



MSV INTERNATIONAL INC.

In Association with

AVANZA ENGINEERING PVT. LTD.

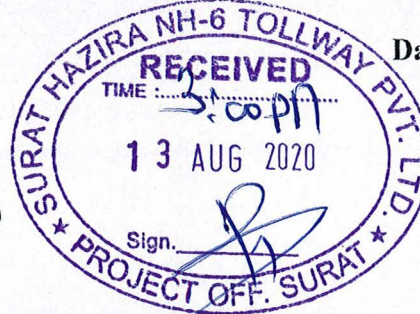
MSV International, Inc.
H.No. A3-212, Raj Abhishek City,
Homes, Near Sachin Flyover, Sachin
Surat, Gujarat-394230
Email: msv.surat@gmail.com
CIN: F04214

IE Services during O&M of 4 laning of Gujarat/Maharashtra Border -Surat-Hazira Port Section of NH53 in State of Gujarat on BOT basis Project under NHDP Phase III

No. MSV-AV/NH53/SHP/2020/480

Date: 31.07.2020

To,
The Project Director
Project Implementation Unit, Surat (Expressway)
National Highways Authority of India,
301-304, VIP High Street,
Surat, Gujarat – 395 007.



Sub: Four laning of Gujarat/ Maharashtra Border – Surat – Hazira Port Section of NH-6 (Approx. length 131.500Km) in the State of Gujarat under NHDP Phase III through Public – Private/ Public Sector Partnership (PPP) on Design, Build, Finance, Operate and Transfer (“DBFOT”) basis:
Recommendation for extension of concession period as per Clause 29.2.1 of CA – Reg.

Ref: 1. NHAI/PIU-Surat (Expressway)/41-TP/2020/1749
2. Concessionaire office letter no. SH/PO/NH-6/2020-21/16090
3. NHAI/PIU-Surat (Expressway)/41-TP/2020/905
4. IE letter no. FPI/SH/NH-6/NHAI/2378
5. IE letter no. FPI/SH/NH-6/NHAI/1392

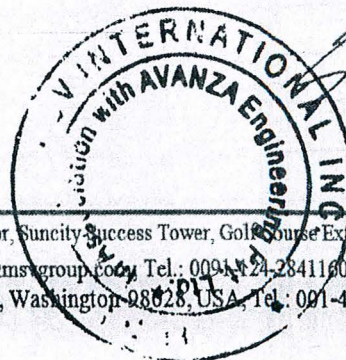
Dated: 28/04/2020
Dated: 21/03/2020
Dated: 15/02/2020
Dated: 04/11/2018
Dated: 31/10/2017

Dear Sir,

With reference to the above captioned subject, Authority letter cited at Sl. No. 1 wherein IE was requested to submit their comments regarding Concessionaire's representation as cited at Sl no 2 for increase in concession period for the subject Project. In this regard, IE has reviewed the same and comments are here as under:

It is to note that classified traffic volume count survey was carried out by IE from 7.10.2019 to 13.10.2019 in accordance to Schedule O and **Article 22.3** of concession agreement. Further, as per **Clause 29.1.1** of CA,

“If the project highway shall have two or more toll plazas, the average traffic there of shall be computed for determining the actual average traffic”. Based on the data collected by surveys from classified traffic volume count, the actual average toll able traffic count of Mandal and Bhatia Toll Plazas was observed to be **21,940 PCU** (average of 22,593 PCU and 21,287 PCU). Please refer to the Traffic survey report of IE enclosed with Authority letter no. 905 dated 15th Feb 2020.



