

Cabinet approves the investment proposal for generation component of Arun-3 Hydro Electric Project in Nepal by SJVN Limited, a Central Public Sector Enterprises of Government of India

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The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved:

- (i) Investment for generation component of Arun-3 HEP (900 MW) for an estimated cost of Rs. 5723.72 crore at May 2015 Price Level.
- (ii) Completion period of the project shall be 60 months from the date of financial closure which is planned for September this year.
- (iii) Ex-post facto approval for the existing implementing agency, already incorporated in the name of SJVN Arun-3 Power Development Company (P) Limited (SAPDC) registered in Nepal as a 100% subsidiary of SJVN Limited for implementing the project.
- (iv) Any component of work already or being made by the Nepalese authorities shall be so certified by Central Electricity Authority (CEA) and shall be accordingly deducted from the project cost requirements,

The project is located on Arun River in Sankhuwasabha District of Eastern Nepal. The Run-of-River scheme envisages about 70 mtr. high concrete gravity dam and Head Race Tunnel (HRT) of 11.74 Km. with underground Power House containing four generating units of 225 MW each on Left Bank.

SJVN limited bagged the project through International Competitive Bidding. An MoU was signed between Government of Nepal and SJVN Limited for the project in March, 2008 for execution on Build Own Operate and Transfer (BOOT) basis for a period of 30 years including five years of construction period. The Project Development Agreement (PDA) signed on 25.11.2014, which provides 21.9% free power to Nepal for the entire concession period of 25 years. Employment generation of around 3000 persons is envisaged in construction of the project from both India and Nepal.

The project will provide surplus power to India strengthening power availability in the country and will also strengthening economic linkages with Nepal. The power from the project shall be exported from Dhalkebar in Nepal to Muzaffarpur in India.

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