

IL&FS's Noida Toll Bridge Company seeks Rs 100 crores for repairing DND flyway

Synopsis

The DND flyway was conceived as a marquee project and was the first in the country to have Electronic Toll Collection lanes. It was also the first large scale infrastructure road project developed on a Public Private Partnership (PPP) basis in the country.



[Noida Toll Bridge Company Ltd.](#), a Special Purpose Vehicle formed to build, own, operate and transfer the [DND flyway](#) is seeking Rs 100 crores to undertake [major repairs](#) on the crucial link road between [Noida and Delhi](#).

The issue plaguing India's first eight lane access control highway is the lack of any defined sources of income with revenue drying up following adverse positioning by state government departments in Delhi and Noida.

Toll collection on the [DND](#) flyway from commuters had been stopped in October 2016 after an Allahabad High Court order found two provisions relating to levy and collection of fee in the concession agreement to be inoperative.

“The construction of the Noida toll bridge is over 20 years old and in need of major repairs - including some structural repair. After writing to respective governments on multiple occasions for assistance, NTBCL had to finally approach the [Supreme Court](#) seeking issuance of directions to [Uttar Pradesh](#) and Delhi governments for providing an estimated amount of Rs 100 crore as assistance towards undertaking major repairs required on the toll bridge,” a company spokesperson told ET adding that the matter is pending before the apex court.

The [Noida Toll Bridge Company Ltd](#) NSE 0.00 % ([NTBL](#)) is promoted by, now stressed, Infrastructure [Leasing and Financial Services \(IL&FS\) Group](#). It also has equity participation from the New Okhla Industrial Development Authority (NOIDA). The DND flyway was conceived as a marquee project and was the first in the country to have Electronic Toll Collection lanes. It was also the first large scale infrastructure road project developed on a Public Private Partnership (PPP) basis in the country.

While the project was laudable, the contracts allowed NTBL to collect toll from commuters over an extended period. Presently advertising revenue is the only source of income for the company and NTBL reported a net loss of Rs 41.15 crores, against a total income of Rs 17.23 crores, for financial year 2021-22.

The advertising revenue for the company too was under threat after NOIDA raised an alleged demand of Rs 26.05 crores in October 2021 and subsequently removed advertisements on the flyway.

Responding to a query on the measures considered to resolve the financial health of the NTBL, the company spokesperson said, “The New Board of IL&FS is evaluating several options to resolve this asset which amongst others, would be materially influenced by the outcome of the proceedings pending before the Supreme Court, regarding reinstatement of toll collection on the bridge.”

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