

# PFC & REC Sign a MoU with Kholongchhu Hydro Energy Ltd (KHEL)



PFC along with REC Ltd. signed a Memorandum of Understanding (MoU) with Kholongchhu Hydro Energy Ltd (KHEL) for extending a Term Loan of Rs.4058 Crore for 600 MW Hydro Electric Project at Trashi Yangtse, Bhutan. The project is proposed to be funded in a debt-equity ratio of 70:30 and the Term loan of Rs.4058 Crore shall be shared by PFC and REC in equal proportion. Apart from PFC and REC, Rs. 400 crore is proposed to be arranged from Bank of Bhutan (Rs. 200 Crore) and NPPF, Bhutan (Rs. 200 Crore).

KHEL, a JV company of SJVN Ltd. and Druk Green Power Corporation Ltd (DGPC)(a Royal Government of Bhutan undertaking) is executing the project. This is the first project being executed in the Joint Venture (JV) model in Bhutan. The project is expected to be commissioned in FY 2025-26 and will generate about 2569 Million Units of energy which will meet the future power requirement of India and Bhutan.

The MoU has been signed in the presence of Sri R. S. Dhillon CMD PFC, Sri Sanjay Malhotra CMD REC, Sri N. L. Sharma, CMD, SJVNL and Dasho Yeshe Wangdi, Chairman KHEL.

Shri P.K. Singh, Director (Commercial) & Addl. Charge Director (Projects), PFC, Ms Parminder Chopra, Director (Finance), PFC, Sri G S Patra, Executive Director, PFC along with other senior officers were also present at the MoU signing event through video conferencing (VC) mode.

The hydropower sector is the flagship area of India-Bhutan bilateral cooperation and funding of this upcoming hydroelectric project by PFC will be beneficial in strengthening the relationship between India and Bhutan.