

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 1090

To be answered on Monday, December 02, 2024

Repayment of VGF for Vizhinjam International Seaport Project

1090. Adv. Adoor Prakash:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government will consider to revoke the repayment clause of the Viability Gap Funding (VGF) for the Vizhinjam International Seaport project;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has received any request from the State Government of Kerala in this regard; and
- (d) if so, the action taken by the Government thereon?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a to d): As per the approved financing arrangements of the Vizhinjam International Seaport PPP project, the Government of Kerala (GoK) has to share with the Government of India (GoI), 20% of the premium that the State Government will receive from the concessionaire from the year 2034 onwards. Rest 80% of such premium shall be retained by the State Government.

Requests of the GoK for waiving off this premium sharing between the GoK and the GoI were deliberated and not accepted in the Empowered Committee meetings dated 27/6/22 and 27/7/24. Again, a request for waiving off this premium sharing was received in October 2024. After consideration, this request is not accepted as premium sharing was one of the conditions of the in-principle as well as the final approval for the Viability Gap Funding (VGF) support.
