

Royal Government of Bhutan

Ministry of Finance



Public Debt Situation Report

For the quarter-ended

30th September 2022

Development Coordination and Debt Management Division

Department of Macro-Fiscal and Development Finance

October 2022

Table of Contents

| | | |
|-----|--|----|
| I | Summary | 1 |
| II | External Debt..... | 1 |
| III | Domestic Debt..... | 6 |
| IV | Redemption profile | 7 |
| V | Government Guarantee | 9 |
| VI | Cost and Risk Indicators | 9 |
| | Annexure-I: Total Public Debt details | 11 |
| | Annexure II: Details of INR debt details | 12 |
| | Annexure III: Lending Terms..... | 13 |

List of Tables

| | |
|---|---|
| Table 1:Summary of Total Public Debt Stock | 1 |
| Table 2:External Debt: By Govt. Debt, Corporate Debt, and Central Bank Debt | 2 |
| Table 3:External Debt: By hydropower and non-hydro debt..... | 2 |
| Table 4:External Debt by INR and CC denomination..... | 3 |
| Table 5:External Debt Servicing | 6 |
| Table 6:Domestic debt summary | 7 |
| Table 7:Status of Government Guarantees | 9 |
| Table 8:Cost and Risk Indicators for existing debt | 9 |

List of Figures

| | |
|--|---|
| Figure 1:External debt by creditor composition..... | 4 |
| Figure 2:External debt by creditor type | 4 |
| Figure 3:External debt by sectoral composition..... | 5 |
| Figure 4:External debt by currency composition | 5 |
| Figure 5:Principal repayment profile..... | 8 |

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 |
| BoBL | Bank of Bhutan Ltd |
| CC | Convertible Currency |
| COL | Concessional OCR Lending |
| 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 |
| DPNB | Druk 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 |

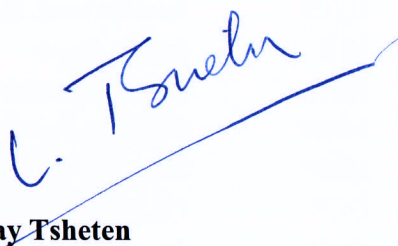
This debt report is prepared by the Development Coordination and Debt Management Division, Department of Macro-Fiscal and Development Finance, Ministry of Finance. The external debt statistics in this report and those published by the RMA has a minor difference: in this report, only the public debt statistics are presented, while the RMA external statistics includes private external debt in addition to the public debt. Further, RMA also reports currency swap arrangement with RBI under external

FOREWORD

The Department of Macro-Fiscal and Development Finance (DMDF) is pleased to present the Public Debt Situation Report for the quarter ended 30 September 2022. The report presents an update on the public debt stock, sovereign guarantee, and cost-risk indicators of the debt portfolio.

The public debt stock as of 30th September 2022 stood at Nu. 256,993.907 million, accounting for 124.5% of FY 2022-23 GDP estimate. The debt stock comprised external debt of Nu. 229,432.640 million and domestic debt of Nu. 27,561.267 million. The sovereign guarantee stood at Nu. 5,311.881 million, accounting for 2.6% of FY 2022-23 GDP estimate.

The publication of quarterly Debt Situation Report, in line with sound public debt management practice, is expected to contribute towards effective public debt management in the Country from enhanced public debt transparency.



Loday Tsheten
DIRECTOR

Department of Macro-Fiscal and Development Finance

I. Summary

1. The total public debt stock as of 30 September 2022 stood at Nu. 256,993.907 million. The debt stock comprises external debt of Nu. 229,432.640 million and domestic debt of Nu. 27,561.267 million. Scaled by GDP estimate for FY 2022-23, the total public debt stood at 124.5%.
2. The public debt stock declined marginally by Nu. 526.045 million (0.20%) from that of the preceding quarter. The external debt stock declined by Nu. 26.045 million (0.01%) and internal debt by Nu. 500 million (1.78%).

Table 1 presents the comparative public debt summary for quarters ended 30 September 2022 & 30 June 2022.

| Category | 30-Jun-2022 | 30-Sept-2022 | Change (amount) | Change (%) |
|-------------------------------------|--------------------|--------------------|-----------------|---------------|
| Total Public Debt | 257,519.952 | 256,993.907 | -526.045 | -0.20% |
| <i>Percent of GDP</i> | <i>133.6%</i> | <i>124.5%</i> | | |
| External Debt | 229,458.685 | 229,432.640 | -26.045 | -0.01% |
| <i>Percent of GDP</i> | <i>119.0%</i> | <i>111.1%</i> | | |
| <i>Percent Total Public Debt</i> | <i>89.1%</i> | <i>89.3%</i> | | |
| Domestic Debt | 28,061.267 | 27,561.267 | -500.000 | -1.78% |
| <i>Percent of GDP</i> | <i>14.6%</i> | <i>13.4%</i> | | |
| <i>Percent of Total Public Debt</i> | <i>10.9%</i> | <i>10.7%</i> | | |

