

**Royal Government of Bhutan
Ministry of Finance**



Public Debt Situation Report

**For the quarter ended
31 March 2021**

**Debt Management Division
Department of Macroeconomic Affairs**

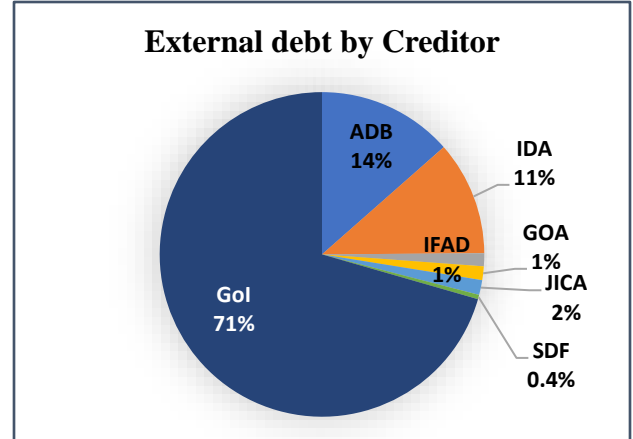
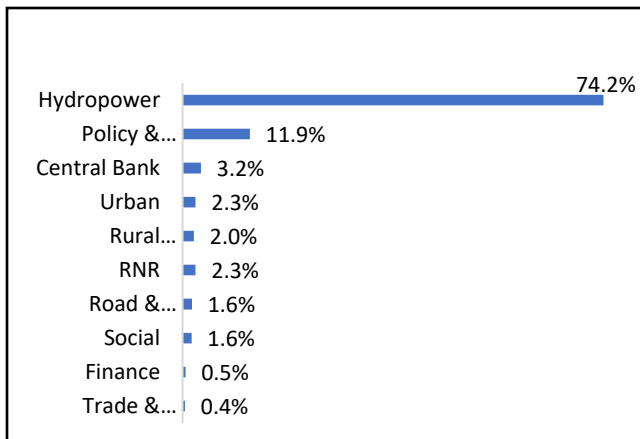
April 2021

Public Debt at a Glance

(31 March 2021)

	Amount (Million Nu.)
Total Public Debt	224,909.609
Percent of GDP	120.5%
Domestic Debt	9,086.783
Percent of GDP	4.9%
External Debt	215,822.826
Percent of GDP	115.6%

	Amount (Million Nu.)
External Debt	215,822.826
Hydro Debt	160,035.778
Non-Hydro Debt	55,787.048
INR Debt	152,961.117
CC Debt (US\$ 855.79 m)	62,861.709
External Debt Service (FY 2020/21)	5,496.206
Principal Repayment	3,759.679
Interest payment	1,736.527



Debt Indicators	Debt Policy Threshold	31 March 2021
1. Non-Hydro Debt to GDP	35.0%	29.9%
2. Sovereign Guarantee to GDP	5.0%	2.6%
		FY 2020/21
1. External Debt Service to Export of Goods and Services	25%	12%
2. General Gov't Debt Service to Domestic Revenue	22%	14.3%
3. Hydro Debt Service to Hydro Export Revenue	40%	13.9%
4. Hydro Debt Service Coverage Ratio (EBITDA/Debt Service)	1.2	5.5

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ADF	Asian Development Fund
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
BDFC	Bhutan Development Finance Corporation
BFAL	Bhutan Ferro Alloys Limited
BHSL	Bhutan Hydropower Service Ltd
BHTF	Bhutan Health Trust Fund
BoBL	Bank of Bhutan Ltd
BoP	Balance of Payment
CC	Convertible Currency
COL	Concessional OCR Lending
DCCL	Dungsam Cement Corporation Limited
FYP	Five Year Plan
GDP	Gross Domestic Product
GoI	Government of India
IDA	International Development Association
IFAD	International Fund for Agricultural Development
INR	Indian Rupee
JICA	Japan International Cooperation Agency
NPPF	National Pension and Provident Fund
NSB	National Statistical Bureau
OCR	Ordinary Capital Resources
ODF	Overdraft Facility
PNB	Punjab National Bank
RBI	Reserve Bank of India
RE	Rural Electrification
RGoB	Royal Government of Bhutan
RNR	Renewable Natural Resources
RMA	Royal Monetary Authority
SAARC	South Asian Association for Regional Cooperation
SBI	State Bank of India
SCF	Standby Credit Facility
SDF	SAARC Development Fund
T-Bills	Treasury Bills
USD	United States Dollar
WMA	Ways and Means Advances

This debt report is prepared by the Debt Management Division, Department of Macroeconomic Affairs, Ministry of Finance. The external debt statistics in this report and those published by the RMA are different: in this report, only the public debt statistics are presented, while the RMA external statistics includes private external debt in addition to the public debt.

I Summary of Public Debt Stock

1. The total public debt stock¹ on 31 March 2021 stood at Nu. **224,909.609 million**, accounting for 120.5% of FY 2020/21 GDP. The total public debt decreased by Nu.116.619 million (0.1%) from the total public debt of **Nu.225,056.228 million** at end-December 2020.
2. The external debt stock decreased to Nu.215,822.826 million from Nu.218,639.508 million on 31 December 2020, a decrease of Nu.2,816.682 million (-1.3%). The decline was due to Mangdechu debt servicing and other the CC debt repayments during the quarter. The depreciation of three currencies—Euro, Yen, and SDR—in which 78.3% of the CC debts are denominated also caused a significant drop in the Ngultrum value of the external debt.
3. The total domestic debt stock was Nu.9,086.783 million at end-March 2021, an increase of Nu.2,700.063 million (42.3%) from Nu.6,386.720 million at end-December 2020. The domestic debt increased due to the issuance of a 10-year government bond of Nu.700 million in February 2021 and Nu.2,000 T-Bills during the quarter.

Table 1 presents the summary of the total public debt stock as of 31 March 2021.

