AS 16 Borrowing Costs

Borrowing → loan lena
costs → loan ke upar lagne waala Interest → Normally P/L (Exp)

I) Definitions

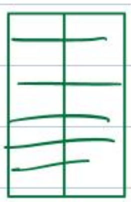
ⓐ **Borrowing costs** → these are Interest & other costs incurred on Borrowing of funds

Borrowing cost incurred on Qualifying Assets will be capitalised (i.e. Add to the cost of Asset)

ⓑ **Qualifying Asset** → Asset which takes substantial period of time (generally 12 months or more) to get ready for its intended use or sale

eg:  Bldg. → 2 yrs to construct this → loan taken to construct the Bldg → Int on loan (Borrowing cost) ↓ Incurred on a qualifying asset ∴ Add Interest to the cost of Bldg.

Ak construction House

eg:  Bldg → 4 yrs to construct this Bldg → But loan not taken ⇓ AS 16 → Not applicable → ~~Borrowing cost capitalise?~~

2 things mandatory
① loan lena padega
② Qualifying asset pe kharcha karna padega.

→ AS 16 - Borrowing cost Applicable
Int Exp will be capitalised to cost of asset

J.E
Bldg (Int Exp) xx
To CIB xx

Note:

1) Generally a period of 12 months or more is considered to be substantial for qualifying asset, but in some cases a shorter period of less than 12 months can also be considered substantial, if justified.

2) The following types of Borrowings will Not be covered under AS 16
   a) Borrowing funds by issuing equity share capital
   b) Borrowing funds by issuing preference share capital

3) Various types of Borrowing costs covered in AS 16

Types of Borrowing

- Interest charged on Borrowings
- Amortisation of Premium/Discount on Borrowings
  - Debenture Redeemed at a premium
  - Face value = 100
  - Premium = 101
  - 1% = 101
  - Born cost
- Ancillary costs relating to Borrowings
  - eg: loan raising fees, loan processing fees etc.
  - yeh fees bhi Borrowing cost hai
- Finance charges on asset acquired on Finance lease
  - Diffused in Asia
- Exchange loss on foreign loan
  - Discussed later in this chapter

4) Examples of Qualifying Assets

Examples of Qualifying Assets

- PPE (AS 10)
- Intangible Assets (AS 26)
- Investment property (AS 13)
- Inventories
  - Contract 2 jisme taking 12 months or more to get ready → Qualifying Asset
  - If purchased in ready made condition → Not a qualifying Asset

→ Ready made investment purchased like investment in eq shares → Not a Qualifying Asset

② Borrowing cost eligible for capitalisation

Borrowing cost eligible for capitalisation

- If Directly related to Acquisition construction production of Qualifying Assets → Capitalised
- If incurred for other than Qualifying Assets → Trf to PIL

③ Types of Borrowings

Types of Borrowings

1. Specific Borrowings
2. General Borrowings

④ Specific Borrowings

Specific Borrowings

→ These are Borrowings specifically taken for qualifying assets

→ Borrowing cost eligible for capitalised

= Actual Borrowing cost during construction period — XX

Less: Income on Temporary Investments of idle funds of these Borrowings — (xx)

Is — XX

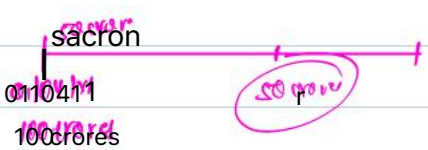
Eg ① Specific Borrowings

Specific Borrowings

loan taken on 01041 1 of ₹ 100 crores @ 12% for 12 months for construction of a Bldg which was completed on 31131 2.

The company invested idle funds of loan @ earns ₹ 0.5 crores

Calculate Borrowing cost to be capitalised.



