



Cabinet approves Widening and Strengthening of existing 2-Lane to 2-Lane with Paved Shoulder from Km 68.600 to Km 311.700 of NH-326 in Odisha on EPC mode worth Rs.1526.21 crore

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi today approved the widening and strengthening of existing 2-Lane to 2-Lane with Paved Shoulder from Km 68.600 to Km 311.700 of NH-326 in the State of Odisha under NH(O) on EPC mode.

Financial implications:

The total capital cost for the project is Rs.1,526.21 crore, which includes a civil construction cost of Rs.966.79 crore.

Benefits:

The upgradation of NH-326 will make travel faster, safer, and more reliable, resulting in overall development of southern Odisha, particularly benefiting the districts of Gajapati, Rayagada, and Koraput. Improved road connectivity will directly benefit local communities, industries, educational institutions, and tourism centres by enhancing access to markets, healthcare, and employment opportunities, thereby contributing to the region's inclusive growth.

Details:

- The section of Mohana–Koraput of the National Highway (NH-326) at present have sub-standard geometry (intermediate lane/2-lane, many deficient curves and steep gradients); the existing road alignment, carriageway width and geometric deficiencies constrain safe, efficient movement of heavy vehicles and reduce freight throughput to coastal ports and industrial centres. These constraints will be removed by upgrading the corridor to 2-lane with paved shoulders with geometric corrections (curve realignments and gradient improvements), removal of black spots and pavement strengthening, enabling safe and uninterrupted movement of goods and passengers and reducing vehicle operating costs.
- The upgradation will provide direct and improved connectivity from Mohana–Koraput into major economic and logistics corridors — linking with NH-26, NH-59, NH-16 and the Raipur–Visakhapatnam corridor and improving last-mile access to Gopalpur port, Jeypore airport and several railway stations. The corridor connects important industrial and logistic nodes (JK Paper, Mega Food Park, NALCO, IMFA, Utkal Alumina, Vedanta, HAL) and education/tourism hubs (Central University of Odisha, Koraput Medical College, Taptapani, Rayagada), thereby facilitating faster freight movement, reducing travel time and enabling regional economic development.
- The project lies in southern Odisha (districts of Gajapati, Rayagada and Koraput) and will significantly improve intra-state and inter-state connectivity by making vehicle movement faster and safer, stimulating industrial and tourism growth and improving access to services in aspirational and tribal areas. Economic analysis shows the project's EIRR at 17.95% (base case) while the financial return (FIRR) is negative

(-2.32%), reflecting the social and non-market benefits captured in the economic appraisal; the economic justification is driven largely by travel-time and vehicle-operating-cost savings and safety benefits (including an estimated travel-time saving of about 2.5–3.0 hours and a distance saving of ~12.46 km between Mohana and Koraput after geometric improvements).

Implementation strategy and targets:

- The work will be implemented on EPC mode. Contractors will be required to adopt proven construction and quality-assurance technologies, which may include precast box-type structures and precast drains, precast RCC/PSC girders for bridges and grade separators, precast crash barriers and friction slabs on Reinforced-Earth wall portions, and Cement Treated Sub-Base (CTSB) in pavement layers. Quality and progress will be verified through specialized survey and monitoring tools such as Network Survey Vehicle (NSV), periodic drone-mapping. Day-to-day supervision will be carried out by an appointed Authority Engineer and project monitoring will be conducted through the Project Monitoring Information System (PMIS).
- The work is targeted to be completed in 24 months from the appointed date for each package, followed by a five-year defect liability/maintenance period (total contract engagement envisaged as 7 years: 2 years construction + 5 years DLP). Contract award will follow after completion of statutory clearances and required land possession.

Major impact, including employment generation potential:

- This project is aimed at providing faster and safer movement of traffic and improving connectivity between the southern and eastern parts of Odisha, particularly linking the districts of Gajapati, Rayagada, and Koraput with the rest of the State and neighbouring Andhra Pradesh. The improved road network will facilitate industrial growth, promote tourism, enhance access to education and healthcare facilities, and contribute to the overall socio-economic development of the tribal and backward regions of southern Odisha.
- Various activities undertaken during the construction and maintenance period are expected to generate significant direct and indirect employment opportunities for skilled, semi-skilled and unskilled workers. The project will also boost local industries involved in the supply of construction materials, transportation, equipment maintenance, and related services, thus supporting the regional economy.
- The project is located in the State of Odisha and traverses three districts — Gajapati, Rayagada, and Koraput. The corridor connects major towns such as Mohana, Rayagada, Laxmipur, and Koraput, providing improved intra-state connectivity within Odisha and enhancing inter-state linkage with Andhra Pradesh through the southern end of NH-326.

Background:

Government has declared the stretch “the Highway starting from its junction with NH-59 near Aska, passing through Mohana, Raipanka, Amalabhata, Rayagada, Laxmipur and terminating at its junction with NH-30 near Chinturu in the State of Odisha” as NH-326 vide Gazette Notification dated 14th August 2012.

MJPS

(रिलीज आईडी: 2210106) आगंतुक पटल : 3621

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