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# Rising traffic drives tolls growth

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**I**N a sign economic activity may be picking up, toll collections in October-December rose 11% over the corresponding period a year ago. Importantly, this has come primarily from rising traffic — both for trucks and cars — rather than a spike in the toll rate. Collections for a clutch of 19 road projects — from IRB Infrastructure, Ashoka Buildcon and Sadbhav Infrastructure — came in at ₹804 crore. While the April-June period too had seen collections rise 15% year-on-year to ₹708.5 crore for 17 road projects, that came

## Toll collections on major Indian roads

(in ₹ crore)	Q3 FY16	Q3 FY15	% change
Mumbai-Pune	162	147	10
Surat-Dahisar	156	145	7.6
Tumkur-Chitradurga	51.4	47	9.4
Bharuch-Surat	49.2	48.7	1.02
Ahmedabad-Vadodara (NE-1)	53	42	26
Jaipur-Deoli	29.5	27	9.4
Thane-Bhiwandi	20	18.8	6.4
Thane-Ghodbunder*	7.7	11	-30
Pune-Nashik	6.7	6.2	8.06
Pune-Solapur	6	5.4	11

\*Exemption in toll for car and state transport bus category w.e.f from June 1, 2015, as per notification issued by Maharashtra government  
Source: Companies



off a somewhat low base.

Indeed, the growth that had begun in June has continued through to December. Had collections not been stopped in certain parts of Maharashtra and had there been a little more mining activity, collections may have been higher. Six stretches operated by Larsen & Toubro in Gujarat and Rajasthan have reported good numbers. L&T CFO R Shankar Raman confirmed tolls were up some 5% during the quarter, backed purely by a rise in traffic volumes, while negative wholesale price inflation was preventing the company from getting the benefit.

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“The bulk of this 5% growth is aided by growth in commercial traffic. The import-export activity has gone up. Given that global commodity prices are low, imports have picked up, so port traffic has increased. Also, government programmes that are getting converted on the quadrilateral, around six to seven stretches have got commissioned in the last nine months. That is also adding to the vehicle movement,” he said.

Sequentially too, toll collections have risen by 9%. Virendra Mhaiskar, CMD, IRB Infrastructure Developers, said the outlook for traffic remains robust with the second half of the year expected to see higher volumes as is typically the case. “We believe traffic should grow around 7%,” Mhaiskar said. A pick-up in traffic from

ports and industrial belts has contributed meaningfully to toll revenues; given how wholesale inflation has been negative for 14 months now, with the last reading having come in at -0.73% in December, toll rates—which are benchmarked to the WPI—haven’t seen a rise.

IRB’s Mumbai-Pune stretch saw double-digit growth in traffic following muted revenues in the September quarter. Similarly, revenues from the Surat-Dahisar, Bharuch-Surat and Tumkur-Chitradurga roads were led by traffic growth in the range of 3-7%.

Varun Mehta, chief financial officer, Sadbhav Infrastructure Project, said roads around Bengaluru and Pune are seeing higher growth as a result of a pick-up in traffic from automobile belt. “Our Aurangabad-Jalna project has done well as a result of start in DMIC (Delhi Mumbai Industrial Corridor) construction. In the Hyderabad-Yadagiri project, we have seen 18-19% growth in revenues after the agitation in Andhra Pradesh and Telangana have stopped,” he said.

Although toll collections and traffic on roads in the mining belt in central and eastern India—Chhattisgarh, Odisha and West Bengal—had im-

proved in the previous quarters due to resumption of mining activity, Ashoka Buildcon managing director Satish Parakh said that the uptick from this was yet to show up in collections. Paresh Mehta, CFO, Ashoka Buildcon, recently told analysts that in sectors like Bhandara and Durg, trucks were ferrying more agri products, which had boosted traffic.