

PM Modi announces INR 40 billion credit line, new rail links, and land for Bhutanese temple in Varanasi

Bhutan and India sign MoUs in renewable energy, health, and mental health to strengthen bilateral cooperation

Dechen Dolkar

India will provide Bhutan with a INR 40 billion line of credit, Prime Minister Narendra Modi announced during his state visit, as part of a series of agreements that also include land for a Bhutanese temple in Varanasi and a new immigration checkpoint at Hatisar near Gelephu to enhance cross-border connectivity.

At a press conference yesterday, Indian Ambassador to Bhutan, Sandeep Arya, said that the new immigration check post will be crucial for investors, businesses, and travellers, particularly with the development of the Gelephu Mindfulness City.

Prime Minister Narendra Modi also announced that India will provide land for a third Bhutanese Buddhist temple in Varanasi, following a request from the Royal Government of Bhutan.

Ambassador Sandeep Arya said that the new INR 40 billion line of credit is designated to support energy projects in Bhutan.

To further strengthen bilateral ties, the two countries exchanged three memorandums of understanding (MoUs) in renewable energy, mental health services, and healthcare to further strengthen



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en bilateral cooperation.

The MoU on renewable energy aims to institutionalise bilateral engagement in solar, wind, biomass, energy storage, green hydrogen, and capacity building.

"It is a substantive memorandum under which the two countries will jointly design and develop energy projects in these areas," Ambassador Sandeep Arya said.

The health MoU seeks to strengthen partnerships in pharmaceuticals, diagnostics, maternal and child health, prevention and treatment of communicable and non-

communicable diseases, traditional medicine, and digital health interventions such as telemedicine. It also covers joint research, technical collaboration, and capacity building of health professionals.

A separate MoU was signed between The PEMA Secretariat and India's National Institute of Mental Health and Neurosciences to establish formal cooperation in mental health.

Ambassador Sandeep Arya said that the MoU will enhance collaboration for the capacity building of mental health professionals, development of in-country men-

tal health courses, and joint research to improve service delivery.

He added that leaders of two nations discussed the importance of connectivity as a driver of opportunity and prosperity. Discussions focused on boosting connectivity through new road and rail infrastructure, particularly railway lines from Samtse to Banarhat and from Gelephu to Kokrajhar.

Ambassador Sandeep Arya said that these projects, slated to begin construction soon, are crucial for providing Bhutan access to the Indian economy and an additional

transport corridor.

The Additional Secretary (North) of the Ministry of External Affairs, Munu Mahawar, said that the railway project is a mega initiative, estimated to cost over Nu 40 billion.

"This will establish Bhutan's first rail connectivity," he said, adding that India will fully fund the project and has made it a top priority to ensure timely completion. A joint project steering committee has been formed and will convene for its first meeting shortly," he said.

Munu Mahawar added that the project will provide access to India's vast railway network, enabling Bhutan to export goods more efficiently and access larger markets within India and beyond.

During the visit, Prime Minister Narendra Modi and His Majesty the King jointly inaugurated the 1,020 MW Punatsangchhu-II Hydroelectric Project in the presence of the sacred relics of Lord Buddha.

The project, constructed under a bilateral agreement, increases Bhutan's power generation capacity by 40 percent and will supply electricity to both countries, achieving a milestone in enduring energy partnership.