Table 1: Summary of Total Public Debt Stock

II. External Debt

3. For monitoring and reporting, external debt is classified based on the contracting party, by purpose, currency of borrowing, and creditor. External debt may be government debt, corporate debt, or central bank debt depending on the contracting party. Categorizing by the purpose of the loan, external debt is either hydro loan or non-hydro loan. Finally, external loan is contracted either in Rupees (INR) or convertible currency (CC) depending on the creditor.

II.1 External debt by Contracting Agency: Government Debt, Corporate Debt, and Central Bank Debt

Table 2 shows the bifurcation of external debt by contracting agencies: Gov't Debt, Corporate Debt, and Central Bank Debt as of 30 September 2022:

| Category | Amount (M Nu.) |
|--|--------------------|
| (a) Gov't Debt | 210,463.737 |
| Percent of Total External Debt | 91.7% |
| <i>o/w on-lent to Public Corporations(including hydro loans)</i> | 157,926.972 |
| Percent of Gov't Debt | 75.0% |
| (b) Corporate Debt | 11,968.904 |
| Percent of Total External Debt | 5.2% |
| (c) Central Bank Debt | 7,000.000 |
| Percent of Total External Debt | 3.1% |

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

4. The government debt of Nu. 210,463.737 million accounts for 91.7% of the total external debt. It includes borrowings for budgetary activities, hydropower projects, and loans availed by the government and on-lent to public corporations.
5. Corporate debt pertains to borrowings directly contracted by the public corporations. It amounts to Nu. 11,968.904 million and accounts for 5.2% of the total external debt.
6. The Standby Credit Facility with the GoI makes up 3.1% of the total external debt and is classified as Central Bank debt.

II.2 External debt stock by Hydropower and Non-hydropower debt

Table 3 shows the total external debt composition of hydropower and non-hydro power debt as of 30 September 2022.

| Category | Amount (M Nu.) |
|---------------------------------------|--------------------|
| (A) Hydropower Debt | 162,849.199 |
| <i>Percent of GDP</i> | 78.9% |
| <i>Percent of Total External Debt</i> | 71.0% |
| (B) Non-Hydro Debt | 66,583.441 |
| <i>Percent of GDP</i> | 32.3% |
| <i>Percent of Total External Debt</i> | 29.0% |
| (B.1) Non-Hydro Debt: Budgetary | 52,536.765 |
| (B.2) Non-Hydro Debt: Commercial | 7,046.676 |
| (B.3) Non-Hydro Debt: Central Bank | 7,000.000 |

Table 3: External Debt: By hydropower and non-hydro debt

7. The hydropower debt as of 30 September 2022 stood at Nu. 162,849.199 million, constituting 71.0% of total external debt and 78.9% of FY 2022-23 GDP estimate. The

hydro debt comprises debt stock of six hydropower projects of MHPA, Puna-I, Puna-II, Nikachu, Dagachu, and Baoschu.

8. The non-hydro debt stood at Nu. 66,583.441 million, constituting 29.0% of total external debt and 32.3% of estimated GDP. *The non-hydro debt to GDP of 32.3% is within the 35% threshold prescribed by the Public Debt Policy 2016.*

II.3 External Debt by INR and CC denomination

The total external debt in terms of Rupee and Convertible Currency (CC) as of 30 September 2022 is presented in Table 4.

| Category | Amount (M Nu.) |
|---|--------------------|
| (A) Rupee Debt | 155,026.249 |
| <i>Percent of Total External Debt</i> | <i>67.6%</i> |
| (A.1) Hydro Rupee Debt | 148,026.25 |
| (A.2) Central Bank Rupee Debt | 7,000.000 |
| (B) CC Debt (US\$ 907.34 Million) | 74,406.392 |
| <i>Percent of Total External Debt</i> | <i>32.4%</i> |
| Total External Debt | 229,432.640 |
| <i>Percent of Total Public Debt</i> | <i>89.3%</i> |

Table 4: External Debt by INR and CC denomination

9. As of 30 September 2022, the INR-denominated debt accounted for 67.6% of total external debt, of which 95.5% was hydropower debt. The INR-denominated debt decreased marginally by Rs. 371.422 million (0.2%) from the previous quarter.
10. The Convertible Currency (CC) debt stock stood at US \$907.34 million, equivalent to Nu. 74,406.392 million, accounting for 32.4% of total external debt. The Ngultrum value of CC debt stock increased marginally by Nu. 345.377 million from the total CC debt stock of Nu. 74,061.014 million (\$936.888 million) of 30 June 2022. The increase was mainly owing to the on-going project loan disbursement during the quarter.

