

# In a first, UP government outsources road project at a premium

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LUCKNOW: The Uttar Pradesh government on Tuesday outsourced its first road construction project at a premium. Approving the proposal of Uttar Pradesh State Highways Authority (UPSHA), the government gave its go ahead to handing over the work of widening of State Highway 46 (connecting Pukhrayan, Ghatampur and Bindki) to Prakash Asphaltings & Toll Highways, a private company from Indore, Madhya Pradesh. This is the fourth state highway to be given to private players for development but instead of sharing the cost of augmenting road infrastructure under public-private-partnership (PPP) model, this is the first time that the state government will be able to make money through toll collection. Since October 2015, three state highways (SH-37 Bareilly to Almora, SH-5A Varanasi to Shakti Nagar, and SH-59 Muzaffarnagar to Saharanpur) have been developed on PPP model at a cost of Rs 355 crore, Rs 1,212 crore and Rs 753 crore, respectively.

## ROADMAP FOR FUTURE

➤ The project is being developed on design, build, finance, operate & transfer basis

➤ Concession period will last **20 years**

➤ **Two-lane highway** will be widened to **four-lane**

➤ The present width is **10m** (including paved shoulder) which will go up to over **20m**

➤ The length of the road is **82.5km**



➤ **Two bridges**, three railway overbridges, and a clover leaf will be constructed

➤ A **4.6km bypass** will also be constructed to facilitate movement to **Ghatampur**

SH-37 and SH-5A were developed using grants-in-aid wherein the Union government agreed to provide 20% of the project cost to make the project feasible for the private player. In case of SH-59, over and above the Centre's 20% assistance, the UP government also covered 20% of the cost.

Under the PPP policy, maximum viability gap funding of up to 40% is allowed to make a project feasible for private players. This time, however, instead of providing funds to the company, the UP government will get an opportunity to generate money. After completing the project, the company will share 1% of the toll collection with UPSHA.

"Though our share is nominal, it is a big achievement for the Yogi government. We had been struggling for the last four years to give a makeover to the crucial state highway since a lot of fatalities are reported from here. We were not able to do much due to shortage of funds," a senior officer from the authority said. The private company has agreed to infuse Rs 1,136.45 crore to widen the highway from two-lane to four-lane. The company will ensure proper road safety measures at three locations, where the state highway intersects three national highways, to dissuade motorists from speeding.

As Kanpur city, Kanpur Dehat and Fatehpur have a lot of industries on the outskirts, a lot of commercial vehicles ply on the stretch during night. The company has agreed to share its revenue with the state government after 3,351 days (9.18 years). After 20 years of operation, the company will hand over the state highway back to UPSHA. Besides widening the highway, it will also augment infrastructure to facilitate movement to neighbouring districts.