological asset within the scope of Ind AS 41, *Agriculture*; or

(b) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis.

The actual or imputed cost of equity, including preferred capital not classified as a liability is also not dealt with in this standard.

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. It may include:

- interest expense calculated using the effective interest method as described in Ind AS 109, *Financial Instruments*;
- interest in respect of lease liabilities recognised in accordance with Ind AS 116, *Leases*; and
- exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

With regard to exchange difference required to be treated as borrowing costs, the standard lays down the following manner of arriving at the stated adjustments mentioned above:

(i) the adjustment should be of an amount which is equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in foreign currency.

(ii) where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment should also be recognised as an adjustment to interest.

Qualifying Assets

A *qualifying asset* is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Financial assets, and inventories that are manufactured, or otherwise produced, over a short period of time, are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

Recognition

An entity should capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity should recognise other borrowing costs as an expense in the period in which it incurs them.

Directly attributable costs are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. When an entity borrows funds specifically for the purpose of obtaining a particular qualifying asset, the borrowing costs that directly relate to that qualifying asset can be readily identified.

<u>Specific Borrowings</u>

When an entity borrows funds specifically for the purpose of obtaining a qualifying asset, it determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

In determining the amount of borrowing costs eligible for capitalisation during a period, any investment income earned on such funds is deducted from the borrowing costs incurred.

General Borrowings

When an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, it determines the eligible borrowing costs by applying a capitalisation rate to the expenditure on that asset.

The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period.

In some circumstances, it is appropriate to include all borrowings of the parent and its subsidiaries when computing a weighted average rate of the borrowing costs; in other circumstances, it is appropriate for each subsidiary to use a weighted average rate of the borrowing costs applicable to its own borrowings.

The amount of borrowing costs that an entity capitalises during a period should not exceed the amount of borrowing costs it incurred during that period.

Commencement of capitalisation

An entity shall begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date, which is the date when it first meets all of the following conditions:

(a) it incurs expenditures for the asset;

(b) it incurs borrowing costs; and

(c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The activities necessary to prepare the asset for its intended use or sale encompass more than the physical construction of the asset. They include technical and administrative work prior to the commencement of physical construction, such as the activities associated with obtaining permits prior to the commencement of the physical construction.

Suspension of capitalisation

Capitalisation should be suspended during extended periods in which it suspends active development of a qualifying asset.

Borrowing costs may incur during an extended period in which the activities necessary to prepare an asset for its intended use or sale are suspended. Such costs are costs of holding partially completed assets and do not qualify for capitalisation.

Normally, when substantial technical and administrative work is being carried out capitalisation is not suspended.

Borrowing costs are not suspended when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale. For example, capitalisation continues during the extended period when high water levels delay construction of a bridge, as such high-water levels are common during the construction period in the geographical region involved.

Cessation of capitalisation

Capitalisation should cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When an entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity should cease capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale. For example: A business park comprising several buildings, each of which can be used individually.

Disclosure

The following disclosures are required:

(a) the amount of borrowing costs capitalised during the period; and

(b) the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation.

II. Frequently Asked Questions (FAQs)

Question 1

Grapewine Ltd. is in the business of producing wine in large quantities on repetitive basis in its wine making facilities. It finances the production of wine through external loans. Should interest costs incurred by it to finance the production of wine be capitalised as per Ind AS 23?

Response

Certain items of inventories may require a substantial period of time for its production due to the processes the products undergo. For example, production of wine requires ageing process which may require a substantial period of time, say more than 12 months for wine to be ready for sale. During this period an entity bears the financing costs for production of such inventory.

Paragraph 2 of Ind AS 23 specifically states that:

"**2 An entity shall apply this Standard in accounting for borrowing costs**."

Further, the core principle of Ind AS 23 given in paragraph 1 state:

"**1 Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.**"

However, paragraph 4 of Ind AS 23 states that, "An entity is not required to apply the Standard to borrowing costs directly attributable to the acquisition, construction or production of:

(a) a qualifying asset measured at fair value, for example, a biological asset within the scope of Ind AS 41, *Agriculture*; or

(b) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis."

A combined reading of the above paragraphs indicates that Ind AS 23 prescribes accounting for all borrowing costs depending upon the nature of the borrowing costs. According to the standard, where borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, these shall form part of the cost of that asset otherwise these will be recognised as expense. However, in case the borrowing costs are directly attributable to the acquisition, construction or production of inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis, paragraph 4 of Ind AS 23 provides that an entity is not required to capitalise borrowing costs on such inventories. The entity is not required, considering costs and efforts involved in allocating the borrowing costs to such inventories and monitoring such costs until the inventories are sold may exceed the potential benefits derived from doing such exercise. Where an entity elects to apply the requirements of Ind AS 23 to such assets, then it shall capitalise the borrowing costs that are directly attributable to the acquisition, construction or production of such assets subject to fulfillment of other requirements of the standard. The entity should consistently follow the approach and disclose in the notes to financial statements.

In the given case, since Grapewine Ltd. is producing wine (which takes substantial period of time to get ready for sale) in large quantities on a repetitive basis, therefore as per paragraph 4(b) of Ind AS 23, it may elect to either apply Ind AS 23 and capitalise the interest costs directly attributable to production of wine or it may choose to expense these costs in profit or loss. It should disclose the same in the notes to accounts and must follow the same consistently.

Question 2

PQR Ltd. is in the process of constructing a large manufacturing plant in a backward area. Due to the unavailability of housing resources in the backward area, it has also purchased a residential building, which is to be used for housing the workers engaged in the construction of the plant. The purchase cost of the building is met by raising a long-term loan from a bank. The company intends to dispose off the building once the construction of the manufacturing plant is complete. Assuming that the manufacturing plant meets the definition of a qualifying asset, would the borrowing costs incurred on funds borrowed to purchase the residential building be eligible for capitalisation as per Ind AS 23?