II.4 External debts by creditor, sectorial, and currency composition

The Figure 1 presents external debt by creditor composition.



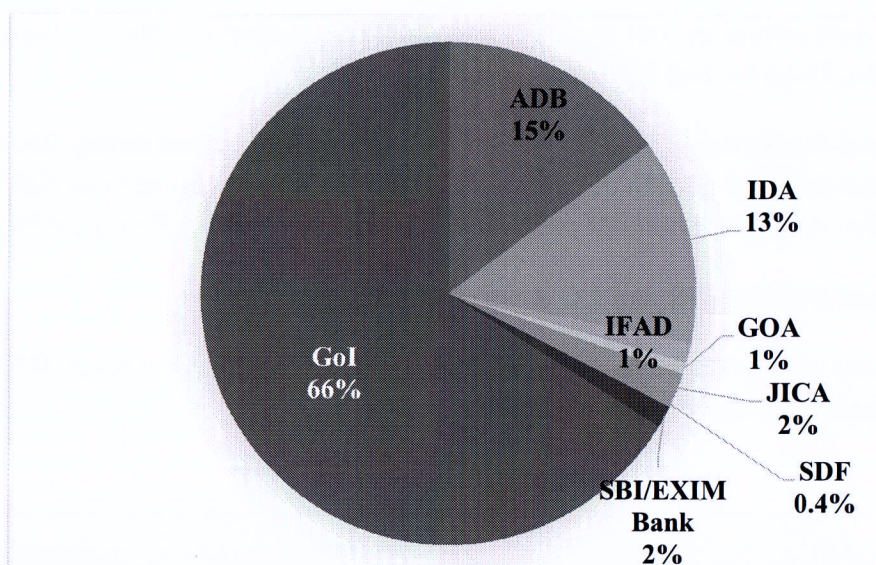


Figure 1: External debt by creditor composition

11. The GoI remains the country's largest creditor. As of 30 September 2022, 66% of Bhutan's external debt was owed to GoI, followed by 15% to ADB and 13% to IDA. The rest, about 6.4%, were owed to IFAD, JICA, GoA, SBI/EXIM Bank and SDF combined.

Figure 2 shows external debt multilateral and bilateral lender categories.

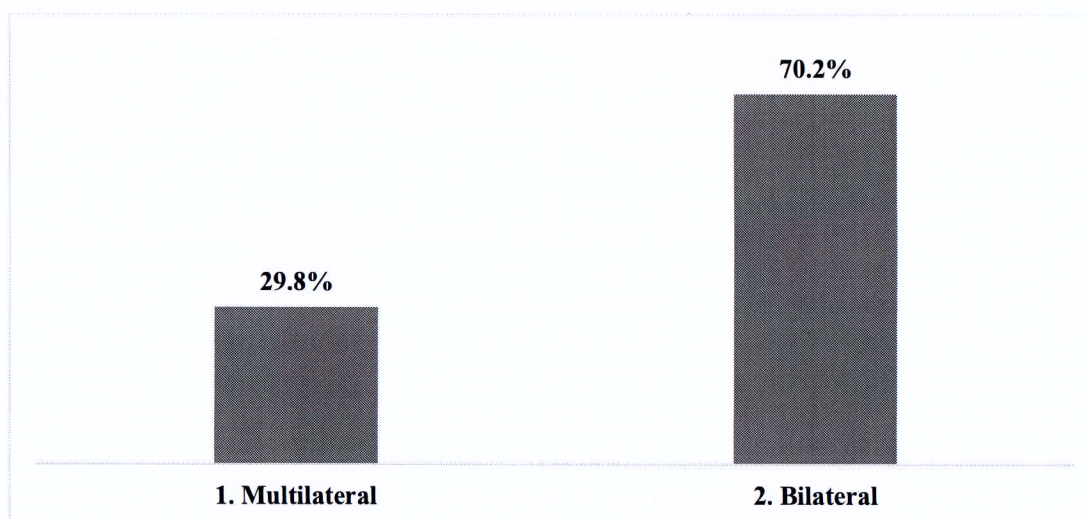


Figure 2: External debt by creditor type

12. As of 30 September 2022, bilateral debt accounted for 70.2% of total external debt and multilateral debt accounted for 29.8%.