Table 1: Total Public Debt Summary (amount in Nu. millions)

Category	31-Dec-2020	31-Mar-2021	Change (%)
Total Public Debt	225,026.228	224,909.609	-0.1%
Percent of GDP	122.6%	120.5%	
External Debt	218,639.508	215,822.826	-1.3%
Percent of GDP	119.12%	115.6%	
Percent Total Public Debt	97.2%	96.0%	
Domestic Debt	6,386.720	9,086.783	42.3%
Percent of GDP	3.5%	4.9%	
Percent of Total Public Debt	2.8%	4.0%	

4. The domestic debt comprised T-Bill stock of Nu.5,000 million and the Government bond of Nu.3,700 million— a 3-year Government bond of Nu. 3,000 million (issued in September 2020) and a 10-year Government bond of Nu.700 million (issued in February 2021). The balance was loan outstanding to the National Pension and Provident Fund (NPPF) borrowed to construct staff quarters for the Phuntsholing Hospital and the liquidation of Bhutan Hydropower Services loan to the German Investment Corporation (DEG), Germany.

¹ Public debt includes government and government guaranteed debt, and central bank debt.

II Categories of External Debt

5. The total external debt is presented in three major categories as given in *Tables 2, 3, and 4*, respectively:

Table 2: External Debt: By Govt. Debt, Corporate Debt, and Central Bank Debt

Category	Amount (Million Nu.)
(a) Gov't Debt²	200,740.680
Percent of Total External Debt	93.0%
O/w on-lent to Public Corporations (including hydro loans)	159,885.345
Percent of Gov't Debt	79.6%
(b) Corporate Debt³	8,082.146
Percent of Total External Debt	3.7%
(c) Central Bank Debt⁴	7,000.000
Percent of Total External Debt	3.2%

6. The Government Debt accounted for 93% of the total external debt. The Government debt included the budgetary debt of Nu. 40,855.335 million and Nu.159,885.345 million of outstanding loans(including hydropower debt) that have been on-lent to SoEs.

7. The corporate debt of Nu.8,082.146 million accounted for 3.7% of the total external debt. The corporate debt pertains to loans availed by Drukair from SDF for the purchase of ATR 42-600, and by Tangsjibi Hydro Energy Limited from ADB, State Bank of India, and EXIM Bank of India for the hydropower development.

The Central Bank debt—Standby Credit Facility (SCF)— availed from the Government of India (GoI), comprised 3.2% of the total external debt. The RMA's short-term swap arrangement of INR 14.277 billion with the Reserve Bank of India has not been included in central bank debt.

²**Gov't Debt:** External debt on account of the borrowings from multilateral development partners and bilateral agencies for financing government's budgetary projects and programs. The Gov't debt also includes external debt on account of loans availed by the Government and then on-lent to SoEs including the hydropower project loans.The debt service obligations for the on-lent loans are borne by the SoEs.

³ **Corporate Debt:** Refers to debt stock on account of loans signed between the public corporation and the creditors. The debt servicing is done directly by the public corporation without routing through the government budget.

⁴ **Central Bank Debt:** External debt on the loan/credit facilities availed by the RMA for BoP support purposes. This does not include short-term swap arrangement with RBI.

8. *Table 3* shows the total external debt composition of hydropower and non-hydro power debt.

Table 3: External Debt: By Hydropower and Non-Hydro Debt

Category	Amount (Million Nu.)
(A) Hydropower Debt	160,035.778
Percent of GDP	85.7%
Percent of Total External Debt	74.2%
(B) Non-Hydro Debt	55,787.048
Percent of GDP	29.9%
Percent of Total External Debt	25.8%
(B.1) Non-Hydro Debt: Budgetary	40,855.335
(B.2) Non-Hydro Debt: Commercial	7,931.713
(B.3) Non-Hydro Debt: Central Bank	7,000.000

9. The hydropower debt as of 31 March 2021 was Nu.160,035.778 million, which was 74.2% of total external debt. About 91.2% of the hydro debt were denominated in INR and 8.8% in CC. Likewise, the non-hydro debt of Nu.55,787.048 million accounted for 25.8% of the external debt and 29.9% of FY 2020/21 GDP.

The total external debt in terms of Rupee and Convertible Currency (CC) as of 31 March 2021 is presented in *Table 4* below.

Table 4: External Debt by currency composition

Category	Amount (Million Nu.)
(A) Rupee Debt	152,961.117
Percent of Total External Debt	70.9%
(A.1) Hydro Rupee Debt	145,961.12
(A.2) Central Bank Rupee Debt	7,000.00
(B) CC Debt (US\$ 855.79 Million)	62,861.709
Percent of Total External Debt	29.1%
Total External Debt	215,822.826
Percent of Total Public Debt	96.0%

10. As of 31 March 2021, the INR-denominated debt was INR 152,961.117 million, which is 70.9% of the total external debt. The INR-denominated debt decreased by 1,285.202 million because of the start of MHP repayment: the first installment of INR 1,392.502 million was repaid

on 22 January 2021. However, there was also a loan disbursement of INR. 107.300 million during the quarter—INR 106.2 million for Tangsibji Hydro Energy Limited (Nikachu) and INR.1.1 million for PHP-II. Therefore, the net increase in INR debt at the end-March 2021 was INR 1,285.202 million.

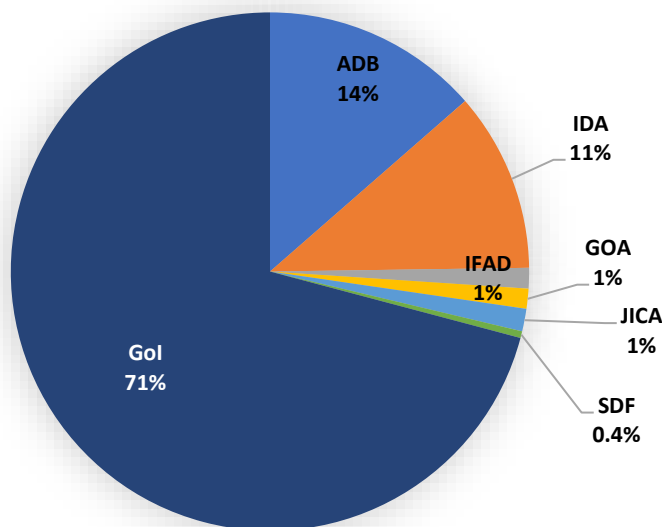
The Convertible Currency (CC) debt stock stood at \$855.79 million (equivalent to Nu.62,861.709 million); this was a decrease of US\$21.62 million compared to US\$877.41 million on 31 December 2020.