Response

In the given scenario, PQR Ltd. is constructing a manufacturing plant in a backward area where the resources to station the construction workers are not available. Therefore, PQR Ltd. has borrowed funds and purchased a residential building in the backward area to house the workers for the construction of its manufacturing plant.

Paragraph 5 of the Standard defines a qualifying asset as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In the above scenario, manufacturing plant is a qualifying asset and residential building itself is not a qualifying asset.

Paragraph 8 of Ind AS 23 gives guidance on the recognition of borrowing costs which *inter-alia* states that:

"**8 An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs them.**"

Further, paragraph 10 of Ind AS 23 explains what borrowing costs are eligible for capitalisation which *inter-alia* states that:

"10 The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. When an entity borrows funds specifically for the purpose of obtaining a particular qualifying asset, the borrowing costs that directly relate to that qualifying asset can be readily identified."

It is a matter for careful consideration as to whether a certain expenditure is directly related and incidental to construction of a qualifying asset, or whether it would be more appropriate to treat it as an item of other indirect expenditure not related to qualifying asset and therefore not eligible for ultimate inclusion in the cost of that asset.

In the given case, the expenditure incurred to construct the residential building is related to construction of a qualifying asset and is incidental thereto. Furthermore, PQR Ltd. intends to dispose off the residential building on completion of the construction of manufacturing plant and the only reason it has purchased the said residential building is for the construction of the manufacturing plant. Therefore, it can be said that the finance costs incurred by PQR Ltd. on the funds borrowed to purchase the residential building are borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset i.e. manufacturing plant and thus are eligible for capitalisation. Hence, such borrowing costs should be capitalised as a part of the cost of manufacturing plant according to the requirements of Ind AS 23, *Borrowing Costs*.

Question 3

M Ltd. entered into a contract with a ship builder company S Ltd and ordered it to construct 3 ships for its fleet on April 1, 2018. The terms of the contract are commercially negotiated as per which M Ltd. makes a down payment of 25% of the contract value of each of the ship. The balance amount is to be paid at the time of delivery. The contract also specifies that the construction activity for all the three ships should be completed by not later than financial year 2023. On March 1, 2019, the ship builder informs that planning and designing activity (being substantive activities) for the said ships is in progress but, construction activity has not commenced for any of the three ships. M Ltd. pays the down payment out of long-term borrowings taken from a scheduled bank and is incurring borrowing costs on the same. Is it permissible for M Ltd. to capitalise borrowing costs for the financial year ended March 31, 2019 or March 31, 2020?

Response

As per paragraph 5 of Ind AS 23:

"**5 A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.**"

As per paragraph 17 of Ind AS 23:

"**17 An entity shall begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the entity first meets all of the following conditions:**

(a) it incurs expenditures for the asset;

(b) it incurs borrowing costs; and

(c) **it undertakes activities that are necessary to prepare the asset for its intended use or sale.**"

The ship is a qualifying asset as it takes substantial period of time for its construction. Thus, the related borrowing costs should be capitalised.

M Ltd. borrows funds and incurs expenditure in the form of down payment on April 1, 2018. Thus, condition (a) and (b) are met. Regarding the meeting of condition (c), it may be noted that the standard provides that the entity must undertake activities to prepare the asset to be able to commence capitalisation. In this regard, it is pertinent to note that in the given case, although the construction activity is not being undertaken by M Ltd. itself as it has given contract to a third party to do the same. However, this cannot preclude M Ltd. from capitalising the borrowing costs that it is incurring for the said asset because it has made down payment to third party so that the third party can commence construction of the asset. Further, the said party is also undertaking activities that are necessary to prepare the asset on behalf of M Ltd. Therefore, it would be acceptable to capitalise the borrowing cost even if these activities are being carried out by a third party.

Hence, in the given case condition (c) for M Ltd. is also met on April 1, 2018 itself, as S Ltd, is undertaking planning and designing activities. Accordingly, M Ltd. can commence capitalising borrowing costs relating to all the three ships from the period ending March 2019 itself.

Question 4

X Ltd. has a treasury department that arranges funds for all the requirements of the Company including funds for working capital and expansion programs.

During the year ended March 31, 2020, the Company commenced the construction of a qualifying asset and incurred the following expenses:

Date	**Amount (Rs)**
July 1, 2019	2,50,000
December 1, 2019	3,00,000

The details of borrowings and interest thereon are as under:

Particulars	**Average Balance (Rs.)**	**Interest (Rs.)**
Long term loan @ 10%	10,00,000	1,00,000
Working Capital Loan	5,00,000	65,000
Total	15,00,000	1,65,000

Compute the borrowing costs that should be capitalised as per Ind AS 23.

Response

The Standard provides guidance for capitalisation of borrowing costs of the funds generally borrowed in paragraph 14 which states as follows:

"14 [1]To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period."

Therefore, based on the above guidance the interest to be capitalised is computed as follows:

Computation of Capitalisation rate:

$$\frac{(\text{Amount of borrowing}_1 \text{ x Interest rate}_1) + (\text{Amount of borrowing}_2 \text{ x Interest rate}_2)}{\text{Total amount of borrowings outstanding during the year}} \times 100$$

$$= \frac{(1,00,000) + (65,000)}{15,00,000} \times 100 \qquad = 11\%$$

Interest will be capitalised as under:

- On Rs. 2,50,000 @ 11% p.a. for 9 months = Rs. 20,625
- On Rs. 3,00,000 @ 11% p.a. for 4 months = Rs. 11,000

Question 5

X Ltd. commenced the construction of a plant (qualifying asset) on September 1, 2019, estimated to cost Rs. 10 crores. For this purpose, X has not raised any specific borrowings, rather it intends to use general borrowings, which have a weighted average cost of 11%. Total borrowing costs incurred during the period, viz., September 1, 2019 to March 31, 2020

[1] Substituted vide Notification No. G.S.R. 274(E) dated 30th March, 2019

were Rs. 0.5 crore.