Similarly, Figure 3 presents external debt by the sectorial composition

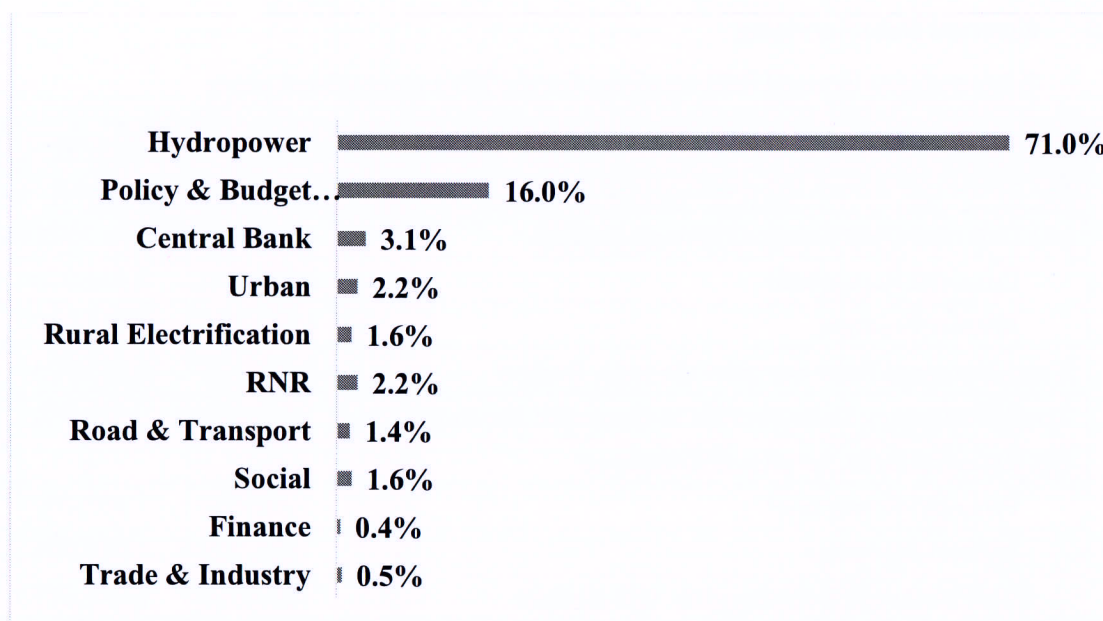


Figure 3: External debt by the sectorial composition

13. As of 30 September 2022, almost three-fourth (71.0%) of the external debt was on account of debt contracted for financing hydropower projects in the country, followed by budget support from the World Bank, ADB and JICA at 16%. Others include borrowings for financing infrastructure development, such as rural electrification, agriculture, road connectivity, trade infrastructure, and urban development.

Figure 4 presents the external debt by the currency composition:

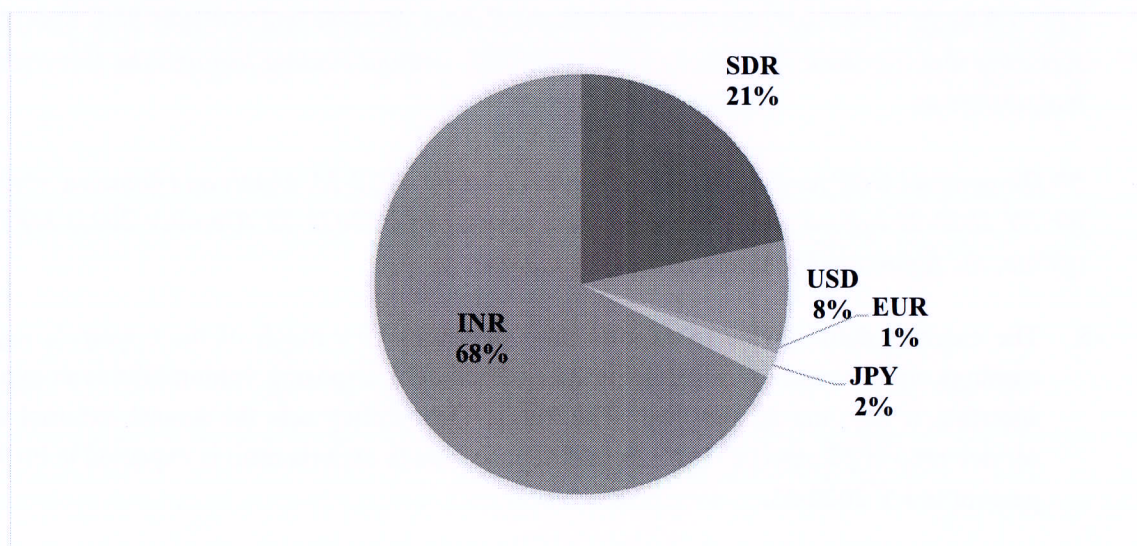


Figure 4: External debt by currency composition

14. A major portion (68%) of the country's external debt is denominated in Indian Rupee, followed by denomination in SDR (21%), USD (8%), EUR (1%) and JPY (2%) respectively.