The drop in the USD value of CC debt stock was mainly because of the appreciation of USD against other three major currencies— Euro, Yen, and SDR—in which 78.3% CC debt stock are denominated. Thus, the appreciation(2.5% weighted average) of USD against other currencies created a significant holdings gains in USD, reducing the USD value of the CC debt stock. The repayments during the quarter also caused some drop in USD value of the CC debt stock.

III Composition of External Debt

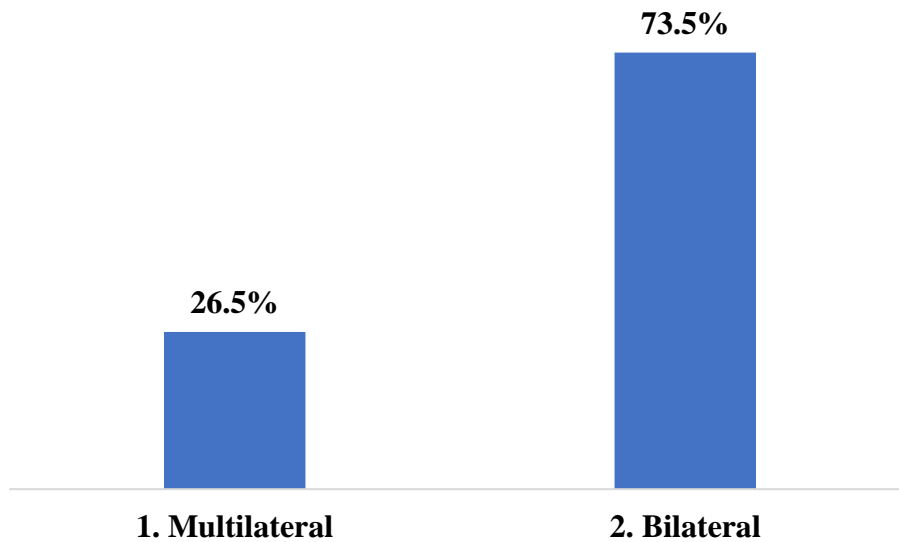
11. The external debt is divided into three main categories: (i) by creditors, (ii) by sectors, and (iii) by currency as presented in *Chart 1*:

Chart 1: External Debt by Creditors



The GoI was Bhutan’s largest external creditor, representing about 71% of the total external debt, followed by ADB (14%), World Bank/IDA (11%), JICA (1%), Austria (1%), IFAD (1%) and the SAARC Development Fund (SDF, 0.4%)

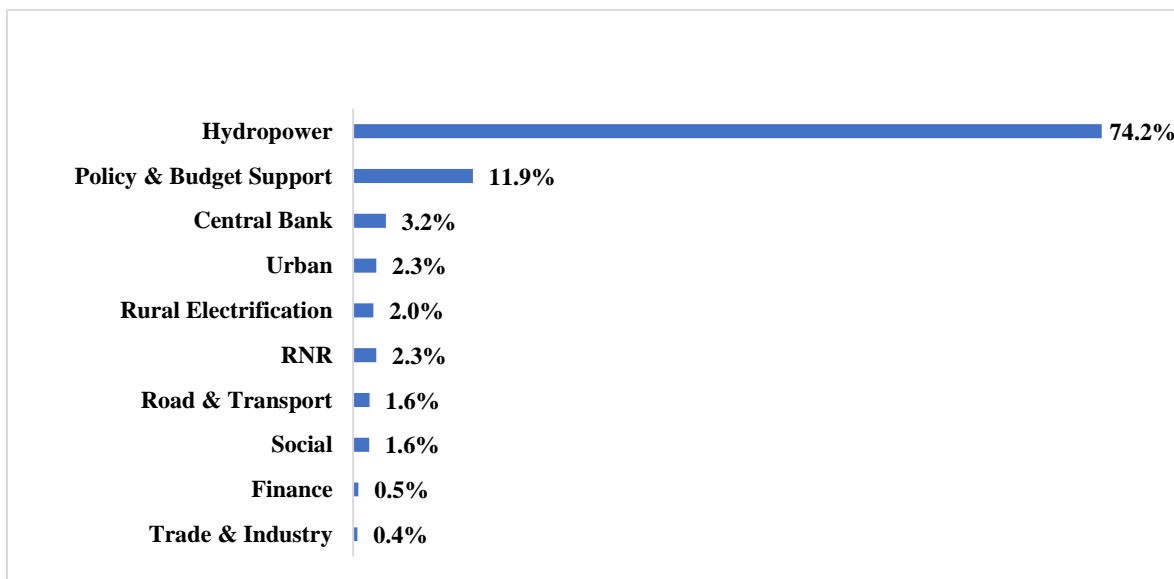
Chart 2 shows external debt multilateral and bilateral lender categories. **Chart 2: External Debt by Creditor Type**



12. External debt from bilateral creditors (major portion from GoI) constituted 73.5% of the total external debt, and the external debt from multilateral creditors made up 26.5%.

13. Similarly, *Chart 3* presents external debt composition by sectors.

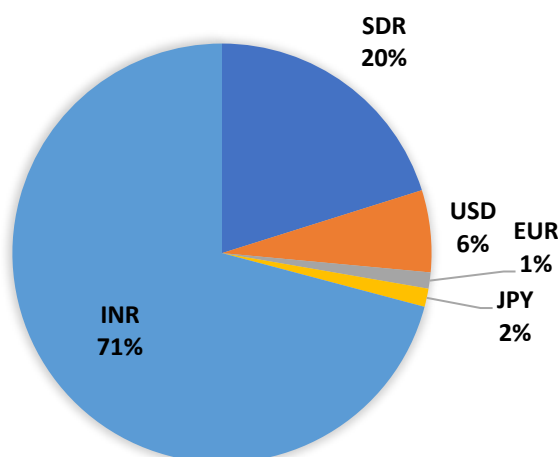
Chart 3: External Debt by Sectoral Composition



The debt in the hydropower sector constitutes the major portion of the total external debt (74.2%), followed by Policy and Budget Support (11.9%), Central Bank debt (3.2%), and other sectors as presented in the *Chart 3* above.