The other relevant details are as follows:

(Rs. in crore)

Month	Cost of construction accrued	Cash outflows (paid in advance at the start of each month)
September	1.50	3.00
October	0.50	1.70
November	1.50	2.50
December	0.50	—
January	1.80	1.00
February	0.70	—
March	3.00	1.50

What is the amount of interest that should be capitalised to the cost of the plant in the financial statements for the year ended March 31, 2020?

Response

Paragraph 14 of Ind AS 23, *inter-alia*, states:

"14 [2]To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period."

In this context, a question arises whether such expenditure should be based on costs accrued or actual cash outflows. To contrast these two alternatives,

[2] Substituted vide Notification No. G.S.R. 274(E) dated 30th March, 2019

presented below is the computation of borrowing costs based on both the alternatives:

Month	Costs accrued	Average capital expenditure	Cash outflows	Average capital expenditure
September	1.50	1.50x7/12 = 0.875	3.00	3.00x7/12=1.75
October	0.50	0.50x6/12 = 0.25	1.70	1.70x6/ 12 = 0.85
November	1.50	1 .50x5/12 = 0.625	2.50	2.50x5/12 = 1.04
December	0.50	0.50x4/12 = 0.17	-	-
January	1.80	1.80x3/12 = 0.45	1.00	1x3/12 = 0.25
February	0.70	0.70x2/12 = 0.12	-	-
March	3.00	3.00x1/12 = 0.25	1.50	1.50x1/12 = 0.125
	9.50	**2.74**	**9.70**	**4.02**

If the average capital expenditure on the basis of costs accrued is taken, the borrowing costs eligible to be capitalised would be Rs. 2.74 crore x 11% = 0.30 crore. Whereas if average capital expenditure on the basis of cash flows is taken, the borrowing costs eligible to be capitalised would be Rs. 4.02 crore x 11% = 0.44 crore. Thus, there is a wide variance in the amount of borrowing cost to be capitalised, based on the accrual basis and on actual cash flows basis. This divergence is often experienced during the implementation of large projects, for example, an advance given to a supplier involves an upfront cash outflow while the actual expenditure accrues in later periods (with the receipt of goods and services).

In this regard, paragraph 18 of Ind AS 23 states that:

"18 Expenditures on a qualifying asset include only those expenditures that have resulted in payments of cash, transfers of other assets or the assumption of interest-bearing liabilities. Expenditures are reduced by any progress payments received and grants received in connection with the asset (see Ind AS 20, *Accounting for Government Grants and Disclosure of Government Assistance*). The average carrying amount of the asset during a period, including borrowing costs previously capitalised, is normally a reasonable approximation of the expenditures to which the capitalisation rate is applied in that period."

Where cash has been paid but the corresponding cost has not yet accrued interest becomes payable on payment of cash. Therefore, the amount so paid should be considered for determining the amount of interest eligible for capitalisation, subject to the fulfillment of other conditions prescribed in paragraph 16 of Ind AS 23. Accordingly, in the present case, interest should be computed on the basis of the cash flows rather than on the basis of costs accrued. Therefore, the amount of interest eligible for capitalisation would be Rs. 0.44 crore.

Another important factor to be noted is that paragraph 14 requires, *inter alia*, that "The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period." Thus, the amount of borrowing costs to be capitalised should not exceed the total borrowing costs incurred during the period, that is Rs. 0.5 crore.

Question 6

On 1 January 2019, A Ltd. entered into a contract for the construction of a building for Rs. 35,00,000. The building was completed at the end of March 2020. During the period, the following payments were made to the contractor:

Payment date	**Amount (Rs.)**
01-Apr-19	5,00,000
30-Jun-19	10,00,000
31-Dec-19	15,00,000
31-Mar-20	5,00,000
Total	**35,00,000**

Details of borrowings are as below:

(i)	Loan from Bank D specifically for the project on April 1, 2019	Rs. 7,00,000
	Simple interest payable annually	10%
	Interest for the year	Rs. 70,000
	Income earned while loans were held in anticipation of payment	Rs. 20,000
(ii)	12% Debentures with simple interest payable annually	Rs. 20,00,000

	Amount did not change during the year		
(iii)	10% Bond with simple interest payable annually Amount did not change during the year	Rs.	20,00,000

How the amount of borrowing costs eligible for capitalisation is determined when a qualifying asset is financed by a combination of borrowings that are specific to the asset and by general borrowings?

Response

Paragraphs 12 and 14 of Ind AS 23 state as follows:

"12 To the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings."

"14 [3]To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period."

In accordance with the above, the amount of borrowing costs eligible for capitalisation is as follows:

- The actual borrowing costs incurred on a specific borrowing during the period less any investment income on the temporary investment of those borrowings.
- For general borrowings it is determined by applying a capitalisation

[3] Substituted vide Notification No. G.S.R. 274(E) dated 30th March, 2019

rate to the expenditure on qualifying assets. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Expenditure incurred in obtaining a qualifying asset are first allocated to any specific borrowings. The remaining expenditure is allocated to general borrowings

Analysis of expenditure

(Amounts in Rs.)