Soln:

Total Borrowing cost incurred 100cr × 12% × 12m/12m = 12crores

less: Income from Temporary Invst of idle funds = (0.5crores)

Borrowing cost to be cap 11.5crores

② General Borrowings

- All Borrowings that are not specific are general Boddowings.
- In this case Qualifying Asset is funded from a pool of general Borrowings.
- Borrowing cost eligible for capitalisation in case of general Borrowings is calculated as follows:

Step ① Calculate capitalisation Rate (weighted Average cost of capital / weighted Avg Capitalisation athlete)

= Total Interest (weighted Avg) / Total Borrowings (weighted Avg)

Step ② Calculate Borrowing cost to be capitalised:

= Expenditure Amt (×) Capitalisation Rate × No of months that expenditure was outstanding

eg① Generally Borrowings

g GenerallyBorrowings

01/04/1 → ICICI Bank 12% → 100crores

→ HDFC Bank @ 14% → 75crores

175crores

Funds utilized for construction of Bldg → (construction started on 01/04/1 & completed on 31/3/2)

01/04/1 → 50 crores

01/07/1 → 75 crores

01/01/2 → 25 crores

Calculate Borrowing cost to be capitalised

Calculate Borrowing cost to be capitalised

Step① Capitalization Rate / WACC / WACR

Step Capitalization Rate / WACC / WACR

$$= \frac{\text{Total Interest (weighted Avg)}}{\text{Total Borrowings (weighted Avg)}} \times 100$$

$$= \frac{720 + 10.5k}{1750} \times 100$$

= 12.86% approx

Step② Borrowing cost to be capitalised

step Borrowing cost to be capitalised

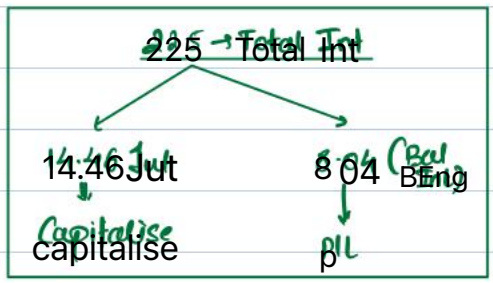
01/04/1 → 50 crores × 12.86% × 12m/12m = 6.43

01/07/1 → 75crores × 12.86% × 9m/12m = 7.23

01/01/2 → 25crores × 12.86% × 3m/12m = 0.80

14.46crores

Borrowing cost eligible for capitalisation



Eg: General Borrowing

01/04/1 General Borrowings

ICICI Bank loan @ 10% → 100 cr

HDFC Bank loan @ 12% → 75 cr

Team loan @ 14% → 50 cr

Expenditure incurred on qualifying Asset

01/04/1 → 50 crores

01/07/1 → 100 crores

01/11/1 → 25 crores

Construction period is 12 months. Calculate Borrowing cost to be capitalised.

Soln:

1 step Cap Rate WACC WACR

$$= \frac{\text{Total Interest (weighted Avg)}}{\text{Total Borrowings (weighted Avg)}} \times 100$$

$$= \frac{(100 \times 10\%) + (75 \times 12\%) + (50 \times 14\%)}{225} \times 100 = \frac{26}{225} \times 100$$

$$= 11.56\% \text{ p.a}$$

Step ② Borrowing cost to be capitalised

01/04/x1 → 3 50 cr × 11.56% × 12/12 = 5.78

01/07/x1 → 3100 cr × 11.56% × 9/12 = 8.67

01/11/x1 → 25 cr × 11.56% × 5/12 = 1.20

Total B.C to be cap 15.65

UR

Eg 3: Specific Borrowing & General Borrowing

Specific Borrowing → 01/04/x1 → Specific Borrowing → 10% loan → 30 crores

General Borrowings → 01/04/x1 → ICICI Bank loan @ 12% → 100 crores

→ HDFC Bank loan @ 14% → 75 crores

01/07/x1 → General Borrowings → Kotak Bank loan @ 8% → 125 crores

Expenditure incurred on Qualifying Asset

01/04/x1 → 50 crores (30 crores → SB; 20 crores → GB)

