

Uttar Pradesh approves municipal bonds worth INR 150 crore for Prayagraj, Varanasi and Agra

Synopsis

The Uttar Pradesh Cabinet has approved the issuance of municipal bonds worth INR 150 crore for Prayagraj, Varanasi, and Agra, offering an incentive of INR 13 crore per INR 100 crore raised. Each city will issue up to INR 50 crore in bonds to fund infrastructure projects, improving urban living conditions. This follows successful bond issuances in Lucknow and Ghaziabad. Additionally, a residential project, a 100-meter-wide inner ring road, and a land parcel scheme in Agra received approvals, supported by an ex-gratia allocation of INR 204.34 crore to bridge land price gaps for development.



The Uttar Pradesh Cabinet has approved the issuance of municipal bonds for the cities of Prayagraj, Varanasi, and Agra. This decision was made during a cabinet meeting chaired by Chief Minister Yogi Adityanath, held in the Maha Kumbh Mela area of Prayagraj. The municipal bonds will allow these cities to raise funds from the market, with the government providing an incentive of INR 13 crore for every INR 100 crore raised. This means that for each bond issued, the government of India will deposit the incentive amount into a designated escrow account, facilitating better financial management for the municipalities.

The plan includes the issuance of bonds worth up to INR 50 crore for each city. The funds generated will be directed toward various infrastructure development projects, which are crucial for supporting the growing populations and improving the quality of life in these urban areas. Municipal bonds offer a way for cities to tap into larger pools of investment, enabling them to finance long-term projects that traditional funding sources may not adequately cover. This initiative is not new to Uttar Pradesh. Similar bonds were previously issued by the municipal corporations of Lucknow and Ghaziabad, demonstrating a growing trend in the state towards innovative financing methods for urban development. The success of these earlier initiatives has likely influenced the current decision, highlighting a commitment to improving infrastructure in key cities.

In addition to the bond issuance, the cabinet also approved a new residential project in Agra, which aims to meet the increasing housing demand in the area. Furthermore, the Agra Development Authority has received approval for a 100-meter-wide inner ring road and a land parcel scheme, which are expected to enhance connectivity and facilitate planned urban expansion. To support these developments, the cabinet has allocated an ex-gratia amount of INR 204.34 crore. This fund will bridge the gap between the 2010 circle rate and the current market rate for approximately 442 hectares of land in Agra. This financial support is essential for ensuring fair compensation for landowners and promoting smoother transactions for development projects.

Moreover, the cabinet has agreed to amend the notification by the Uttar Pradesh State Industrial Development Authority. This change will separate the industrial development areas of the villages Rahankala and Raipur, allowing the Agra Development Authority to create a land bank for residential planning. This strategic move aims to ensure organized and sustainable development in the region.

As these initiatives unfold, they are expected to bring significant changes to the urban landscape of Prayagraj, Varanasi, and Agra. The focus on infrastructure development through municipal bonds and related projects reflects a broader strategy to enhance urban living conditions and support economic growth in Uttar Pradesh.