II.5 External Debt Servicing

Table 5 shows external debt servicing for the three recent fiscal years.

| Category | 2020/21 (Actual) | 2021/22 (Actual) | 2022/23 (Budget) |
|---|-------------------------------|---------------------|---------------------|
| (A) External Debt Service through Budget | Amounts in Million Nu. | | |
| Principal Repayment | 3,725.060 | 5,434.076 | 5,740.524 |
| Interest Payment | 1,721.276 | 2,721.847 | 2,898.883 |
| Total External Debt Service- through Budget | 5,446.335 | 8,155.923 | 8,639.407 |
| Total Budgetary Debt Service to Domestic Revenue | 15.2% | 20.9% | 20.9% |
| (B) External Debt Service-Off-Budget* | | | |
| Principal Repayment | 52.607 | 107.709 | 113.747 |
| Interest Payment | 781.909 | 949.908 | 589.052 |
| Total External Debt Service- Off-Budget | 834.516 | 1,057.617 | 702.799 |
| Total External Debt Service | 6,280.851 | 9,213.540 | 9,342.206 |
| Total External Debt Service to Exports of Goods & Services | 11.5% | 15.1% | 14.3% |
| Memorandum Items | | | |
| Nominal GDP** | 180,034.01 | 192,818.44 | 206,418.64 |
| Export of Goods and Services** | 54,737.58 | 61,213.93 | 65,409.06 |
| Domestic Revenue** | 35,855.44 | 39,042.60 | 41,279.27 |

Table 5: External Debt Servicing

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

*** The nominal GDP for FY 2020-21, FY 2021-22 & FY 2022-23, export and domestic revenue for FY 2022-23 are estimates based on first quarter of FY2022-23 (October 2022) MFCTC update; the figure could change in the next update.*

15. The external debt service to exports ratio measures how much of the country's export earnings will be used up in servicing its external debt, exposing vulnerabilities to exports shortfall, if any, during the year. The Public Debt Policy sets the annual external debt service ratio at 25 percent. The external debt service to exports ratio is expected to hit 14.3 percent in FY 2022-23.

III. Domestic Debt

16. The total domestic debt stock on 30 September 2022 stood at Nu. 27,561.27 million, accounting for 14.3% of estimated GDP and 10.7% of total public debt stock. The details of domestic debt stock are provided in Table 6.

| Particulars | Amount in Million |
|--|-------------------|
| (A) Domestic Budgetary Debt | 26,500.00 |
| RGoB Bonds (3/7/10/12 Years) | 11,500.00 |
| Treasury Bills (<i>as of 30.06.2022</i>) | 15,000.00 |
| <i>Percent of GDP</i> | <i>13.7%</i> |
| <i>Percent of Total Public Debt</i> | <i>10.3%</i> |
| (B) Domestic: Corporate Debt | 1,061.267 |
| Bhutan Hydropower Services Ltd. | 361.27 |
| NDCSI Bank (RGoB Bond) | 700.00 |
| <i>Percent of GDP</i> | <i>0.6%</i> |
| <i>Percent of Total Public Debt</i> | <i>0.4%</i> |
| Total Domestic Debt (A+B) | 27,561.27 |
| <i>Percent of GDP</i> | <i>14.3%</i> |
| <i>Percent of Total Public Debt</i> | <i>10.7%</i> |

Table 6: Domestic debt summary

17. The domestic debt mainly comprised T-Bill stock of Nu. 15,000 million and Government bonds of Nu. 12,200 million. Series of Government bonds were issued: 3-year Government bond of Nu. 3,000 million was issued in September 2020; 10-year Government bond of Nu.700 million in February 2021; 10-year Government bond of Nu. 3,000 million in February 2022; 7-year Government bond of Nu.1,500 million in April 2022; and 12-year Government bond of Nu. 4,000 million was issued in June 2022. The balance was loan outstanding to the National Pension and Provident Fund (NPPF) borrowed for the refinancing of Bhutan Hydropower Services loan to the Deutsche Investitions (DEG), Germany.
18. The domestic debt decreased by Nu. 500 million compared to the domestic debt at the end of previous quarter.

IV. Redemption profile

Chart 5 below depicts the projected principal repayment of the public debt stock as of 30 September 2022.