14. Chart 4 below presents the external debt by the currency composition:

Chart 4: External debt by Currency Composition



15. As illustrated by Chart 4 above, 71% of the total external debt is denominated in Indian Rupees (INR), followed by SDR (20%), USD (6%), and JPY (2%).

IV External Debt Servicing

16. Table 5 shows external debt servicing for the previous two fiscal years, and projected debt servicing for FY2020/21:

Table 5: External Debt Servicing (in Million Nu.)

Category	2018/19 (Actual)	2019/20 (Actual)	2020/21 (Revised)
(A) External Debt Service through Budget	Amounts in Million Nu.		
Principal Repayment	2,331.470	1,776.183	3,759.679
Interest Payment	1,315.945	697.842	1,736.527
Total External Debt Service- through Budget	3,647.415	2,474.025	5,496.206
Total Budgetary Debt Service to Domestic Revenue	10.5%	6.8%	15.8%
(B) External Debt Service-Off-Budget			
Principal Repayment	500.970	0.000	37.195
Interest Payment	530.580	813.630	839.145
Total External Debt Service- Off-Budget	1,031.550	813.630	876.340
Total External Debt Service	4,678.96	3,287.66	6,372.545

Total External Debt Service to Exports of Goods & Services	9.0%	5.8%	12%
Memorandum Items			
Nominal GDP	172,758.81	178,370.12	186,653.00
Export of Goods and Services	52,052.29	56,784.84	53,309.73
Domestic Revenue	34,707.67	36,218.88	34,683.88

*The off-budget debt services are those external debt (on-lent and outright SOE liabilities) servicing that are made directly by SoEs and RMA, without routing through the Government budget system;

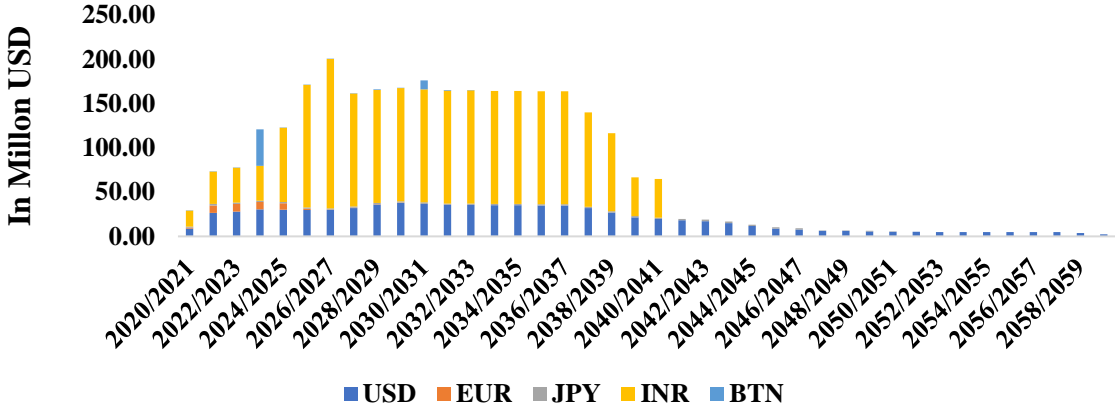
** Nominal GDP and Exports figures for FY2019/20 and FY2020/21 is based on April 2021 projections, which could change when figures are updated in the future..

The total external debt servicing in FY2020/21 is expected to increase significantly compared to debt servicing in FY2019-20 debt servicing for Mangdechhu Hydropower Project (MHP), which started from January 2021. Therefore, the external debt service to exports ratio is also expected to rise from 5.8% in FY2019-20 to 12% in FY2020/21.

V Redemption Profile

17. Chart 5 below shows the projected principal repayment of the public debt stock as 31 March 2021.

Chart 5: Principal Repayment Profile



18. The principal repayment is expected to increase significantly from FY2021/22 due MHP debt servicing(full installment), and rise further from FY 2024/25 with the start of repayment for Puna-II hydropower loan after its projected commissioning in December 2022. The repayment will further peak from FY2026/27 due to the start of the repayment for Puna-I and Kholongchu Hydropower loans.

19. The repayment is projected to remain elevated from FY2026/27 until FY2037/38 as the repayment for all the mega hydropower projects (MHP, Puna-I, Puna-II and Kholongchu) would be ongoing then. However, after the liquidation of MHP and Puna-I debt in FY2037/38, the repayment is projected to drop sharply from FY2038/39 and remain low and stable.

20. The increase in repayment of Ngultrum debt in FY2023/24 is due to the redemption of the 3-year Government bond of Nu.3,000 million that was issued in September 2020.

VI Government Guarantees

21. *Table 6* presents the details of the guarantees issued by the Government as of 31 March 2021. **Table 6: Status of Government Guarantees**

Sl#	Beneficiary	Date of Issue	Issued To	Purpose	Original Amt	Balance (Million Nu.)
1	National Housing Development Corporation Ltd.	11-Sep-17 (20 years)	NPPF	Financing for Affordable Housing Project in Phuntsholing.	890.00	790.81
2	Bhutan Agro Industries Ltd.	05-Jun-17 (20 years)	BOBL	Financing for set up of an integrated agro based industry in Lingmethang, Mongar.	166.00	163.79
3	Bhutan Development Bank Ltd.	09-Mar-19 (5 years)	NPPF	OESD Loan Scheme to youths.	521.30	305.25
4	Drukair Corporation Ltd.	11-Feb-19 (11 years)	NPPF	Financing for purchase of new Aircraft A320 Neo.	US\$ 36.6 m	2,564.52
5	Drukair Corporation Ltd.	13-Aug-19 (10 years)	SDF	Purchase of New ATR 42-600	US\$ 13 m	914.69
6	Multiple Beneficiaries	(3-10 years)	Various FI	Guarantee under NCGS		86.60
Total						4,825.66
Government Guarantee to GDP (%)						2.6%

22. As of 31 March 2021, the loan outstanding on which the Government has provided a guarantee stood at Nu.4,825.66 million, accounting for 2.6% of FY2020/21 GDP. The sovereign guarantee was within the threshold of 5% of GDP prescribed by Public Debt Policy 2016.