	Amount	Amount allocated to specific borrowing	Amount allocated to general borrowing	Weighted for period outstanding
01-Apr-19	5,00,000	5,00,000	-	-
30-Jun-19	10,00,000	2,00,000	8,00,000	6,00,000*
31-Dec-19	15,00,000	-	15,00,000	3,75,000**
31-Mar-20	5,00,000	-	5,00,000	-
Total	**35,00,000**	**7,00,000**	**28,00,000**	**9,75,000**

Specific borrowings of Rs. 7,00,000 are fully utilised; remainder of expenditure is therefore allocated to general borrowings.

* Rs. 8,00,000 x 9 months / 12 months = Rs. 6,00,000/-

** Rs. 15,00,000 x 3 months / 12 months = Rs. 3,75,000/-

Capitalisation rate

The capitalisation rate relating to general borrowings (12% Debentures and 10% Bonds) is the weighted average of the borrowing costs applicable to the entity's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Weighted average borrowing cost:

Therefore, based on the above guidance the interest to be capitalised is computed as follows:

Computation of Capitalisation rate:

$$\frac{(\text{Amount of borrowing}_1 \times \text{Interest rate}_1) + (\text{Amount of borrowing}_2 \times \text{Interest rate}_2)}{\text{Total amount of borrowings outstanding during the year}} \times 100$$

$$= \frac{(20{,}00{,}000 \text{ x } 12\%) + (20{,}00{,}000 \text{ x } 10\%)}{(20{,}00{,}000 + 20{,}00{,}000)} \times 100 = 11\%$$

Borrowing cost to be capitalised	**(Rs.)**
On Specific loan	70,000
Less: Income earned on specific borrowings	(20,000)
	50,000
On General borrowings (9,75,000*11%)	**1,07,250**
Amount eligible for capitalisation	**1,57,250**

Therefore, the borrowing costs to be capitalised are Rs. 1,57,250

Question 7

H Ltd. incurs borrowing costs for the purpose of construction of a qualifying asset for its own use. The construction gets completed on May 31, 2020. However, decoration work is under process which is expected to be completed by November 2020 after which H Ltd. will be able to start using the said asset for its own use. H Ltd. wants to capitalise the eligible borrowing costs incurred up to November 2020.

Response

Paragraph 22 and 23 of Ind AS 23 states as follows:

"22 An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

23 An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue. If minor modifications, such as the decoration of a property to the purchaser's or user's specification, are all that are

outstanding, this indicates that substantially all the activities are complete."

In accordance with the above, the capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale is completed.

In the given case, H Ltd. should capitalise borrowing costs only up to May 31, 2020. The borrowing cost incurred thereafter cannot be capitalised as the asset was ready for its intended use on May 31, 2020. The fact that decoration work was being carried out should not be considered as the asset was ready for its intended use on May 31, 2020.

Question 8

ABC Ltd. is in the process of getting an entertainment park constructed. For this purpose, it has taken loan from a bank. The said park consists of several rides and facilities, each of which can be used individually. Three fourth part of the park has been constructed and can be opened up for public, while construction on the remaining part is continuing. Whether the capitalisation of borrowing cost should continue for the whole park until construction continues?

Response

ABC Ltd. is in process of constructing an entertainment park which consists of several rides and facilities that can operate independently for their intended use. Even though the park as whole is not complete, the individual facilities are ready for their intended use. The guidance regarding capitalising borrowing costs in such scenario is provided in paragraph 24 of Ind AS 23 which states as follows:

"24 Where an entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity shall cease capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale."

The cessation of capitalisation depends upon the nature of the qualifying assets, particularly where the qualifying assets consists of various parts. There are qualifying assets where each part is capable of being used while the construction continues on other parts. There are qualifying assets where all parts have to be completed before any earlier completed part can be put to use.

Since in the given scenario, the individual facilities are capable of operating independently and are ready for their intended use, therefore the borrowing costs shall cease to be capitalised for the three-fourth part of the project.

Question 9

As part of the capital management process of XYZ Ltd., all specific borrowings for projects in excess of the current requirements of the company, are deposited into the cash credit account of the company to reduce the overdraft balance. The company proposes to capitalise the interest on these borrowings. Should saving of interest on the cash credit account be deducted from the borrowing costs before capitalisation?

Response

Paragraph 12 of Ind AS 23 states that:

"12 To the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings."

In the given case, the company has no income from the temporary investment of funds as such. There is only a saving in interest cost that would have been otherwise incurred on cash credit account.

In the absence of any specific provision to this effect, such saving should not be construed as "income" from the temporary investment of borrowings. Consequently, the saving of interest on cash credit account should not be deducted from the borrowing costs for the purpose of capitalisation.

In view of paragraph 14 of Ind AS 23, it should, however, be ensured that the amount of borrowing costs that XYZ Ltd. capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

Question 10

XYZ Ltd. has completed the construction of a building (a qualifying asset) but is not permitted to use it until certain safety approvals are obtained as per the government regulations. Should capitalisation of borrowing costs be continued when the qualifying asset has been constructed and is ready for use but is not permitted to be used until safety approvals are obtained?

Response

As per paragraph 22 of Ind AS 23:

"22 An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete".

Further, paragraph 23 explains that:

"23 An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue. If minor modifications, such as the decoration of a property to the purchaser's or user's specification, are all that are outstanding, this indicates that substantially all the activities are complete."

It is pertinent to note that an asset can be considered to be ready for its intended use only on receipt of approvals and after compliance with regulatory requirements such as in case of building obtaining certificates like "Occupancy Certificate" or "Fire Clearances" etc. These are very important to declare the asset as ready for its scheduled operation.

In the given case, obtaining the safety approval is a necessary condition that needs to be complied with strictly and before obtaining the same the entity will not be able to use the building, accordingly, it is appropriate to continue capitalisation until the said approvals are obtained subject to there being no abnormal delay in seeking these approvals.

