



# Approval of Loan to VCIC by ADB

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Asian Development Bank (ADB) has approved \$631 million (Rs.4165 crore) in loans and grants for infrastructure development along the Vizag-Chennai Industrial Corridor (VCIC) on 20<sup>th</sup> September, 2016. This amount comprises (i) \$ 500 million two-tranche facility to build key infrastructure (ii) \$ 125 million two-tranche loan to help with industrial policies and business promotion (iii) \$ 5 million grant from the multi-donor Urban Climate Change Resilience Trust Fund that is managed by ADB to build climate resilient infrastructure, and (iv) \$1 million technical assistance to help the Andhra Pradesh local Government to manage the corridor. India and ADB have signed first tranche of loan USD 375 million pact for loans and grants to develop Visakhapatnam-Chennai Industrial Corridor. Detailed Project Reports (DPR) for the first tranche has been prepared. First tranche loan will have a 25 year term, including a grace period of 5 years, a 20 year straight line repayment method at an annual interest rate determined in accordance with ADB's LIBOR-based lending facility.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

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