VII Cost and Risk Indicators

Table 7: Cost and Risk Indicators for Existing Debt

Cost & Risk Indicators		External Debt	Domestic Debt	Total Public Debt
Nominal Debt (Million Nu.)		215,822.826	9,086.783	224,909.609
Nominal Debt as percent of GDP		115.6%	4.9%	120.5%
Weighted Average Interest Rate		7.2%	3.1%	7.4%
Refinancing Risks	Average Time to Maturity (Years)	11.8	2.3	11.3
	Debt Maturing in 1 Year (% of Total)	1.6%	0.2%	2.8%
Interest Rate Risks	Average Time to Refixing (Years)	11.3	2.3	10.9
	Debt Refixing in 1 Year (% of Total)	6.2%	0.2%	7.1%
	Fixed Rate Debt (% of Total)	95.3%	100.0%	99.6%
Forex Risk	CC Debt (% of Total)			27.9%
	Short-term CC Debt (% of Gross Reserve)			0.0%
Debt Stress	Hydro Debt to GDP (%)			85.7%
	Non-Hydro Debt to GDP (%)			29.9%

23. *Table 7* above presents the summary of cost and risk indicators of the current debt portfolio. The level of total public debt remains elevated at 120.5% of GDP; However, the overall risk is considered low and manageable because of the following reasons:

1. Although the weighted average interest rate is high at 7.2%, the cost of total public debt is deemed sustainable since the major portion (74.2%) of external debt is on account of hydropower projects which are commercially viable with significant export potential. In addition, 91.2% of the hydro debt is denominated in INR, to which the Ngultrum is pegged at par, mitigating exchange rate risks.
2. The debt with fixed-interest rate constituted 99.6% of the total public debt. In addition, the average time to re-fixing (ATR) is estimated at 11.3 years. Thus, due to the long ATR and the small portion of variable-interest rate debt, the interest rate risk is deemed considered low.
3. The Average Time to Maturity (ATM) is estimated at 11.8 years, and about 1.6% of the debt will be maturing in 1 year. The long ATM and the low level of debt maturing in 1 year indicates that the refinancing/rollover risk is low. However, since about 48% of domestic debt is maturing in within one year, the domestic debt might pose some refinancing and interest rate risks.

4. Though the proportion of external debt is quite high at 96% of the total public debt, the exchange rate risk is low because of the following reasons:
 - The INR-denominated debt constitutes major proportion (70.9%) of total external debt, and the Ngultrum is pegged at par with the INR, which lowers exchanges rate risks.
 - The balance 29.1% of the total external debt is CC-denominated debt which are mostly concessional loans with interest rates ranging from 0% to 1.5%, long grace periods (8 to 10 years) and repayment periods up to 40 years. The concessional nature of the CC-denominated debt lowers the periodical debt servicing amount, reducing the pressure on government revenue and cash flows.

ANNEX I: Total Public Debt as on 31-Mar-2021 (Amount in Millions)

Category	Borrowing Currency	A. Gov't Budgetary Debt			B. On-lent & Corporate			C. Central Bank Debt			Total Public Debt (A+B+C)		
		Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.	Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.	Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.	Amount in Borrowing Currency	Amount in Equivalent US\$	Amount in Equivalent Nu.
A. External Debt			556.20	40,855.34		2,286.67	167,967.49		95.30	7,000.00		2,938.16	215,822.83
A.1 Concertible Currency(CC Debt)			556.20	40,855.34		299.59	22,006.37		0.00	0.00		855.79	62,861.71
ADB	SDR	94.33	133.77	9,826.02	64.51	91.48	6,719.78				158.83	225.25	16,545.80
ADB	USD	80.00	80.00	5,876.40	93.52	93.52	6,869.32				173.52	173.52	12,745.72
IDA	SDR	226.55	321.29	23,600.09	5.47	7.75	569.53				232.02	329.04	24,169.62
GOA	EUR	0.00	0.00	0.00	31.25	36.68	2,694.30				31.25	36.68	2,694.30
JICA	JPY	0.00	0.00	0.00	4,557.76	41.34	3,036.61				4,557.76	41.34	3,036.61
IFAD	SDR	14.91	21.14	1,552.82	11.66	16.54	1,214.97				26.57	37.68	2,767.79
SDF	USD	0.00	0.00	0.00	12.28	12.28	901.86				12.28	12.28	901.86
A.2 INR Debt			0.00	0.00	145,961.12	1,987.08	145,961.12	7,000.00	95.30	7,000.00	152,961.12	2,082.38	152,961.12
Hydropower projects	INR				145,961.12	1,987.08	145,961.12				145,961.12	1,987.08	145,961.12
BoP Support(RMA)	INR							7,000.00	95.30	7,000.00	7,000.00	95.30	7,000.00
B. Domestic Debt	BTN	9,086.78	123.71	9,086.78							9,086.78	123.71	9,086.78
Total Public Debt(A+B+C)			679.90	49,942.12		2,286.67	167,967.49		95.30	7,000.00		3,061.87	224,909.61
CHECK				OK			OK			OK			OK

ANNEX II: THE CONVERTIBLE CURRENCY DEBT as on 31-Mar-2021 (Amount in Millions)