01/07/x1 → 75 crores

01/01/x2 → 25 crores

Construction started on 01/04/x1 & completed on 31/3/x2. Calculate BC to be capitalised

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Sol: Step ① Capitalization Rate/WACC = Total Int (weighted Avg) / Total Borrowings (weighted Avg)

Capitalization Rate/WACC: Exclude specific Borrowing only for general Borrowing

= (120 + 10 + 7.99) / (1000 + 75 + 93.75) × 100

= 11.16% p.a

25 cr × 81 × 9/12

125 in 9/12

Step ② Borrowing cost to be capitalised

ⓐ Specific Borrowing (Int capitalised) — 3crores → (A)

Specific Borrowing Int capitalised

300 × 101 × 12/12

ⓑ General Borrowing (Int capitalised)

General Borrowing Int Capitalised

01.04 1 59 200 × 11.161 × 12/12 = 2.23cr

[30 crore funded from Sp Borr]

30 crore funded from Sp Borr

010741 750 × 11.161 × 9/12 = 6.28cr

01.01 2 25cg × 11.161 × 3/12 = 0.70 cr → 9.21 crores → (B)

Total B.C.Cap (A + B) — 12.21 crores

Total B Cap

Fore.CA

Illust

CWN

loan 120lakhs — out 18lakhs

Chstruction of shed — Inamine — Torking — four

OA — Readymade — Day to Day Exp — Readymade

50 lakhs — QA × 40lakhs — QA × 20lakhs — a A × 1010kW

Sit cap

18lakhs × south 120lakhs

= 7.5 lakhs

Out → PIL

f

As per AS16 Borr Cost, Borrowing cost incurred on acquisition, construction or production of QA is capitalised to the cost of asset

Asper AS16 Borr Cost, Borrowing cost incurred on acquisition, construction or production of QA is capitalised to the cost of asset

Other Borr cost should be fit to PIL

QA is an asset that takes substantial period of time to get ready for its intended use ad sale.

QA is an asset that takes substantial period of time to get ready for its intended use ad sale.

Purpose	Q.A or Not	Interest to be cap	Interest charged to PIL
1. Construction of shed	Q.A	7.5 lakhs (181 × 50/120)	-
2. Purchase of Machinery	Not a Q.A	-	6 lakhs (181 × 40/120)
3. Klooking Cap	Not a Q.A	-	3 lakhs (181 × 20/120)
4. Purchase of Truck	Not a Q.A	-	1.5 lakhs (181 × 10/120)
	Total	7.5 lakhs	10.5 lakhs

Ques 3

As per AS16 Borrowing cost incurred on acquisition, construction or production of Q.A is capitalised to the cost of asset

Other Borr cost should be fit to PIL

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

Total Jut Exp = 1100,000

Income from Idle funds (200000)

Borrowing cost 900,000

Purpose	A or Not	Interest to be Cap	Interest charged to PL
1. Construction of shed	a QA	360000 (900000 × 40/100)	-
2. Purchase of Machinery	Not a QA	-	315000 (900000 × 35/100)
3. Working Cap	Not a QA	-	225000 (900000 × 25/100)
	Total	360000	540000

Ques 8 → H.co self

Has 2 UR

Step ① Calculation of Cap Rate / wacc (for gen borrowings)

$$= \frac{\text{Total Int (weighted Avg)}}{\text{Total Borrowings weighted Avg}} \times 100$$

$$= \frac{(5100000 \times 11/100) + (900000 \times 13/100)}{5000000 + 900000} \times 100$$

$$= \frac{172000}{1400000} \times 100$$

$$= 12.285\% \text{ approx} \quad \text{OR} \quad 12.29\%$$

Step 2: B.C to be cap

(a) **Specific Borrowing** — 10000 → (A)

(11 × 10% × 12/12)

(b) **General Borrowing**

1/1/x1 — 100,000 × 12.285% × 12/12 = 12285

01/04/x1 — 250000 × 12.285% × 9/12 = 23034

01/07/x1 — 450000 × 12.285% × 6/12 = 27641

01/12/x1 — 120000 × 12.285% × 1/12 = 1229 → 64189 → (B)

