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Adani's 570 MW Wangchhu Project — India-Bhutan Hydropower Partnership Deepens

8 January 2026

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WHY IN NEWS

The Adani Group commenced the 570 MW Wangchhu Hydropower Project in Chukha district, Bhutan — a run-of-river hydropower project on the Wangchhu River, marking a significant milestone in India-Bhutan energy cooperation.

INDIA-BHUTAN HYDROPOWER RELATIONSHIP

India and Bhutan share one of South Asia's most enduring bilateral partnerships, and **hydropower is its economic backbone**. Bhutan's mountainous terrain and glacial rivers give it immense hydropower potential — most of which it cannot consume domestically. India provides the financing, technical expertise, and guarantees to build these projects, while Bhutan exports the surplus power to India's eastern grid.

This arrangement has been mutually beneficial:

Bhutan earns the majority of its government revenue from hydropower exports to India (hydropower receipts constitute ~25–30% of Bhutan's GDP in peak years)

India gets clean, renewable baseload power for its eastern and northeastern states, with no carbon emissions

The treaty framework ensures **fixed purchase price commitments** from India's side, providing Bhutan revenue certainty

The model is described by diplomats as a “hydropower-for-friendship” arrangement — cementing India's role as Bhutan's primary development and security partner under the 2007 India-Bhutan Friendship Treaty.

WANGCHHU PROJECT — KEY DETAILS

Parameter	Details
Developer	Adani Group (private Indian conglomerate)
Capacity	570 MW
Type	Run-of-river hydropower project
River	Wangchu River
Location	Chukha district, Bhutan
Status	Construction commenced January 2026

Run-of-river projects generate electricity from the natural flow of a river without creating a large reservoir — making them less ecologically disruptive than storage dams. The Wangchu River flows through Bhutan’s Chukha district before entering India as the Raidak River in West Bengal.

SIGNIFICANCE OF ADANI GROUP’S ROLE

Traditionally, **India’s government-owned entities** — primarily the Sutelej Jal Vidyut Nigam (SJVN), Druk Green Power Corporation (DGPC), and Bhutan’s government — have led hydropower development in Bhutan under bilateral agreements. The Wangchhu project marks a notable expansion: a **private Indian conglomerate** directly investing in Bhutan’s hydropower under the broader India-Bhutan partnership framework.

This signals:

- India’s willingness to mobilise private capital for strategic neighbourhood projects
- Adani Group’s expansion into international infrastructure under the Make in India and Atmanirbhar Bharat ethos
- The maturing of India-Bhutan commercial ties beyond purely government-to-government frameworks

INDIA-BHUTAN HYDROPOWER — EXISTING PROJECTS

The bilateral hydropower partnership has already delivered several large projects:

- Tala Hydroelectric Project** (1,020 MW) — largest completed; commissioned 2006
- Chukha Hydroelectric Project** (336 MW) — first large bilateral project; operational since 1988

Kurichhu Hydroelectric Project (60 MW) — Mongar district

Punatsangchhu-I (1,200 MW) — under construction (delayed due to geological challenges)

Punatsangchhu-II (1,020 MW) — under construction

Mangdechhu Project (720 MW) — commissioned 2019

The **10,000 MW target** — originally set for completion by 2020 — has been pushed back due to construction challenges. Wangchhu's 570 MW adds meaningfully to progress toward this goal.

BHUTAN — UPSC FACT FILE

Bhutan is a landlocked Himalayan kingdom bordering India (West Bengal, Assam, Arunachal Pradesh, Sikkim) and China (Tibet). It operates on the principle of **Gross National Happiness (GNH)** — prioritising spiritual, physical, social, and environmental health over GDP growth.

Capital: Thimphu

Currency: Ngultrum (pegged 1:1 to Indian Rupee)

SAARC member: Yes

UN member: Yes

Form of government: Constitutional monarchy (King Jigme Khesar Namgyel Wangchuck)

India-Bhutan Treaty of Friendship: 1949 (revised 2007) — governs bilateral relations

Chukha district: Southwest Bhutan; home to the Chukha and now Wangchhu hydropower projects

UPSC RELEVANCE

Prelims: Wangchhu 570 MW; Adani Group; Chukha district Bhutan; run-of-river definition; Wangchu River; India-Bhutan Friendship Treaty 2007; SJVN; existing Bhutan projects (Tala, Chukha, Mangdechhu).

Mains GS-2: India-Bhutan bilateral relations — hydropower as strategic economic pillar; neighbourhood first policy; private sector in bilateral energy projects; Bhutan GNH model vs GDP; significance of northeast connectivity.

★ FACTS CORNER — KNOWLEDGEPEDIA
WANGCHHU HYDROPOWER PROJECT:

Developer: Adani Group
 Capacity: 570 MW
 Type: Run-of-river
 River: Wangchu River → enters India as Raidak (West Bengal)
 Location: Chukha district, Bhutan
 Started: January 2026

INDIA-BHUTAN HYDROPOWER — MAJOR PROJECTS:

Chukha HEP: 336 MW; operational 1988 (first large project)
 Kurichhu HEP: 60 MW
 Tala HEP: 1,020 MW; commissioned 2006 (largest completed)
 Mangdechhu HEP: 720 MW; commissioned 2019
 Punatsangchhu-I: 1,200 MW (under construction)
 Punatsangchhu-II: 1,020 MW (under construction)
 Target: 10,000 MW (India-Bhutan agreement)

BHUTAN KEY FACTS:

Capital: Thimphu; Currency: Ngultrum (1:1 to INR)
 Governing philosophy: Gross National Happiness (GNH)
 King: Jigme Khesar Namgyel Wangchuck
 India borders: West Bengal, Assam, Arunachal Pradesh, Sikkim
 India-Bhutan Friendship Treaty: 1949 (revised 2007)
 Hydropower share of GDP: ~25–30% in peak years

KEY BODIES:

SJVN: Sutlej Jal Vidyut Nigam — Indian PSU for hydropower (leads several Bhutan projects)
 DGPC: Druk Green Power Corporation — Bhutan's state power utility

OTHER RELEVANT FACTS:

India is Bhutan's largest trading partner and security guarantor
 Bhutan is one of only two countries (with Nepal) with which India has bilateral hydropower treaties
 Run-of-river projects: No large storage; use natural river flow; ecologically less disruptive than storage dams
 India's Northeast gets most of the power exported from Bhutan

Sources: GKToday, Ministry of External Affairs

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