Sl#	Project	Creditor	Agreement Currency	Category	Agreement Date	Maturity Date	Disbursed Outstanding Debt (DOD)			CHECK
							In Agreement Currency	Equivalent USD	Equivalent Nu.	
1	Multi Project I	ADB	SDR	Non-Hydro: Budgetary	Dec-93	Jun-23	0.367	0.521	38.245	OK
2	Multi Project -II (DWH)	ADB	SDR	Non-Hydro: Budgetary	May-95	Nov-24	1.188	1.685	123.798	OK
3	Chirang Hill Irrigation	ADB	SDR	Non-Hydro: Budgetary	Nov-95	May-25	0.151	0.214	15.691	OK
4	Road Mechanisation Project	ADB	SDR	Non-Hydro: Budgetary	Dec-96	Jun-26	0.816	1.158	85.036	OK
5	Highland Livestock Development Project	ADB	SDR	Non-Hydro: Budgetary	May-97	Nov-26	0.846	1.200	88.129	OK
6	Industrial Estates Project	ADB	SDR	Non-Hydro: Budgetary	Dec-98	Jun-28	0.165	0.234	17.193	OK
7	Bhutan Development Finance Corporation	ADB	SDR	Non-Hydro: Commercial	Jan-99	Jan-28	0.487	0.691	50.779	OK
8	Technical & Vocational Educational Training	ADB	SDR	Non-Hydro: Budgetary	Apr-01	Oct-30	1.319	1.870	137.370	OK
9	East West Highway Maintenance Project	ADB	SDR	Non-Hydro: Budgetary	Feb-04	Aug-33	1.833	2.599	190.893	OK
10	Rural Electrification Project(RE-I)	ADB	SDR	Non-Hydro: Commercial	Feb-06	Aug-35	2.768	3.925	288.329	OK
11	Financial Sector Development Program	ADB	SDR	Non-Hydro: Budgetary	Feb-08	Aug-37	1.939	2.750	202.029	OK
12	Development Finance Loan	ADB	SDR	Non-Hydro: Commercial	Feb-08	Aug-37	1.936	2.746	201.680	OK
13	Urban Infrastructure Improvement Project	ADB	SDR	Non-Hydro: Budgetary	Aug-08	Feb-38	2.887	4.094	300.722	OK

14	Sustainable Rural Electrification(RE-II)	ADB	SDR	Non-Hydro: Commercial	Feb-08	Aug-31	3.090	4.382	321.882	OK
15	Health Care Reform Program	ADB	SDR	Non-Hydro: Budgetary	Feb-09	Aug-24	1.666	2.362	173.505	OK
16	Road Improvement project	ADB	SDR	Non-Hydro: Budgetary	Feb-09	Aug-32	3.480	4.936	362.553	OK
17	Basic Skill Development Project	ADB	SDR	Non-Hydro: Budgetary	Oct-09	Apr-33	2.599	3.686	270.750	OK
18	Rural Electrification and Network Expansion Project(RE III)	ADB	SDR	Non-Hydro: Commercial	Mar-12	Sep-35	3.978	5.641	414.389	OK
19	Road Network Project	ADB	SDR	Non-Hydro: Budgetary	Apr-14	Oct-37	13.319	18.888	1,387.427	OK
20	Urban Infrastructure Development Project	ADB	SDR	Non-Hydro: Budgetary	Apr-15	Oct-38	11.430	16.209	1,190.648	OK
21	Financial Sector Development Program	ADB	SDR	Non-Hydro: Budgetary	Apr-15	Aug-37	4.670	6.623	486.479	OK
22	Financial Sector Development Project	ADB	SDR	Non-Hydro: Budgetary	Apr-15	Oct-38	0.664	0.942	69.212	OK
23	Green Power Development Project (Sepcial Operations)-Dagachu- ADF	ADB	SDR	Hydropower	Apr-17	Oct-40	15.693	22.256	1,634.791	OK
24	Urban Infrastructure Project	ADB	SDR	Non-Hydro: Budgetary	May-20	Nov-43	9.940	14.097	1,035.512	OK
25	SASEC Trade Facilitation Program (LOAN)	ADB	SDR	Non-Hydro: Budgetary	May-21	Nov-36	5.412	7.675	563.773	OK
26	Strengthening Economic Management Program (Loan)	ADB	SDR	Non-Hydro: Budgetary	Sep-21	Mar-37	9.224	13.081	960.873	OK
27	Green Power Development Project -Dagachu- Additional Financing	ADB	SDR	Hydropower	Feb-22	Aug-45	22.780	32.306	2,373.047	OK
28	2nd Green Power Development Project (Special Operations-Tangsibji)-Nik	ADB	SDR	Hydropower	Feb-23	Aug-46	13.774	19.534	1,434.879	OK

29	Strengthening Economic Management Program II (LOAN)	ADB	SDR	Non-Hydro: Budgetary	Dec-23	Jun-39	14.443	20.482	1,504.542	OK
30	SASEC Transport, Trade Facilitation and Logistics Project (Loan 3421-BH)	ADB	SDR	Non-Hydro: Budgetary	Feb-25	Aug-48	2.161	3.065	225.160	OK
31	Secondary Towns Urban Development Project	ADB	SDR	Non-Hydro: Budgetary	Aug-26	Feb-50	3.806	5.398	396.485	OK
32	Green Power Development Project (Ordinary Operations)-Dagachu- OCR	ADB	USD	Hydropower	Apr-14	Oct-38	46.226	46.226	3,395.494	OK
33	2nd Green Power Development Project (Ordinary Operations - Tangsibji)-	ADB	USD	Hydropower	Nov-20	Nov-44	38.031	38.031	2,793.532	OK
34	Phuentsholing Township Development Project (Loan)- Amochu	ADB	USD	Non-Hydro: Commercial	Aug-26	Feb-50	1.761	1.761	129.384	OK
35	Financial Market Development Program - Sub Program I	ADB	USD	Non-Hydro: Budgetary	May-28	Nov-43	30.000	30.000	2,203.650	OK
36	COVID-19 Active Response & Expenditure Support (CARES) Program	ADB	USD	Non-Hydro: Budgetary	May-20	May-52	20.000	20.000	1,469.100	OK
37	Financial Market Development Program - Subprogram 2	ADB	USD	Non-Hydro: Budgetary	Dec-20	Dec-52	30.000	30.000	2,203.650	OK
38	Rural Finance Development Project	ADB	USD	Non-Hydro: Commercial	Dec-20	Dec-52	7.500	7.500	550.913	OK
39	Technical Assistance	IDA	SDR	Non-Hydro: Budgetary	Apr-94	Oct-33	0.987	1.400	102.824	OK
40	Forestry Development Project	IDA	SDR	Non-Hydro: Budgetary	Sep-94	Sep-34	1.620	2.298	168.782	OK
41	Bhutan Calcium and Carbide Ltd	IDA	SDR	Non-Hydro: Budgetary	Nov-95	May-35	2.423	3.436	252.390	OK