Question 11

An enterprise has constructed a complex piece of equipment (qualifying asset) that is to be installed on the production line of a manufacturing plant. The equipment has been constructed over a period of 15 months. However, on installation, certain calibrations are required to achieve the desired level of production before it is finally commissioned. This process is expected to take approximately 2 months during which test runs will be met.

Should the borrowing costs pertaining to the 2 months period be capitalised?

Response

As per paragraph 22 of Ind AS 23:

"22 An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete."

On installation of the equipment, an evaluation has to be made to conclude whether substantially all the activities necessary to prepare the asset are complete. After an equipment has been installed it is usually tested and adjusted for commercial production before it is finally commissioned. The calibrations and adjustments required during this period are performed in order to bring the equipment up to the stage at which it is ready to commence commercial production.

Until the asset reaches the stage when it is ready to support commercial levels of production, it is not appropriate to conclude that substantially all the activities necessary to prepare the asset are completed. Thus, the borrowing costs incurred during the normal period of test runs (after the installation) are capitalised.

Accordingly, in the given case, borrowing costs pertaining to the 2 months period should be capitalised.

Question 12

S Ltd. financed the construction of a qualifying asset with an inter-company loan taken from its parent company P Ltd. with an interest rate of 7% p.a. P Ltd. in-turn has obtained the said loan from a Bank at the same rate of interest of 7% p.a. for the specific purpose of providing it to S Ltd. Since, the qualifying asset is in the subsidiary company and the borrowings in the parent company, how is this treated in the financial statements as per Ind AS 23?

Response

In the separate financial statements of:

- the subsidiary S Ltd., the borrowing costs are capitalised to the extent of the actual costs incurred by the subsidiary;
- the parent company P Ltd., the parent recognises only the inter-company loan given to the subsidiary. There is no qualifying asset in the separate financial statements of P Ltd., so the borrowing costs cannot be capitalised in the separate financial statements of the parent company P Ltd.

In the consolidated financial statements of the parent P Ltd., capitalisation of borrowing costs is required. However, the amount of the borrowing costs incurred by the subsidiary in the case of inter-company loans should be adjusted to reflect how the qualifying asset was financed from the perspective of the group as a whole:

- if the group uses external general borrowings, the borrowing costs capitalised by the subsidiary are adjusted if the capitalisation rate at the group level is different from the rate used by the subsidiary.
- if the group uses specific external borrowings, the borrowing costs are adjusted if the borrowing costs on the external borrowings vary from the amount of borrowing costs capitalised by a subsidiary.

Borrowing costs calculated and capitalised in accordance with Ind AS 23 cannot exceed the amount of borrowing costs incurred by the group.

In the given case, since the parent has taken specific borrowing for the purpose of lending it to subsidiary at the same rate of interest, hence the borrowing cost will not be required to be adjusted and will be the same as incurred by P Ltd.

Question 13

Z Ltd. commenced construction of a manufacturing plant which takes 3 years to be ready for its intended use. It incurred expenditure for the manufacturing plant but halfway through the construction, it availed a general loan from Bank and utilised the funds from such loan to incur expenditure for construction of the manufacturing plant. The manufacturing plant meets the definition of a qualifying asset as per Ind AS 23. Z Ltd. incurs expenditures on the qualifying asset both before and after it incurs borrowing costs on the general borrowings. Whether Z Ltd. should include expenditures on construction of the plant incurred before obtaining general borrowings in determining the amount of borrowing costs eligible for capitalisation?

Response

Paragraph 17 of Ind AS 23 states that:

"17 An entity shall begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the entity first

meets all of the following conditions:

(a) it incurs expenditures for the asset;

(b) it incurs borrowing costs; and

(c) it undertakes activities that are necessary to prepare the asset for its intended use or sale."

Based on the above, it can be interpreted that in order to capitalise the borrowing costs incurred to finance a qualifying asset, the entity must:

(a) incur actual expenditures for the asset;

(b) incur actual borrowing costs to finance the said qualifying asset; and

(c) undertake such activities that are necessary to prepare the asset for its intended use or sale.

Therefore, the entity would not begin capitalising borrowing costs until it incurs borrowing costs. Once the entity incurs borrowing costs and therefore satisfies all three conditions in paragraph 17 of Ind AS 23, it then applies paragraph 14 of Ind AS 23 to determine the expenditure on the qualifying asset to which it applies the capitalisation rate. However, the entity Z Ltd. should apply the capitalisation rate on all the expenditure incurred towards the construction of the manufacturing plant even if the expenditure was incurred prior to availing the loan for financing the construction of the manufacturing plant.

In view of paragraph 14 of Ind AS 23, it should, however, be ensured that the amount of borrowing costs that Z Ltd. capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

Question 14

C Ltd. a real estate developer entity constructs the building and sells the individual units in the building to customers. It undertook a project to develop a residential building and borrows funds specifically for the purpose of constructing the building and incurs borrowing costs in connection with that borrowing. Due to high demand for residential flats, C Ltd. was able to sell some of the units in the building to customers even before the construction commenced. For the rest of the unsold units, it intends to enter into a contract to sell as soon as it finds a suitable buyer.

The terms of, and relevant facts and circumstances relating to, the C Ltd.'s contracts with customers (for both the sold and unsold units) are such that, applying paragraph 35(c) of Ind AS 115, *Revenue from Contracts with Customers*, the entity transfers control of each unit over time and, therefore, recognises revenue over time. The consideration promised by the customer in the contract is in the form of cash or another financial asset.

Whether C Ltd. has a qualifying asset as defined in Ind AS 23 and, therefore, capitalises any directly attributable borrowing costs to the asset?

Response

According to paragraph 8 of Ind AS 23:

"8 An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs them."