Total Borrowing Cost to be capitalised — ₹74189 approx

J.E for capitalising cost & Borr Cost

31/12/x1 — PPE (Bldg) — 10,94189

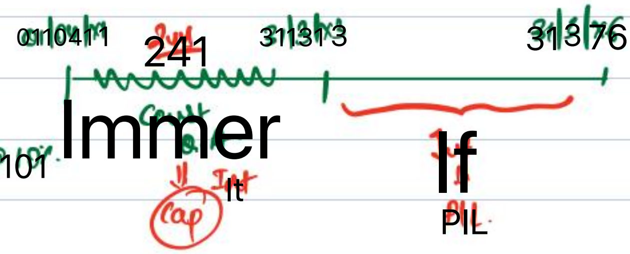
To CIB — 10,94189

(10,20,000 + 74189)

10,20,000 ↓ Cost of construction; 74189 ↓ Borrowing cost

eg: loan [illegible] 1/06/x1 [illegible]

QA court → 2[illegible]



④ Period of Capitalisation

A. Commencement

Commencement of capitalisation begins when All conditions are satisfied:

1] Expenditure on QA has been incurred

2] Activities that are necessary have been started
(such activities not only include physical work, but also include technical work, registration work, site preparation, planning etc)

3] Borrowing cost is incurred

eg: 01.04.x1 → Expenditure incurred
01.05.x1 → B.C incurred
01.06.x1 → Registration work Begins
01.07.x1 → Physical work (Not relevant)

Cap of Int → Start (commence) → 01.06.x1

B. Suspension

Capitalisation should be suspended during extended period if active development is NOT taking place.

Note: Capitalisation is not suspended if temporary delay is a necessary part of construction.

Eg ① Const start 01.04.x1
01.11.x1 to 30.11.x1 → strike
Const End 31.3.x3

Total months = 24 months
→ 1m → Cap suspend
→ 23 m → Cap.

Eg 2 Const start Bridge 01.04.x1
01.11.x1 to 30.11.x1 → High tide / Bridge sukhne rakha tha (part of process)
Const completed on 31.3.x3

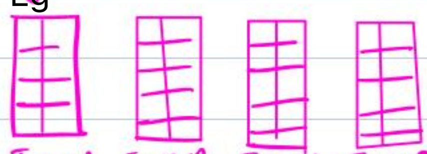
In above case as work stopped is a normal part of process. No suspension.

C. Cessation

• Cease capitalisation when substantially all the activities necessary to prepare QA are complete.
(If minor modifications such as decoration are pending, it will still indicate that substantially the activities are complete)

• When construction of QA is completed in parts cease capitalisation of each part which is completed provided such part can be used separately.

Eg: AK House



Tower A Tower B → Ready on 31.3.x3 (Tower A & B can be used even if C & D are not ready) → Stop capitalisation

Tower C Tower D → not yet ready → Continue Capitalisation

This is UR

Normally 12m is considered to be substantial period. But in many ques even if construction is of 6m/7m/9m/10m etc → it is considered as qualifying asset in ICAI ques.
If ques specifically says 6m/7m is not substantial → Then it wont be a QA

Total Expense incurred (All 4 phases) = 221 lakhs
Loan taken @ 15% = 200 lakhs

Total Interest Incurred = 30,00,000 (full year)
200 lakhs x 15%

Phase I & II (6m cap period) — 6m lap period

Cost incurred = 34L + 64L = 98L

Int for phase I & II = 1330317
30,00,000 × 98L/221L (full 12 months)

Ready in 6m (cap period): 6,65,158.5 → Interest Capitalise

Balance 6m: 665158.5 → Interest (PL)

Phase III & IV

Cost incurred = 55L + 68L = 123L

Int for Phase III & IV = 1669683
30,00,000 × 123L/221L (full 12 months)