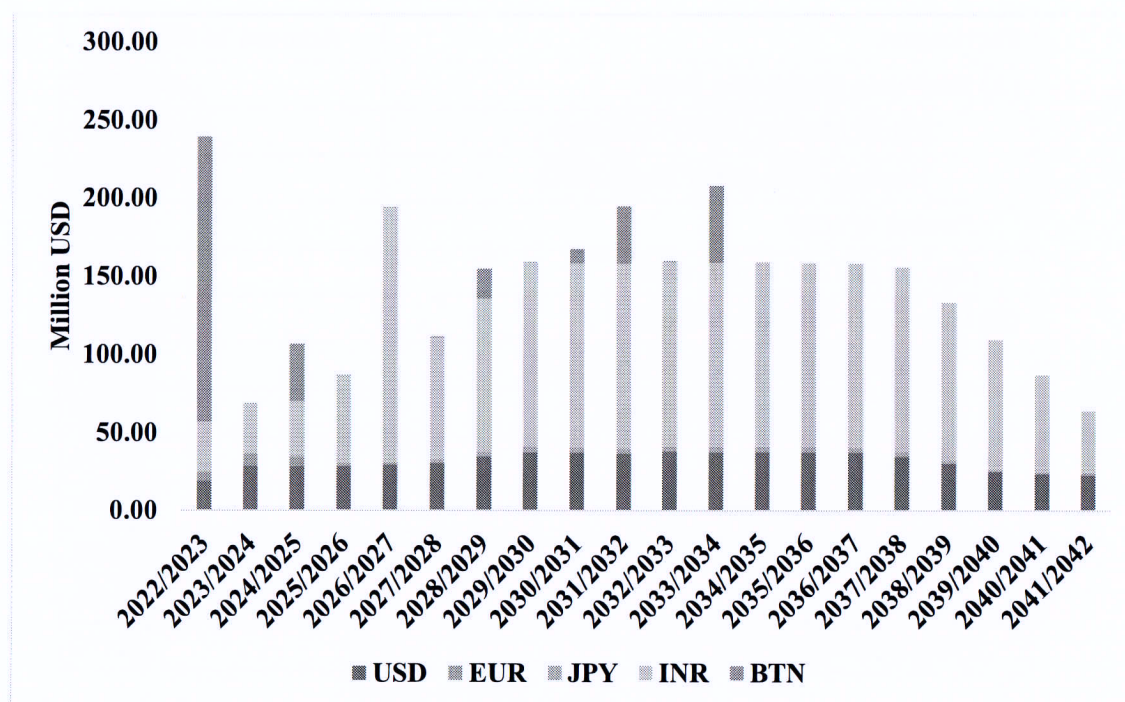


Figure 5: Principal repayment profile

Note: This repayment profile is based on current loan outstanding; future disbursements are not included.

19. The high repayment of Ngultrum-denominated debt in FY 2022/23 is due to the redemption of Nu. 15,000 million T-Bills stock, which will be maturing in the coming months of October and November. Similarly, the 3-year Government bond of Nu. 3,000 million issued in September 2020 will be maturing in FY 2023/24.
20. The significant spike in the external repayment in FY 2026/27 is for the settlement of Standby Credit Facility with GoI. The credit facility was extended at a revised rate of 2.5% per annum from 1st July 2022. With the repayments for all the mega hydropower projects, the external repayment is projected to remain elevated until FY2037/38. However, with the liquidation of MHP loan in FY2038/39, the repayment is projected to drop and stabilize thereafter.

V. Government Guarantee

Table 7 presents the details of the guarantees issued by the Government as of 30 September 2022.

| Sl# | Beneficiary | Date of Issue | Issued To | Purpose | Original Amount | Balance (Million Nu.) |
|--|---|----------------|-----------|---|-----------------|-----------------------|
| 1 | National Housing Development Corporation Ltd. | 11-Sep-17 | NPPF | Financing for Affordable Housing Project in Phuntsholing. | Nu. 890m | 687.010 |
| 2 | Bhutan Agro Industries Ltd. | 05-Jun-17 | BOBL | Financing for set up of an integrated agro based industry in Lingmethang, Mongar. | Nu. 166m | 146.984 |
| 3 | Bhutan Development Bank Ltd. | 09-Mar-19 | NPPF | OESD Loan Scheme to youths. | Nu. 521.3m | 89.195 |
| 4 | Drukair Corporation Ltd. | 11-Feb-19 | NPPF | Financing for purchase of new Aircraft A320 Neo. | US\$ 36.6 m | 3,001.219 |
| 5 | Drukair Corporation Ltd. | 13-Aug-19 | SDF | Purchase of New ATR 42-600 | US\$ 13m | 829.153 |
| 6 | Multiple Beneficiaries | Multiple Dates | FIs | Gov't guarantee under NCGS | | 561.320 |
| Total | | | | | | 5,311.881 |
| Government Guarantee to GDP (%) | | | | | | 2.6% |

Table 7 : Status of Government Guarantees

21. As of 30 September 2022, the government guaranteed outstanding loan stood at Nu. 5,311.881 million, accounting for 2.6% of estimated GDP. This included the sovereign guarantee of Nu. 561.320 million provided for credits sanctioned under the National Credit Guarantee Scheme (NCGS). The sovereign guarantee was within the threshold of 5% of GDP prescribed by Public Debt Policy 2016.