Page 1 of 2

India Office MSV: Unit No. 514, 515 & 516, 5th Floor, Suncity Success Tower, Golf Course Extension Road, Gurgaon-122005 (Haryana)

E-mail: info@msvgroup.com, Tel.: 0091-124-2841160

USA Office MSV: 15215, 62nd Avenue N.E. Kenmore, Washington-98028, USA, Tel.: 001-425-488-4442, Email: msvgroup@msn.com

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In Association with

**AVANZA ENGINEERING
PVT. LTD.**

MSV International, Inc.
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Surat, Gujarat-394230
Email: msv.surat@gmail.com
CIN: F04214

IE Services during O&M of 4 laning of Gujarat/Maharashtra Border -Surat-Hazira Port Section of NH53 in State of Gujarat on BOT basis Project under NHDP Phase III

Clause 29.1.1 of CA is reproduced as “.....*For determining modifications to the concession period under this article 29, the actual traffic on the Target date shall be computing the average of traffic as determined by traffic sampling to be undertaken on the date that falls one year prior to the target date, on the target date and on the first anniversary of the target date*”. Pursuant to the clause as stated above, it is observed that the actual average Traffic is **23,495 PCUs** per day in comparison to Target Traffic of **37,920 PCUs** per day mentioned in the CA which is **38% lesser** than the Target Traffic.

As per **clause 29.2.1** of CA, the Concession period is to be increased by 1.5 times of 38% i.e. 57% which works out to be 11 years (i.e. 57% of 19 years). However, Concession period shall not in any case exceed 20% of the Concession period.

Based on the above facts and provisions stipulated under clauses of concession agreement, the concession period is to be increased by **3.8 years** (20% of 19 years) as requested by concessionaire vide calculation sheet enclosed vide letter no. 16090 as cited at SI no 2.

In view of the above, it is agreeable and recommended for increase in concession period for the period as stated above.

This is for your information and necessary action.

Thanking you,

For Team Leader
MSV International Inc.
In association with Avanza Engineering Pvt Ltd.
Encl: As above



Copy to

Ajay Soni (DGM) , Surat Hazira NH-6 Tollway Pvt Ltd., Surat –For Information.

Page 2 of 2

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E-mail: info@msvgroup.com; Tel.: 0091-124-2841160

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SURAT HAZIRA NH-6 TOLLWAY PRIVATE LIMITED
(Formerly known as Soma Isolux Surat Hazira Tollway Private Limited)

Ref: SH-PO/NH-6/2020-21/16090

21st March, 2020

To
The Project Director
Project Implementation Unit, NHAI, PIU-Surat (Expressway)
301-304, VIP High Street, Opp. Roongta Arcade,
VIP Road, Vesu, Surat, Gujarat - 395 007

Kind Attn. Sh. Shashi Bhushan

Sub: Four laning of Gujarat/ Maharashtra Border - Surat - Hazira Port Section of NH-6 (Approx. length 131.500Km) in the State of Gujarat under NHDP Phase III through Public - Private/ Public Sector Partnership (PPP) on Design, Build, Finance, Operate and Transfer ("DBFOT") basis: **Request for increase in Concession Period as per Clause 29.2.1 of CA. - Reg.**

Ref: 1. NHAI letter No. NHAI/PIU-Surat (Expressway)/41-TP/2020/905
2. IE letter No. FPI/SH/NH-6/NHAI/2378
3. IE letter No. FPI/SH/NH-6/NHAI/1392

Dated: 15/02/2020.
Dated: 04/11/2018.
Dated: 31/10/2017.

Dear Sir,

This is in reference to NHAI letter No. NHAI/PIU-Surat (Expressway)/41-TP/2020/905 dated 15.02.2020 vide which NHAI has forwarded the ATCC based Traffic survey report submitted by the IE.

Upon perusal of the traffic survey report submitted by the IE, it is observed that the Actual Traffic on the Target Date (in accordance with **Article 29.1.1** of CA) comes out to be **23,495 PCUs** per day vis-à-vis to **Target Traffic of 37,920 PCUs** per day provided in the CA. Thus, Actual Traffic is approx. **38% lesser** than the Target Traffic. Traffic Survey Report of IE is enclosed as **Annexure-A**.

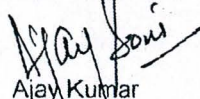
Further, **Clause 29.1.1** of CA provides that if the Actual Average Traffic shall have fallen short of the Target Traffic by more than 2.5% (two point five per cent), the Concession Period shall be deemed to be modified in accordance with **Clause 29.2** of CA.