Full Int Cap as work is not yet completed

Total Interest Capitalised = 665158.5 + 1669683 = 23,34841.5

Total Interest trf to PL = 665158.5

Illuss 3 LDR

Rough wodk

580 lakhs loan → Jul 5220

- Plant & mach 406 lakhs
- Advance for additional asset 58 lakhs
- clothing & Capital purpose 116 lakhs

	Plant & mach	Advance for additional asset	clothing & Capital purpose
startdate –	?		
complete →	31/03/2	H	
1) ICAI	a A	Q.in	Not a
2) Alternative	NotQA	NotQA	NotdA
3) Alternative	9 A	Mot QA	Not QA

** It is assumed in the above solution that the modernisation and renovation of plant and machinery will take substantial period of time (i.e. more than twelve months). Regarding purchase of additional assets, the nature of additional assets has also been considered as qualifying assets. Alternatively, the plant and machinery and additional assets may be assumed to be non-qualifying assets on the basis that the renovation and installation of additional assets will not take substantial period of time. In that case, the entire amount of interest, ₹ 52.20 lakhs will be recognised as expense in the profit and loss account for year ended 31st March, 20X2.

ICAI501N

Purpose	A Aor Not	Interest to be cap	Interest charged to PIL
1) Constitution of pain	a A	36.54 (52.20 × 406/580)	
2) Advance for additional assets	a A	5.22 (52.20 × 58/580)	
3) working cap	Not a QA		10.44 (52.20 × 116/580)
	Total	41.76	10.44
		Inf cap	Int PIL

Illus 4 to Illus 7 → Refer B.B.

Illus 8 (LDR) → Self Practice

Illus 8 → Refer QB

Illus 9 → Refer QB

Quest 5, 6 → Refer QB

Quest 7 (LDR)

As per AS16 Bon Cost, Borrowing cost incurred on acquisition, construction or production of QA is capitalised to the cost of asset

Other Borr cost should be tfr to PL

QA is an asset that takes substantial period of time to get ready for its intended use ad sale.

In case of specific Borrowing income from idle funds is to be deducted from actual Borrowing costs

Calculation of Interest

loan taken on 01.06.21

Total Interest (1001 × 12/12 × 10m/12m) = 10,00,000

(-) Income on Temp Invst (Given) (50,000)

Net Borrowing Cost 950,000

Purpose	QA or Not	Interest to be cap	Interest charged to PIL
1) Construction of Bldg	QA	380000 (950000 × 40/100)	
2) working cap	Not a QA		285000 (950000 × 30/100)
3) Purchase of Machi	Not a QA		142500 (950000 × 15/100)
4) Purch of Form	Not a QA		19000 (950000 × 2/100)
5) Purchase of Truck	Not a QA		123500 (950000 × 13/100)
	Total	380000 (cap)	570000 (PL)

Ques 9

Step ① Calⁿ of Cap. Rate (Gen Borr)

$$= \frac{\text{Total Int (weighted Avg)}}{\text{Total Borr (weighted Avg)}} \times 100$$

$$= \frac{36000 (+) 60000 (+) 42000}{400000 (+) 500000 (+) 300000} \times 100$$

= 11.5% p.a.

Step ② Borrowing cost to be capitalised

(a) Specific Borrowing

200000 × 8% × 12/12 : 16000

(b) General Borrowing (3,14,21 → used from SB = IL)

01/04/X7 → 100000 × 11.5% × 12/12 = 11500

31/05/X7 → 240000 × 11.5% × 10/12 = 23000

1/08/X7 → 400000 × 11.5% × 8/12 = 30667

31/12/X7 → 360000 × 11.5% × 3/12 = 10350 → 75517

91517

J.E.