VI. Cost and Risk Indicator

Table 8 below presents the summary of cost and risk indicators of the debt portfolio as of 30 June 2022.

| Cost & Risk Indicators | | External Debt | Domestic Debt | Total Public Debt |
|--------------------------------|---|---------------|---------------|-------------------|
| Nominal Debt (Million Nu.) | | 229,432.640 | 27,561.267 | 256,993.907 |
| Nominal Debt as percent of GDP | | 111.1% | 13.4% | 124.5% |
| Weighted Average Interest Rate | | 6.9% | 2.0% | 6.5% |
| Refinancing Risks | Average Time to Maturity (Years) | 12.2 | 4.2 | 11.3 |
| | Debt Maturing in 1 Year (% of Total) | 2.0% | 54.4% | 7.6% |
| Interest Rate Risks | Average Time to Re-fixing (Years) | 11.7 | 4.2 | 10.9 |
| | Debt Re-fixing in 1 Year (% of Total) | 7.1% | 54.4% | 12.2% |
| | Fixed Rate Debt (% of Total) | 94.8% | 100.0% | 95.3% |
| Forex Risk | CC Debt (% of Total Public Debt) | | | 29.0% |
| | Short-term CC Debt (% of Gross Reserve) | | | 0.0% |
| Debt Stress | Hydro Debt to GDP (%) | | | 78.9% |
| | Non-Hydro Debt to GDP (%) | | | 32.3% |

Table 8: Cost and Risk Indicators for existing debt as of 30 September 2022.

22. Despite the elevated levels of total public debt at 124.5% and external debt at 111.1% of GDP, the overall risk is deemed manageable, and external debt distress considered moderate for the following reasons.
- The major portion of external debt is on account of hydropower projects which are deemed commercially viable, with a ready export market in India. In addition, 95.5% of the hydro debt is denominated in INR, which does not pose any exchange rate risks as Ngultrum is pegged at par with INR.
 - The fixed interest rate debt constituted 95.3% of the total public debt. In addition, the average time to re-fixing (ATR) is estimated at 10.9 years. Thus, due to the long ATR and the low portion of the variable-interest-rate debt, the interest rate risk is deemed low.
 - The Average Time to Maturity (ATM) is estimated at 11.3 years, and about 7.6% of the debt (2.0% of external debt, and 54.4% of domestic debt) will be maturing in 1 year. The long ATM and the low level of debt maturing in 1 year indicate that the refinancing/rollover risk is low.
 - Although 54.4% of domestic debt (mostly T-Bills) would be maturing within one year, the refinancing risks is low due to current liquidity position in financial institutions- the main investors of T-Bills. However, in the medium term, if bank lending activities pick up, such high level of T-Bills could pose refinancing risks.
 - Hydropower debt constitutes 71% of total external debt and hydropower debt carries/bears low risk as debt servicing for hydropower loans from India starts only a year after the commissioning of the project. This ensures revenue inflow before debt

servicing starts, thus mitigating liquidity risk. The export tariff for electricity is set by considering the overall cost of the project, including the projected debt servicing cost. This implies that the revenue from the sale of electricity would provide adequate cushion for debt servicing.

- vi. The balance 29% of the external debt are CC-denominated debt, which are concessional loans with nominal interest rates (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 has ensured that the impact of debt servicing on the government's cash flow and the forex reserve is spread over a long period, thus mitigating the liquidity risks.

Annexure-I: Total Public Debt details

(Amount in millions)