Clause 29.2.1 of CA is reproduced as: "...in the event Actual Traffic shall have fallen short of Target Traffic, then for every 1% shortfall as compared to the Target Traffic, the Concession Period shall, subject to payment of Concession fee in accordance with the Agreement, be increased by 1.5% thereof; provided that such increase in Concession shall not in any case exceed 20% of the Concession period." Accordingly, for 38% reduction in traffic, the Concession period is to be increased by 1.5 times of 38% (i.e. 57%) which works out to be 11 years (i.e. 57% of 19 years).

However, as per provision of **Clause 29.2.1** of CA, Concession period shall not in any case exceed 20% of the Concession period. Therefore, Concessionaire hereby requests to increase the Concession period by **3.80 years** i.e. 20% of 19 years. Details are enclosed as **Annexure-B**.

This letter is being issued without prejudice to the rights and remedies as available to the Concessionaire under the Concession Agreement and the applicable law.

Yours faithfully,
For Surat-Hazira NH-6 Tollway Pvt Ltd.


Ajay Kumar

Deputy General Manager

Encl.: Annexure A - ATCC Based Traffic Survey Report of the IE
Annexure B - Traffic variation calculation

Copy to

Sh. Jagdish Singh, Team Leader, Independent Engineer, M/s. MSV International Inc. in association with Avanza Engineering Pvt. Ltd., Sachin, for information

MSV AVANZA
Project NH-53,
RECEIVED
Date: 21/4/20
Time: 10:30
Sign: [Signature]

Mikesh Rm
20/4/2020
Received
For NHAI,
PIU-Surat(Expressway)

REGD. OFFICE
5th Floor, Block-2
Vatika Business Park, Sohna Road,
Sector - 49, Gurgaon - 122002,
Haryana - India
Phone : 0124-4510800
Fax : 0124-4510810
Email : info@roadis.co.in
Website : www.roadis.com
CIN No. : U45206HR2009PTC039059

PROJECT OFFICE
Agam Shopping World,
C-201 to 204 & 206 to 208,
2nd Floor, Opp. Nandini Apt.,
Near Agarwal Vidya Vihar,
Vesu, Surat, Gujarat - 395007
Tel. 0261-2971435

(NHAI)

Annexure-B

Variations in Traffic Growth as per Article 29 of CA (Surat Hazira NH 6 Tollway Pvt Ltd.)

Sl. No.	Target traffic study	Sampling Period	Days	Year	Letter no.	Mandal Toll Plaza	Bhatia Toll Plaza	Actual average Traffic as per Clause 29.1.1
						PCUs/day	PCUs/day	PCUs/day
(i)	One year prior to the Target date	19.09.2017 to 26.09.2017	7	2017	FPI/SH/NH-6/NHAI/1392 dated 31.10.2017	24,080	24,048	24,064
(ii)	On the Target Date	18.09.2018 to 24.09.2018	7	2018	FPI/SH/NH-6/NHAI/2378 dated 4.11.2018	24,617	24,343	24,480
(iii)	One the first anniversary of the Target Date	7.10.2019 to 13.10.2019	7	2019	NHAI/PIU-Surat (Expressway)/41-TP/2020/905	22,593	21,287	21,940
Actual average Traffic (as per Clause 29.1.1 of CA) =								23,495

Sl. No.	Description	
A	Target Traffic (PCUs/day) as on Target date i.e.01.10.2018	37,920
B	Actual average Traffic (PCUs/day)	23,495
C	Percentage shortfall in Actual Average Traffic = $(B/A - 1) \times 100\% =$	-38%
D	Concession period to be increased for every 1% shortfall in Actual average Traffic = $(1.5 \times 38\%) =$	57%
E	Increase in Concession Period considering the capping of 20% of Concession Period = $20\% \times 19 \text{ years} =$	3.80