A qualifying asset is defined as 'an asset that necessarily takes a substantial period of time to get ready for its intended use or sale'.

An entity shall assess if the underlying asset meets the definition of qualifying asset for capitalising borrowing costs. Based on facts and circumstances of each case, the underlying asset may be:

a) an unsold inventory;

b) a receivable where entity has transferred fully constructed property;

c) a contract asset where entity is in the process of completing construction.

In the given case,

a) Unsold inventory is not a qualifying asset as it may be sold in the current condition (even partly constructed unit)

b) Receivable, being a financial asset is not a qualifying asset (Paragraph 7 of Ind AS 23)

c) Contract asset (as defined in Ind AS 115) representing entity's right to receive consideration that is conditional on something other than the passage of time in exchange for transferring control of a unit. The intended use of the contract asset to collect cash or another financial asset is not a use for which it necessarily takes a substantial period of time to get ready.

Accordingly, in the given case, the entity does not have a qualifying asset and hence no borrowing cost is eligible for capitalisation as per Ind AS 23.

Question 15

X Ltd. acquires and develops a piece of land. After the development of the land, X Ltd. commences construction of a building on the piece of land. To finance both the activities, X Ltd. relies on its general borrowings. Both the land and the building meet the definition of a qualifying asset. Developing the piece of land and the construction of the building on the land, both the activities take a substantial period of time for its completion. Can X Ltd. continue to capitalise the borrowing costs incurred is respect of the expenditure incurred for developing the land while it constructs a building on the same land?

Response

The guidance on cessation of capitalisation of borrowing costs has been provided in paragraph 22 of Ind AS 23 which states that:

"22 An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete."

Therefore, to determine when to cease capitalising borrowing costs incurred on land expenditure an entity considers the intended use of the land. The intended use of land cannot be said to be solely for the purpose of construction of a building. The land and building together may be used for:

a) conducting the business activities of the entity from that premises in which case such land and building will be recognised as Property, Plant and Equipment under Ind AS 16;

b) earning rent revenue or capital appreciation in which case the land and the building will be recognised as Investment Property under Ind AS 40; or

c) for sale in which case the land and building will be recognised as inventory under Ind AS 2.

Further, paragraph 19 and 24 of Ind AS 23 states as follows:

"19 The activities necessary to prepare the asset for its intended use or sale encompass more than the physical construction of the asset. They include technical and administrative work prior to the commencement of physical construction, such as the activities associated with obtaining permits prior to the commencement of the physical construction. However, such activities exclude the holding of an asset when no production or development that changes the asset's condition is taking place. For example, borrowing costs incurred while land is under development are capitalised during the period in which activities related to the development are being undertaken. However, borrowing costs incurred while land acquired for building purposes is held without any associated development activity do not qualify for capitalisation.

24 Where an entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity shall cease capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale."

It should be assessed whether the land (part of qualifying asset) is capable of being used for its intended purpose while construction of the building continues. If the land is not capable of being used for its intended purpose while construction of the building continues, then the land and building should be considered together to assess when to cease capitalising borrowing costs on the land expenditures.

In the given case, X Ltd. shall cease capitalising borrowing costs when it completes substantially all activities necessary to prepare land for its intended use and for this purpose the land can be said to be ready for its intended use or sale when it substantially completes all the activities necessary to prepare both the land and building for that intended use or sale

Thus, X Ltd. should continue to capitalise borrowing costs incurred on the expenditure for developing land while it constructs the building on it.

Question 16

MNO Ltd. which is a wholly owned subsidiary of a listed Government company is in the business of exploration and production of oil and gas and other hydrocarbon related activities outside India. The overseas oil and gas operations are generally conducted in joint ventures with other partners. MNO Ltd. acquires oil and gas properties/blocks by way of acquisition of participating interest (PI) in these joint ventures through acquiring shares of an overseas subsidiary company which ultimately holds the PI in the same oil and gas joint venture project.

The company had financed the above acquisition in the oil and gas joint venture project partly by external borrowings and partly by internal accruals. The project is currently under development and would be taking substantial time for commencement of oil and gas production.

Whether the borrowing cost incurred in acquiring interest in the oil and gas joint venture project be capitalised as per Ind AS 23?

Response

As per paragraph 5 of Ind AS 23:

"A *qualifying asset* is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale."

Paragraph 7 of Ind AS 23 provides that:

"7 Depending on the circumstances, any of the following may be qualifying assets:

(a) inventories

(b) manufacturing plants

(c) power generation facilities

(d) intangible assets

(e) investment properties

(f) bearer plants.

Financial assets, and inventories that are manufactured, or otherwise produced, over a short period of time, are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets."

Paragraph 8 of Ind AS 23 states that:

“8 An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs them.”

Paragraph 17 of Ind AS 23 states that:

“17 An entity shall begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the entity first meets all of the following conditions:

a) it incurs expenditures for the asset;

b) it incurs borrowing costs; and

c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.”

In the given case, the company is acquiring the oil and gas assets through subsidiary, the company is acquiring only the investment in overseas subsidiary and not the qualifying asset (viz., oil and gas asset) as such and accordingly, considering the above requirements, borrowing costs incurred on such acquisitions cannot be capitalised in the separate financial statements of the company. Since the capitalised asset itself does not appear in the books of the company, the question of capitalisation of borrowing costs with such asset does not arise in the separate financial statements of the company.

It may be noted that as per the above reproduced principles of Ind AS 23, borrowing costs can be capitalised only when all the conditions as per paragraph 17 of Ind AS 23, are satisfied.