Bldg 1391517

To CIB 1391517

(13L + 91517)

cost Int cap

Ques 10 (USP)

Step ① Cap Rate → 12% (as there is only 1 General Borrowing)

Step ② Borrowing costs to be capitalised

ⓐ Specific Borrowing

specific Boddowing

2000000 × 10% × 12/12 = 200000 → (A)

ⓑ General Borrowing

General Borrowing

1st April 21 –

1st Aug 21 – 244 14,00000 × 12% × 8/12 = 112000

1st Jan 22 – 400000 × 12% × 3/12 = 12000 → 124000 → (B)

Total Int Cap 324000

* Note: Capitalise full Interest on specific Bodrowing during capitalisation period

Date of expenditure in case of specific Borrowing is not relevant

31/3/22 Plant A/c Dr 4124000

To CIB A/c 4124000

(38.00.000 + 324000)

cost incurred be incurred

Ques 11 (LDR)

Ques11 LDR

Aksie Note: If expenditure incurred is suppose 100 lakhs. But loan is only taken of 70 lakhs then interest will be capitalised on the amount of Borrowing i.e 70 lakhs

Aksie Note: If expenditure incurred is suppose 100 lakhs. But loan is only taken of ₹ 70 lakhs then interest will be capitalised on the amount of Borrowing i.e 70 lakhs

(A) Interest to Capitalised on Specific Borrowing

Interest to capitalised on Specific Borrowing

taken for Bldg a A → 25,00000 × 12/12 × 12/12 = 300000 → (A)

(B) Interest to be capitalised for general Borrowing

Interest to be capitalised for general Borrowing

- Borrowing Amt = 63,00,000
- Total expenditure = 200,00000 (excl Building sp Borr)

Extra Note: we did not calculate cap Rate in this case as expenditure is more than Borrowings 2 Normally we apply the capRate on Expenditure But here since Borrowing is less ∴ we did directly

Total Interest on General Borrowing = 750000 (120000 + 450000 + 180000)

Purpose	QA or Not	Interest to be Capitalised	Interest charged to PL
① Building	QA	168750 (750000 × 45/365)	
② Furniture	Not a QA		82500 (750000 × 22/365)
③ Plant & machinery	QA	337500 (7500000 × 90/365)	
④ Factory	QA	161250 (750000 × 43/365)	
		667500 → (B)	82500

Total B.C cap (Specific + General) (A + B)

300000 + 667500

= 967500

Ques 12 (UR)

i) Data Bank loan (fully utilized for qualifying Asset)

Interest to be Capitalised = ~~480000~~ 400000 (−) 30000 = 370000
(60,00,000 × 8% × ~~12/12~~ 10/12)

↓ Temporary Invst Income (Given)

ii) Satya Bank ltd loan

Rough work → 20L Int (192000)

- 6L → work cap purpose → Not a QA → Int P/L
- 14L (Bal) → Used for QA → Construction completed by 31/1/23 → ∴ 10 months Int Cap.

Alternate working:
60,00,000 × 8% × 2m/12m = 80000

Total Int (480000) (−) Int cap (400000) → Int trf to P/L

Loan	Purpose	QA or not	Interest cap	Int trf to P/L
1) Data Bank loan	Const of New Bldg	QA (10 months)	370000 (Refer working above)	110000 → Exp 30000 → Income Net → 80,000
2) Satya Bank loan Interest Amt 192000	Const of New Bldg (14L)	QA (10 months)	112000 (192000 × 14L/20L × 10m/12m)	22400 (192000 × 14L/20L × 2m/12m)
	working cap (6L)	Not a QA	–	57600 (192000 × 6L/20L × 12m/12m)
			482000	160000

Ques 4 LDR → As annual Cap Rate is asked i Court start date of 1st Dec is not relevant

Rough work

① Corporate Deposit
Corporate Deposit
20 lakhs 9

② Overdraft loan
Overdraft loan
12 months
2
400000
April to Feb
11 months
9
101
to
2m
121
800000
4
March
1 month
1m
in
121

Step ① Calculation of Annual Capitalisation Rate

Step ① Calculation of Annual Capitalisation Rate

$$\frac{\text{Total Interest weighted Avg}}{\text{Total Borrowings weighted Aug}} \times 100$$