42	Second Forestry Development	IDA	SDR	Non-Hydro: Budgetary	Oct-98	Apr-28	0.181	0.256	18.818	OK
43	Primary Education Project	IDA	SDR	Non-Hydro: Budgetary	Oct-98	Apr-28	0.930	1.319	96.879	OK
44	Third Forestry Development Project	IDA	SDR	Non-Hydro: Budgetary	Jan-04	Jul-33	1.940	2.751	202.057	OK
45	Second Education Project	IDA	SDR	Non-Hydro: Budgetary	Jul-08	Jan-38	6.696	9.496	697.513	OK
46	Urban Development Project	IDA	SDR	Non-Hydro: Budgetary	Jun-10	Dec-39	5.657	8.022	589.278	OK
47	Rural Access Project	IDA	SDR	Non-Hydro: Budgetary	Jun-10	Dec-39	6.024	8.543	627.510	OK
48	Education Development Project	IDA	SDR	Non-Hydro: Budgetary	Sep-13	Mar-43	18.480	26.208	1,925.076	OK
49	Decentralised Rural Development Project	IDA	SDR	Non-Hydro: Budgetary	Aug-15	Feb-45	3.996	5.667	416.281	OK
50	Development Policy Financing for Institutional Strengthening	IDA	SDR	Non-Hydro: Budgetary	Sep-19	Mar-49	7.234	10.258	753.531	OK
51	Second Urban Development Project (Urban Dev. II)	IDA	SDR	Non-Hydro: Commercial	Sep-20	Mar-30	5.467	7.753	569.532	OK
52	First Development Policy Credit	IDA	SDR	Non-Hydro: Budgetary	Feb-21	Aug-30	15.675	22.230	1,632.880	OK
53	Strengthening Regional Cooperation for Wildlife Protection in Asia Pro	IDA	SDR	Non-Hydro: Budgetary	Nov-21	May-31	1.395	1.979	145.340	OK
54	Second Development Policy Credit	IDA	SDR	Non-Hydro: Budgetary	Apr-18	Apr-38	21.534	30.539	2,243.208	OK
55	Remote Rural Communities Development Project	IDA	SDR	Non-Hydro: Budgetary	Nov-17	May-37	5.126	7.270	534.024	OK
56	Additional Financing for UDP II	IDA	SDR	Non-Hydro: Budgetary	Jul-19	Jan-39	10.504	14.897	1,094.263	OK
57	Fiscal Sustainability & Investment Climate Development Policy Financin	IDA	SDR	Non-Hydro: Budgetary	Nov-20	May-40	14.064	19.945	1,465.066	OK

58	DPC II Fiscal Sustainability & Investment Climate	IDA	SDR	Non-Hydro: Budgetary	Feb-22	Aug-41	17.500	24.818	1,822.993	OK
59	Strengthening Fiscal Mgmt & Pvt Sector Employment Opportunities(DPC I)	IDA	SDR	Non-Hydro: Budgetary	Aug-28	Feb-58	20.600	29.214	2,145.923	OK
60	Strengthening Fiscal Management & Private Sector Employment Opportunit	IDA	SDR	Non-Hydro: Budgetary	Aug-29	Feb-59	21.700	30.774	2,260.511	OK
61	COVID-19 Emergency Response & Health Systems Preparedness Project	IDA	SDR	Non-Hydro: Budgetary	Jan-00	Jan-00	2.186	3.100	227.686	OK
62	Third Strengthening Fiscal Mgt & Pvt Sector Employment Opportunities (DPC III)	IDA	SDR	Non-Hydro: Budgetary	Jan-00	Jan-00	29.200	41.410	3,041.793	OK
63	Development Policy Financing With Catastrophe Deferred Drawdown Option	IDA	SDR	Non-Hydro: Budgetary	Jan-00	Jan-00	10.900	15.458	1,135.464	OK
64	Small Farm Development & Irrigation Rehabilitation Project	IFAD	SDR	Non-Hydro: Budgetary	Jun-91	Dec-30	0.940	1.334	97.961	OK
65	Tashigang & Mongar Area Development	IFAD	SDR	Non-Hydro: Budgetary	Jun-96	Dec-35	0.959	1.359	99.860	OK
66	Punakha Wangdi Valley Development Project	IFAD	SDR	Non-Hydro: Budgetary	Oct-98	Apr-38	0.854	1.212	88.995	OK
67	First Eastern Zone Agricultural Project	IFAD	SDR	Non-Hydro: Budgetary	Jul-02	Jan-42	1.466	2.079	152.722	OK
68	Second Eastern Zone Agricultural Project	IFAD	SDR	Non-Hydro: Commercial	Mar-10	Sep-39	4.129	5.856	430.147	OK
69	Agriculture, Marketing and Enterprise Promotion Programme	IFAD	SDR	Non-Hydro: Commercial	Oct-15	Apr-45	7.534	10.684	784.820	OK
70	Market Access and Growth Intensification Project(MAGIP-LOAN)	IFAD	SDR	Non-Hydro: Budgetary	Apr-21	Oct-50	5.596	7.936	582.970	OK