| Category | Borrowing Currency | A. Gov't Budgetary Debt | | | B. On-lent & Corporate(Including hydropower) | | | 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. | Amount in Borrowing Currency | Amount in Equivalent US\$ |
| A. External Debt | | | 640.653 | 52,536.765 | | 2,071.775 | 169,895.875 | | 85.361 | 7,000.000 | | 2,797.788 | 229,432.640 | | |
| A.1 Concertible Currency(CC Debt) | | | 640.653 | 52,536.765 | | 266.687 | 21,869.627 | | 0.000 | 0.000 | | 907.340 | 74,406.392 | | |
| ADB | SDR | 90.016 | 114.652 | 9,402.039 | 63.307 | 80.633 | 6,612.277 | | | | 153.323 | 195.285 | 16,014.316 | | |
| ADB | USD | 110.000 | 110.000 | 9,020.550 | 111.468 | 111.468 | 9,140.972 | | | | 221.468 | 221.468 | 18,161.522 | | |
| IDA | SDR | 292.130 | 372.080 | 30,512.434 | 0.000 | 0.000 | 0.000 | | | | 292.130 | 372.080 | 30,512.434 | | |
| GOA | EUR | 0.000 | 0.000 | 0.000 | 21.055 | 20.158 | 1,653.046 | | | | 21.055 | 20.158 | 1,653.046 | | |
| JICA | JPY | 3,300.000 | 22.831 | 1,872.255 | 4,404.899 | 30.475 | 2,499.119 | | | | 7,704.899 | 53.306 | 4,371.374 | | |
| IFAD | SDR | 14.355 | 18.284 | 1,499.384 | 10.867 | 13.841 | 1,135.050 | | | | 25.222 | 32.125 | 2,634.435 | | |
| IFAD | USD | 2.806 | 2.806 | 230.103 | 0.000 | 0.000 | 0.000 | | | | 2.806 | 2.806 | 230.103 | | |
| SDF | USD | 0.000 | 0.000 | 0.000 | 10.111 | 10.111 | 829.162 | | | | 10.111 | 10.111 | 829.162 | | |
| A.2 INR Debt | | | 0.000 | 0.00 | 148,026.249 | 1,805.088 | 148,026.249 | 7,000.00 | 85.361 | 7,000.000 | 155,026.249 | 1,890.449 | 155,026.249 | | |
| Hydropower projects | INR | | | | 148,026.249 | 1,805.088 | 148,026.249 | | | | 148,026.249 | 1,805.088 | 148,026.249 | | |
| BoP Support(RMA) | INR | | | | | | | 7,000.00 | 85.361 | 7,000.000 | 7,000.000 | 85.361 | 7,000.000 | | |
| B. Domestic Debt | | | | | | | | | | | | | | | |
| | BTN | 27,561.267 | 336.093 | 27,561.267 | | | | | | | 27,561.267 | 336.093 | 27,561.267 | | |
| Total Public Debt(A+B) | | | 976.746 | 80,098.032 | | 2,071.775 | 169,895.875 | | 85.361 | 7,000.00 | | 0.000 | 3,133.881 | 256,993.907 | |
| CHECK | | | | OK | | | OK | | | OK | | | OK | | OK |

Annexure II – Details of INR debt details

(Million INR)

| Sl. No. | Project | Capacity | Loan Disbursed | Principal Repayment (cumulative) | Interest Paid (cumulative) | Disbursed Outstanding Debt(DoD) |
|---------|---|----------------|-------------------|----------------------------------|----------------------------|---------------------------------|
| 1 | Punatshangchu Hydropower Project Authority(PHPA)-I | 1200 MW | 48,958.78 | - | - | 49,452.293 |
| 2 | Punatshangchu Hydropower Project Authority(PHPA)-II | 1020 MW | 52,532.14 | - | - | 53,553.216 |
| 3 | Mangdechhu Hydropower Project Authority(MHPA)* | 720 MW | 47,345.08 | 4,177.51 | 3,020.32 | 41,775.070 |
| 4 | Tangsibji Hydro Energy Limited | 118 MW | 3,245.67 | - | 1,047.71 | 3,245.670 |
| | Sub-total (Hydro-power Rupee loans) | 3058 MW | 152,081.67 | 4,177.51 | 4,152.94 | 148,026.249 |
| 5 | Standby Credit Facility II | | 3,000.00 | - | 1,467.88 | 3,000.000 |
| 6 | Standby Credit Facility III | | 4,000.00 | - | 1,778.50 | 4,000.000 |
| | Sub-total (Other Rupee loans) | | 7,000.00 | - | 3,332.68 | 7,000.000 |
| | Grand Total (Rupee loans) | | 159,081.67 | 4,177.51 | 7,485.62 | 155,026.249 |

*includes IDC of INR 12,256.669 million (added to the total loan disbursed after MHP's commissioning in August 2019)

Annexure III- 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 | SAARC Development Fund (SDF) | | | | | |
| (i) | Economic Window Loan | USD | 9 years | 1 year | 6 months LIBOR + 2% | Commitment fee 0.5%; Upfront fee 1%; Upfront appraisal & documentation fee 0.25% each. |

| | | | | | | |
|-------|---|-----|-----------------|----------|---|--|
| 2 | 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% |
| 3 | 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% |
| 4 | 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% |

Exchange Rate

| | Currency | Forex Rate (Currency/BTN) as on 30-Sept-2022 |
|------|----------|--|
| USD | | 82.005 |
| SDR | | 104.448 |
| EURO | | 78.510 |
| JPY | | 0.567 |
| INR | | 1.000 |

