

**Embassy of India
Thimphu**

Government of India releases an amount of Nu./Rs. 164 million as grant to Druk Green Power Corporation (DGPC) towards its share in the Kholongchhu Hydroelectric Power Project Joint Venture.

Today, Government of India has released a grant of Nu./Rs. 164 million to Druk Green Power Corporation, Bhutan towards DGPC's share in the Kholongchhu Hydroelectric Power Project Joint Venture. With the release of this amount, Government of India has contributed Nu./Rs. 1901.82 million as DGPC's share in the project.

The Kholongchhu HEP is the first joint venture project being implemented under the Intergovernmental Agreement on Development of Joint Venture Hydropower Projects, signed in April 2014. The concession agreement for the project was signed between the Royal Government of Bhutan and the project developer, Kholongchhu Hydro Energy Limited (KHEL) in June 2020.

Kholongchhu Hydroelectric Power Project will be the seventh hydropower project to be built in Bhutan with the financial support of the Government of India. The project is being financed under a debt-equity ratio of 70:30, wherein the debt will be raised by a joint venture company and the equity would be equally divided between Satluj Jal Vidyut Nigam Ltd. (SJVN) and Druk Green Power Corporation (DGPC). Government of India is providing DGPC's share of equity in the JV company as grant. The project is being built at a cost of Nu./Rs. 54.818 billion.

In March 2021, contracts for construction works worth Nu./Rs. 20.763 billion were awarded by the Project Management. One of the contractors for the project is a Bhutanese construction company, M/s Rigsar Construction Pvt Ltd. which was awarded a major contract amounting to Nu./Rs. 4.346 billion along with an Indian Company in a joint venture. The contract conditions further provide for offloading of minimum 20% of entire works (Nu./Rs. 400 million) to local Bhutanese contractors, which will help in technology transfer and skill development of local contractors in Bhutan.

The project is stated to be completed by March 2026.

Dated : 30 April, 2021