

LOK SABHA
STARRED QUESTION NO. *20
TO BE ANSWERED ON 04.02.2019

Viability Gap Funding

*20. PROF. SAUGATA ROY

Will the Minister of PETROLEUM AND NATURAL GAS पेट्रोलियम और प्राकृतिक गैस मंत्री be pleased to state:

(a) the reasons for giving Viability Gap Funding (VGF) of Rs. 5,176 crores to GAIL which is equivalent to the capital expenditure for the Bokaro-Dhamra pipeline which shall connect the LNG Terminal at Dhamra to the National Gas Grid;

(b) whether such type of VGF has been provided to connect any other privately owned LNG Terminal in the country and if so, the details thereof; and

(c) whether any stakeholders have demanded such VGF for any other projects in the country and if so, the details thereof along with the action taken thereon?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA STARRED QUESTION NO. *20 ASKED BY PROF. SAUGATA ROY, MP TO BE ANSWERED ON FEBRUARY 4, 2019

(a) The main reasons for providing Viability Gap Funding (VGF) of Rs. 5,176 crore (i.e. 40% of the estimated capital cost of Rs.12,940 Crore) to Jagdishpur-Haldia/Bokaro-Dhamra Gas Pipeline (JHBDPL) project include the commitment of the Government to develop the National Gas Grid, need to establish gas infrastructure in the eastern part of the country, provide natural gas at reasonable tariff, promote gas based industry, etc.

(b) At present, this Ministry has not provided any VGF to connect any privately owned LNG Terminal in the country.

(c) With respect to development of natural gas pipeline, this Ministry had received a request from Government of Gujarat to consider providing VGF for two Cross Country pipeline projects viz. Mallavaram-Bhopal-Bhilwara-Vijaypur Pipeline (MBBVPL) and Mehsana-Bhatinda-Jammu-Srinagar Pipeline (MBSJPL) by Gujarat State Petronet Limited (GSPL) led consortium (GSPL-52%, IOCL-26%, BPCL-11% and HPCL-11%). The proposal was forwarded to Ministry of Finance.

Further, Indradhanush Gas Grid Limited (IGGL), a joint venture company of five Central Public Sector Enterprises (CPSEs) i.e. IOCL, ONGC, GAIL, OIL and NRL has been incorporated for development of North East Gas Grid to connect eight states of North Eastern part. This Ministry has received a request from IGGL for grant of VGF of 60 % of the project cost estimate.