71	Commercial Agriculture & Resilient Livelihoods Enhancement Programme (CARLEP-LOAN)	IFAD	SDR	Non-Hydro: Budgetary	Oct-20	Apr-40	5.091	7.220	530.311	OK
72	Basochhu Hydro Power Project (Upper Stage)	GOA	EUR	Hydropower	Dec-06	Dec-25	4.296	5.042	370.361	OK
73	Basochhu Hydro Power Project (Lower Stage)	GOA	EUR	Hydropower	Jun-10	Dec-24	8.332	9.780	718.353	OK
74	Dagachhu Hydroelectric Power Project (Raiffeisen Bank International)	GOA	EUR	Hydropower	Jan-15	Mar-25	15.707	18.436	1,354.202	OK
75	The Financing of Rural Electrification	GOA	EUR	Non-Hydro: Commercial	Dec-18	Dec-29	2.916	3.422	251.386	OK
76	Rural Electrification Project (Phase I) - JICA	JICA	JPY	Non-Hydro: Commercial	May-17	May-47	2,812.922	25.514	1,874.109	OK
77	Rural Electrification Project (Phase II) - JICA	JICA	JPY	Non-Hydro: Commercial	Jun-21	Jun-51	1,744.840	15.826	1,162.500	OK
78	Purchase of New Aircraft ATR 42-600 By Druk Air Corporation	SDF	USD	Non-Hydro: Commercial	Mar-20	Mar-30	12.278	12.278	901.864	OK
TOTAL CONVERTIBLE CURRENCY (currency other than INR and BTN) DEBT								855.785	62,861.709	OK

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Currency	Forex Rate (Currency/BTN) as on 31-Mar-2021
USD	73.455
SDR	104.171
EURO	86.215
JPY	0.666
INR	1.000

Annex -III: Details of Indian Rupee Loans Disbursements, Repayments and Outstanding as on 31-Mar-2021

<i>Sl. No.</i>	<i>Project</i>	<i>Capacity</i>	<i>Total Project Cost</i>	<i>Loan Component</i>	<i>Loan Disbursed</i>	<i>Principal Repayment (cumulative)</i>	<i>Interest Paid (cumulative)</i>	<i>Disbursed Outstanding Debt(DoD)</i>
1	Punatshangchu Hydropower Project Authority(PHPA)-I	1200 MW	93,755.75	56,253.45	48,274.48	-	-	48,274.483
2	Punatshangchu Hydropower Project Authority(PHPA)-II	1020 MW	72,906.20	51,034.34	48,782.19	-	-	48,782.186
3	Mangdechu Hydropower Project Authority(MHPA)	720 MW	51,445.94	36,012.16	35,088.41	-	-	47,345.080
4	Tangsibji Hydro Energy Limited	118 MW	10,658.50	3,530.00	2,951.87	-	552.63	2,951.87
5	Kholongchu Hydro Energy Limited	600 MW	39,134.500					
	Sub-total (Hydro-power Rupee loans)	3058 MW	228,766.39	146,829.95	135,096.95	-	552.63	147,353.62
5	Standby Credit Facility II		3,000.00	3,000.00	3,000.00	-	1,244.32	3,000.00
6	Standby Credit Facility III		4,000.00	4,000.00	4,000.00	-	1,481.51	4,000.00
	Sub-total (Other Rupee loans)		7,000.00	7,000.00	7,000.00	-	2,725.83	7,000.00
	Grand Total (Rupee loans)		235,766.39	153,829.95	142,096.95	-	3,278.46	154,353.62

ANNEX- IV: DETAILS OF DOMESTIC DEBT – 31 MARCH 2021

Annexure V- Domestic Debt

	Maturity Date	Interest/Discount rate	Debt Stock (Million Nu.)
Construction of staff quarter of Phuntsholing Hospital	01-Apr-22	7.50%	25.453
Liquidation of loan from DEG, Germany	01-Oct-31	8.30%	361.267
3-Year Government Bond	26-Sep-23	6.50%	3,000.000
10-Year Bond	17-Feb-31	3.98%	700.000
T-Bills	25-Nov-20	0.71%	5,000.000
WMA	NA	1.80%	0.063
Total			9,086.783

Notes: The discount rate for the T-Bills is the weighted average discount rate of winning bids

ANNEX - V: LENDING TERMS

Sl. No.	Creditors	Agreement Currency	Repayment Period	Grace Period	Interest Rate (p.a)	Other charges (Commitment/ Mgt. fees/ Guarantee/service charges) p.a
Bilateral						
1	Government of India - Hydropower Loans	Indian Rupees	10-15 years	8 and 9 years	9% - 10.75%	
	Government of India - Standby Credit Facility	Indian Rupees	5 years		5%	
2	Japan International Cooperation Agency (JICA)	JPY	30 years	10 years	0.01% and 0.2%	0.1%; For new loans effective from April 2013, front end fee of 0.2% is applicable instead of commitment charge
3	Govt. of Denmark (Danish Mixed Credit)	EUR	10 years	3 years	0%	
4	Government of Austria	EUR	12-20 years	3.5 - 10 years	0% - 5.92%	0.15% - 0.25%
5	Germany - (Deutsche Investitions-DEG)	EUR	8 years	5 years	3 months EUROBOR + Margin (4.5%)	Commitment fee- 0.75%; Front end fee - 1.3%
Multilateral						
1	Asian Development Bank					
(i)	ADF	SDR	16 and 24 years	8 years	1% during the grace period; 1.5% thereafter	
	(a) Project loans		24 years			
	(b) Program loans		16 years			
(ii)	Hard-Term ADF	SDR	24 years	8 years	3.15%	

(iii)	OCR	USD	25 years	5 years	6-month LIBOR + 0.20% (Dagachhu); 6-month LIBOR + 0.70% (Tangsibji)	0.15%
2	World Bank					
(i)	IDA -Regular	SDR	30 years	10 years	0%	0.75%
(ii)	IDA -Blend	SDR	20 years	5 years	1.25%	0.75%
(iii)	IDA Small Economy Term Credits	SDR	30 years	10 years	0%	Commitment Fee 0-0.5% & Service charge 0.75%
3	International Fund for Agricultural Development (IFAD)					
(i)	IFAD -Regular	SDR	40 and 30 years	10 years	0%	1% and 0.75%
(ii)	IFAD -Blend	SDR	20 years	5 years	1.25%	0.75%