Total Interest (weighted Avg) wN1
Total Borrowings (weighted Avg) wN2

$$= \frac{226000}{2433,334} \times 100$$

$= 9.29\%$ p.a approx
p.a approx

WM ① Total Interest (weighted Avg)

ⓐ	20,00000	9	12/12	180000
ⓑ	Overdraft			
	400000	107	9/12	30000
	400000	121	2/12	8000
	800000	121	1/12	8000
				226000

wN ② Total Borrowings (weighted Avg)

ⓐ	2000,000		12/12	20.00.000
ⓑ	Overdraft			
	400000		9/12	300000
	400000		2/12	66667
	800000		1/12	66667
				24.33.334

Ques 13 UR

special points for this ques

1. If in ques planned expenditure & actual expenditure both are given then calculate Borrowing cost as per actual expenditure
2. If in any month we have surplus funds & there is no overdraft that means we have not taken loan i.e Ignore Int for that month period
3. If any month our expenditure is suppose 100 lakhs but loan is taken only of 70 lakhs then interest will be capitalised only on 70 lakhs
4. If Int is calculated on monthly basis then compounding will be applicable (i.e Int on Int)

Month	Opening	Actual Exp for the month	Interest per month	Total expenditure outstanding (including Interest)
Oct2023	-	400,000	5000 (41 × 151 × 1/12)	405000
Nov2023	405000	795000	15000 (405000+795000) × 151 × 1/12	1215000
Dec2023	1215000	-	15188 (1215000 × 151 × 1/12)	1230188
Jan 2024	1230188	50000	Nil (Refer Note 2 above)	1280188
Feb2024	1280188	200000	17500 (1280188+200000) × 15 × 1/12 = 421	1497688
March2024	1497688	1200000	33721 (1497688+1200000) × 151 × 1/12	2731409
		Total B C	86409	

No suspension

Eye

(5) Exchange loss on loan taken for QA in foreign currency

Eg: AK virtuals (Indian Co) loan taken for Q.A = $10000 (US Bank) @ 5% p.a. on 01/04/x1

Similar loan in India is provided @ 12% p.a.

Exchange Rate on 01/04/x1 = ₹70/$

Exchange Rate on 31/3/x2 = ₹75/$

Soln: (a) Int on foreign loan

loan on 01/04/x1 = $10000

Int @ 5% on yr end = $500 × ₹75/$ = ₹37500 → Capitalise

(b) Exchange loss on loan Amount = ₹50,000

[$10000 × (₹75/$ − ₹70/$)]

(c) Interest if loan was taken in Indian currency = 84000

($10000 × ₹70/$) = ₹700,000 × 12%

(d) Difference between Interest in India & Foreign

84000 − 37500 = 46500 → Max. Ex loss that can be capitalised

37500 ↓ Already Cap

Ex loss → 50000

- 46500 ⇓ capitalise
- 3500 (Balance) ⇓ P/L

Total Capitalise = Int + Ex loss = 84000

Int = 37500, Ex loss = 46500

Note: If in above case, there is exchange gain, then above concept is not applicable. Directly tof that gain to PIL

Ques2 (CPR)

₹

(a) Int on foreign loan = 24.8 lakhs

Int on foreign loan

$104 × 4% × ₹ 621

(b) Ex loss

Ex loss

$104 × (62 − 56) = ₹ 60 lakhs

(c) Int on Indian loan

Int on Indian loan

$10 × ₹ 2561 × 10% = 58.8 lakhs

(d) Diff Btw India & foreign Int

Diff Btw India foreign Int

58.8 (−) 24.8 lakhs = 34 lakhs → Max Ex loss that can be cap

Ex loss → 60 lakhs

34 lakhs → Capitalise

Bal 26 lakhs → PIL

Total capitalise = Int on foreign loan (+) Ex loss

Total capitalise = Int on foreign loan

= ₹ 24.8 lakhs (+) 34 lakhs

= ₹ 58.8 lakhs