Question 17

S Ltd. (subsidiary co.) obtained an interest-free loan from P Ltd. (parent co.) and used it for the construction of a qualifying asset. P Ltd. arranged for the said money by obtaining loan from a bank. S Ltd. is required to repay back the loan to P Ltd. after 3 years. S Ltd. initially recognised this loan as a financial liability at fair value in accordance with Ind AS 109, *Financial Instruments*. S Ltd. has recognised the difference between the fair value of the loan (as per Ind AS 109) and the funds received from P

Ltd. as 'equity' contribution from P Ltd. in its separate financial statements. Whether S Ltd. can capitalise the interest accrued determined using the effective interest rate method as borrowing costs as per Ind AS 23?

Response

Paragraph 6 of Ind AS 23 provides that:

"6 Borrowing costs may include:

(a) interest expense calculated using the effective interest method as described in Ind AS 109, *Financial Instruments*;

(b) [Refer Appendix 1]

(c) [Refer Appendix 1]

(d) [4]interest in respect of lease liabilities recognised in accordance with Ind AS 116, *Leases*; and

(e) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs"

In the given case, the loan liability will be subsequently measured at amortised cost, with interest accrued using the effective interest rate method as per Ind AS 109. In accordance with paragraph 6(a) of Ind AS 23, the interest determined using the effective interest method is an element of the borrowing costs and should be considered for determining the costs eligible for capitalisation in separate financial statements of S Ltd.

Question 18

Z Ltd. issued preference shares that are mandatorily redeemable at par in 10 years to raise funds of Rs. 10,00,000 for the purpose of obtaining a qualifying asset. It carries cumulative 10 per cent dividend payments to be made annually. Provided that 10 per cent is the market rate of interest for this type of instrument when issued, Z Ltd. has assumed a contractual obligation to make a future stream of 10 per cent interest payments. Z Ltd. has classified the preference shares as financial liability as per Ind AS 32, *Financial Instruments: Presentation.*

Whether Z Ltd. can capitalise dividend payable to preference shareholders as borrowing costs as per Ind AS 23?

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[4] Substituted vide Notification No. G.S.R. 273(E) dated 30th March, 2019.

Response

As per paragraph 5 of Ind AS 23:

"*Borrowing costs* are interest and other costs that an entity incurs in connection with the borrowing of funds."

Many entities issues preference shares to finance their operations. Under Ind AS, the liability vs. equity classification of these shares is decided based on principles laid down in Ind AS 32, *Financial Instruments: Presentation*. The accounting treatment of dividends depends on the classification of preference shares. When preference shares are classified as a liability, dividends in substance represent interest costs and are included in borrowing costs. For preference shares classified as equity, dividends are not included in borrowing costs.

Accordingly, in the given case, since the preference shares have been classified as liability, accordingly Z Ltd. should capitalise the amount of dividend which is in substance interest charge as part of the borrowing cost.

Question 19

R Ltd. obtained borrowings amounting Rs. 50,00,000 with a rate of interest of 10 per cent p.a. from a bank generally to finance its operations. It used part of the said funds to obtain a qualifying asset and some part to meet its other requirements. After a few months, R Ltd. invested temporarily the excess cash that it had and earned income from it. Management of R Ltd. is of the view that it can deduct investment income from the borrowing costs available for capitalisation?

Whether income from the temporary investment of excess cash be reduced from the borrowing costs on general borrowings that are eligible for capitalisation?

Response

Paragraph 12 of Ind AS 23 states that:

"12 To the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings."

The above paragraph explicitly requires that the amount of borrowing costs eligible for capitalisation is determined after deducting any investment income of specific borrowings. However, paragraph 14 of Ind AS 23, which deals with capitalisation of borrowing costs on general borrowings, does not provide for the same. There is no specific guidance given in Ind AS 23 about general borrowings, unlike specific borrowings. The funds invested 'temporarily' cannot be considered to be those from the general borrowings rather these could be from other sources (e.g. equity or cash generated from operating activities). It cannot therefore be demonstrated that the income is earned from the general borrowings.

Accordingly, income from the temporary investment of excess cash should not be deducted from the borrowing costs eligible for capitalisation in case of general borrowings.

Question 20

Zebra Ltd. uses its own cash resources to finance the construction of a qualifying asset. It did not borrow any funds. Management of A Ltd. is of the view that interest that could have been earned on the cash that has been used for the qualifying asset represents forgone benefit and could be capitalised as Borrowing costs as per Ind AS 23? Whether the contention of the management is correct?

Response

As per paragraph 5 of Ind AS 23:

"***Borrowing costs*** **are interest and other costs that an entity incurs in connection with the borrowing of funds."**

Further paragraph 3 of Ind AS 23 states that:

"3 The Standard does not deal with the actual or imputed cost of equity, including preferred capital not classified as a liability."

The Standard uses the term 'incurs' and hence the amount that can be capitalised is the actual borrowing costs incurred by an entity. 'Notional' borrowing cost cannot be capitalised as per Ind AS 23.

Hence, in the given case, Z Ltd. cannot capitalise the 'Notional' borrowing cost or foregone interest income that could have been earned by investing the excess cash instead of using it for the construction of a qualifying asset.

Question 21

XYZ Ltd. is engaged in the business of construction and development of Shopping Malls and leasing out shops/spaces in the mall to customers. It has an ongoing project of construction of a mall in Kolkata for which it has borrowed Rs. 75 crores from a bank to meet the project expenses. The project of construction of mall meets the definition of a qualifying asset as per Ind AS 23. Please suggest appropriate accounting treatment with regard to capitalisation of borrowing costs in the following scenarios:

(a) The construction of the Mall was suspended for a period of 10 days on completion of each floor for the concrete to settle. Further, there was a delay of two months due to extreme floods in Kerala during which the active development of the project (Mall) was interrupted.

There was a further delay of 15 days (with such delay being considered as normal part of the construction) in completion due to rectification of the faulty electric wirings which was discovered during final inspection. When should the capitalisation of borrowing cost related to the construction of the mall be suspended?

