

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA

UNSTARRED QUESTION NO. 1342

To be answered on Tuesday, March 11, 2025

VGF for infrastructure projects

1342. Dr. John Brittas:

Will the Minister of FINANCE be pleased to state:

- (a) the names and details of infrastructure projects where Government has granted or decided to grant Viability Gap Funding (VGF) with additional conditions of premium payment or revenue-sharing arrangements;
- (b) the specific details of the premium-sharing pattern approved/in-principle approved for each of those projects; and
- (c) the year of commencement for revenue or premium-sharing for the Tuticorin Port project, if applicable; and
- (d) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a & b): Vizhinjam International Seaport PPP project is a project where the Government of India has sanctioned Viability Gap Funding (VGF) with additional condition of premium -sharing between the Government of Kerala and the Government of India.

As per the approved financing arrangements, the Total Project Cost (TPC) of the Vizhinjam International Seaport PPP project is Rs. 4089 crore. Rs. 818.80 crore (20% of the TPC) has been sanctioned as Government of India's share of Viability Gap Funding (VGF). The Government of Kerala is also contributing almost an equal amount as State share of Viability Gap Funding (VGF).

As per the condition of premium -sharing, the Government of Kerala has to share with the Government of India, 20% of the premium that the State Government will receive from the concessionaire from the year 2034 onwards until the VGF disbursed by Government of India is repaid in NPV terms or till the end of the concession period, whichever is earlier. The rest 80% of such premium shall be retained by the Government of Kerala.

(c & d): Development of Outer Harbour Container Terminal at Tuticorin is a project of the VOC Port Authority. There is no additional condition of premium -sharing between the VOC Port Authority and the Government of India for Viability Gap Funding. The Tuticorin port is a central sector project wherein the expenditure is incurred by and the revenues accrue to the VOC Port Authority, an autonomous body under the administrative control of the Government of India.
