

LOCKDOWN IMPACT

March toll collections down a third, April may draw a blank

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THE DECLINE IN public transport since early March that culminated in a nationwide lockdown from March 24 has taken a heavy toll on the toll receipts of the National Highway Authority of India (NHAI) and various private highway developers.

According to an official source, from the usual level of ₹67 crore a day, the overall toll receipts would be down more than a third in March, and the decline would be much sharper in April. If the lockdown continues beyond mid-April and through the month, April collections could even reduce to almost zilch.

Overall, there could be a 3% annual decline in toll collection in 2019-20. In 2018-19, a

Toll collection on national highways



total of ₹24,396 crore was collected as toll, at a monthly average of ₹2,033 crore. India had 570 operational fee plazas on the national highways across the country, as on October end 2019.

To slow the spread of the deadly coronavirus, the Prime Minister announced a 21-day lockdown of the nation with effect from March 24 midnight.

Rating agency Icra said the performance of toll road projects has remained sub-par during the first nine months of the current fiscal owing to the dual impact of revision in axle load norms and the general slow-down in economy which resulted in muted growth in toll collections in the range of 1-2%.

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“THE CONSTRAINED vehicular movement in the run up to the lockdown due to Covid-19 followed by suspension of tolling will further push the toll collections into negative territory for FY2020. Overall, the annual toll collections for FY2020 are expected to witness a decline by around 2-3%,” said ICRA’s Rajeshwar Burla.

Burla said under force majeure (political) event, 100% of O&M and interest costs are reimbursed for the affected period. This would cover around 50-55% of loss of revenue incurred by these projects. However, quantum and timelines for release of compensation is uncertain as on date.

While pandemic (Covid-2019) falls under force majeure (non-political), the toll suspension following lockdown would fall under force majeure (political) event and hence would be compensated, analysts said.

Of the toll receipts, NHAI's share is roughly 30%. The private developers who collect toll include RB Infra, Dilip Buildcon, Ashoka Buildcon and Welspan.