(b) The development of the project of construction of the Mall comprised of five phases. XYZ Ltd. has substantially completed all the work with regard to Phase I, II and III on March 5, 2019 and with regard to Phase IV and Phase V on March 20, 2019. Each phase wise construction is capable of being leased out independently, irrespective of the completion of construction of other phases. XYZ Ltd. expects that minor modifications may be required to be done based on customers specifications.

It actually carries out minor modifications based on specifications of the lessee and handed over the shops to lessees of Phase I, II and III on April 10, 2019 and to the lessees of Phase IV and V on April 15, 2019.

When should XYZ Ltd. cease to capitalise the borrowing costs incurred with respect to the Mall?

Response

(a) The guidance regarding suspension of capitalisation of borrowing costs has been provided in paragraph 20 which states as:

"20 An entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset."

Further, as per paragraph 21, an entity does not suspend capitalisation of borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale. Delays due to suspension of construction for settlement of concrete (10 days) or rectification of faulty electric wirings (15 days) are necessary and/or normal for getting the asset ready for its intended use and accordingly borrowing costs should not be suspended during this period.

In the given case, the XYZ Ltd suspended the active development of the Mall for extended periods during the floods (which are not common in the area) for 2 months and therefore, the borrowing costs will be suspended to be capitalised only during those 2 months.

(b) In the given case, XYZ Ltd. is constructing a mall in phases and each constructed part as completed in a phase is capable of being leased out. Further on completion of construction of the shops, it makes minor changes to the shops for leasing them out to its customer.

The guidance on cessation of capitalisation of borrowing costs has been provided in paragraphs 22, 23 and 24 of Ind AS which states as:

"22 An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

23 An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue. If minor modifications, such as the decoration of a property to the purchaser's or user's specification, are all that are outstanding, this indicates that substantially all the activities are complete.

24 When an entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity shall cease capitalising borrowing costs when it completes

> **substantially all the activities necessary to prepare that part for its intended use or sale.”**

Accordingly, XYZ Ltd. should cease to capitalise the borrowing costs for phase I, II & III on March 5, 2019 and for phase IV & V on March 20, 2019 i.e., when the construction of the asset is complete and it is ready for its intended use. The fact that minor changes are expected to be made later as per the specification of the customers should not be considered as all the substantial activities have been completed in March 2019.

Appendix I

Note: The purpose of this Appendix is only to bring out the major differences, if any, between Indian Accounting Standard (Ind AS) 23, Borrowing Costs and Accounting Standard (AS) 16, Borrowing Costs

Major differences between Ind AS 23, *Borrowing Costs* and AS 16*, Borrowing Costs*

(i) Ind AS 23 does not require an entity to apply this standard to borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset measured at fair value, for example, a biological asset whereas AS 16 does not provide for such scope exclusion.

(ii) Ind AS 23 also does not require application of this Standard to borrowing costs directly attributable to the acquisition, construction or production of inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis whereas AS 16 does not provide for such scope exclusion and is applicable to borrowing costs related to all inventories that require substantial period of time to bring them in saleable condition.

(iii) As per AS 16, *Borrowing Costs*, *inter alia*, include the following:

   (a) interest and commitment charges on bank borrowings and other short-term and long-term borrowings;

   (b) amortisation of discounts or premiums relating to borrowings;

   (c) amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

   Ind AS 23 requires to calculate the interest expense using the effective interest rate method as described in Ind AS 109. Items (b) and (c) above are not mentioned in Ind AS 23, as some of these components of borrowing costs are considered as the components of interest expense calculated using the effective interest rate method. Also, Ind AS 23 includes interest in respect of lease liabilities (recognised as per Ind AS 116), while, AS 16 includes finance charges in respect of assets acquired under finance lease as part of borrowing costs.

   Ind AS 23 provides that where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment should also be recognised as an adjustment to interest. AS 16 does not explicitly deal with such scenario.

(iv) AS 16 gives explanation for meaning of 'substantial period of time' appearing in the definition of the term 'qualifying asset' as twelve months whereas under Ind AS 23, there is no such explanation.

(v) Ind AS 23 provides that when Ind AS 29, *Financial Reporting in Hyperinflationary Economies,* is applied, part of the borrowing costs that compensates for inflation should be expensed as required by that Standard (and not capitalised in respect of qualifying assets). AS 16 does not contain a similar clarification because at present, in India, under AS regime, there is no Standard on *Financial Reporting in Hyperinflationary Economies.*

(vi) Ind AS 23 specifically provides that in some circumstances, it is appropriate to include all borrowings of the parent and its subsidiaries when computing a weighted average of the borrowing costs while in other circumstances, it is appropriate for each subsidiary to use a weighted average of the borrowing costs applicable to its own borrowings. This specific provision is not there in AS 16.

(vii) Ind AS 23 requires disclosure of capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation. AS 16 does not have this disclosure requirement.

(viii) For the purpose of computing borrowing cost under Ind AS 23 in regard to foreign currency borrowing, the difference is to be computed with reference to functional currency whereas under AS 16 read with AS 11, the difference is between the local currency and foreign currency.

Appendix II

Note: The purpose of this Appendix is only to bring out the major differences, if any, between Indian Accounting Standard (Ind AS) 23, Borrowing Costs and the corresponding International Accounting Standard (IAS) 23, Borrowing Costs issued by the International Accounting Standards Board.

Major differences between Ind AS 23, *Borrowing Costs* and IAS 23, *Borrowing Costs*

IAS 23 provides no guidance as to how the adjustment prescribed in paragraph 6(e) is to be determined. Ind AS 23 provides guidance (paragraph 6A) in this regard.