

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS  
RAJYA SABHA  
UNSTARRED QUESTION NO. 1255  
ANSWERED ON 13<sup>th</sup> February, 2023

Petrochemical complex in Andhra Pradesh

1255 Shri Prabhakar Reddy Vemireddy:

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) whether it is a fact that the Andhra Pradesh Reorganisation Act, 2014 gives mandate to Union Government for setting up of petrochemical complex in Andhra Pradesh;
- (b) whether it is also a fact that the Act does not talk about Viability Gap Funding (VGF) from the State;
- (c) if so, the reasons that Government is asking for VGF from the State Government; and
- (d) who propounded the VGF for the project which was not there earlier and there was only a proposal that Government would provide grant for this project?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI RAMESWAR TELI)

(a) to (d): Andhra Pradesh Reorganisation Act, 2014 inter alia stated that “IOC or HPCL shall within six months from the appointed day, examine the feasibility of establishing a Greenfield crude oil refinery and petrochemical complex in the successor State of Andhra Pradesh and take an expeditious decision thereon;”.

Government of Andhra Pradesh (GoAP), GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL) signed an MoU on 27.01.2017 for the Petrochemical Complex at Kakinada, Andhra Pradesh. A detailed study has concluded that VGF would be required to make the project viable. The financials of the project along with optimal Viability Gap Funding (VGF) were finalized and agreed upon in 2017 with GoAP..

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