

WITHOUT PREJUDICE

NON-PERFORMER ORDER

**Subject: Declaration of EPC Contractor, M/s RKEC-YFC(JV) as Non-Performer till the completion of the project reg.**


Ref:

- i. RO letter no. NHIDCL/RO/A&N/(Balance)/M/Strait Bridge/e-248179/N-251/2024/ 555 dated 20.02.2025.
- ii. EPC Contractor letter no. RKEC-YFC JV/2024-25/NHIDCL/A&N/Bridge/182, Dated-24.03.2025.
- iii. PMU letter no. NHIDCL/PMU-Baratang/A&N/Middle Strait Bridge/N2/2024/421, Dated-07.04.2025.
- iv. AE letter no. Yongma/AE/A&N/TL office/2025/217, Dated-03.05.2025.
- v. PMU letter no. NHIDCL/PMU-Baratang/A&N/Middle Strait Bridge/N2/2024/477 dated 31.05.2025.
- vi. AE letter no. Yongma/AE/A&N/TL office/2025/272 dated 09.06.2025.
- vii. PMU letter no. NHIDCL/PMU-Baratang/A&N/Middle Strait Bridge/N2/2024/575 dated 30.07.2025.
- viii. PMU letter no. NHIDCL/PMU-Baratang/A&N/Middle Strait Bridge/N2/2024/607 dated 26.08.2025.
- ix. RO letter no. NHIDCL/RO/A&N/(Balance)/M/Strait Bridge/N-251/377 dated 22.09.2025.
- x. EPC Contractor letter no. RKEC-YFC JV/2025-26/NHIDCL/A&N/Bridge/134, dated 09.10.2025.

1. Whereas, LOA for the work of "Construction of Balance work of Major Bridge over Middle Strait Creek between km 106.590 to km 108.553 of NH-04 connecting South Andaman & Baratang Island in the Union Territory of Andaman& Nicobar Islands on EPC mode" was issued to EPC Contractor, M/s RKEC-YFC (JV) on 16.03.2024.
2. Whereas, the Contract Agreement for executing the subject work was signed on 29.04.2024 between NHIDCL (Authority) and the EPC Contractor, M/s RKEC-YFC (JV).
3. Whereas, the Appointed date for the project was fixed as 07.05.2024 and the Contractor was obliged to complete the work within 22 months from the appointed date i.e. on or before 25.02.2026, keeping in view the fact that time is the essence for the contract.
4. Whereas, the original date of Milestone-I(10%), Milestone-II(35%), Milestone-III(70%) and Milestone-IV(100%) were fixed as 23.12.2024, 06.06.2025, 18.11.2025 and 25.02.2025 respectively according to Schedule-J of Contract Agreement;
5. Whereas, Milestone-I (10%) was not achieved till date i.e. 06.11.2025 due to various defaults and breaches on the part of the EPC Contractor under clause 23.1.(i) of the Contract Agreement. The Contractor could achieve only 9.27% physical progress as on 27.11.2025 despite the desired progress of 72.12% as per the milestones set in Schedule-

J of the Contract Agreement. The EPC Contractor had failed to undertake the construction work at the requisite pace, largely due to inadequate deployment of machinery, plant, material and manpower. The progress of work has been dismal since start of the project. Despite several notices issued by the Authority Engineers and the Authority, the Contractor has shown a lackadaisical and casual approach in executing a project of strategic importance. This demonstrates a disregard for the agreed-upon stipulations and responsibilities.

6. **Whereas**, the EPC Contractor has not fully mobilized the key construction equipment within four months from the Appointed Date. Notably, the Jack-up Barge reached the site only on 15.02.2025, well beyond the stipulated period.
7. **Whereas**, refer to the failures of the EPC Contractor given in the Cure Period Notice issued by RO under the Contract Agreement (CA) for the subject project, wherein the EPC Contractor, M/s RKEC-YFC (JV), was given 60 days to rectify deficiencies and improve performance.
8. **Whereas**, despite issuance of the Cure Period Notice and subsequent slow progress notices issued to the EPC Contractor, the EPC Contractor has failed to demonstrate satisfactory progress in the execution of the work.
9. **Whereas**, PMU vide letter under ref(v) issued Slow Progress Notices to the EPC Contractor citing non-achievement of work as per the planned programme for April-May 2025, non-finalization of the work programme and design/drawings, and failure to achieve Milestones I & II. It was also emphasized that the current pace of construction is not in alignment with the scheduled milestones stipulated in the Contract Agreement.
10. **Whereas**, the Authority Engineer, issued a notice to the EPC Contractor regarding non-achievement of Milestone-II and directed the Contractor to submit compliance to the work programme for its finalization.
11. **Whereas**, the EPC Contractor has to fulfil all obligations under Article 10 of the CA after issuance of the Appointed date in a timely manner. As per clause 10 of the CA, the design and drawings were to be finalized within 90 days. However, the EPC contractor has not yet finalized the GAD and superstructure design/drawings even after a lapse of over 570 days from the Appointed Date.
12. **Whereas**, the EPC Contractor is obligated to provide work programme within 30 days of the Appointed date. Despite reminders from Authority and Authority Engineer, the work programme was finalized by AE on 11.07.2025.
13. **Whereas**, the Authority has directed the EPC contractor to initiate the repair work to address the potholes along with the existing stretches as per clause 10.4 of the CA. Authority and Authority Engineer issued several letters regarding non-maintenance of the existing highway, as several representations were received on the deplorable condition of the road. However, the EPC Contractor failed to undertake the maintenance work satisfactorily, and the road continues to remain in poor condition.
14. **Whereas**, even after laps of one year of time, the overall physical progress stands only at 9.27%, which is highly unsatisfactory and unacceptable in an EPC mode of contract. Such performance is not in line with the commitments made at the time of award of the project, and is causing severe delays in achieving the project objectives. the physical progress of the work achieved by the EPC Contractor from 7<sup>th</sup> May 2024 to Oct 2025 are as under.



Sr No.	Date	Cumulative Physical Progress
1	May-24	0.00%
2	Jun-24	0.00%

3	Jul-24	0.00%
4	Aug-24	0.00%
5	Sep-24	0.00%
6	Oct-24	0.00%
7	Nov-24	0.00%
8	Dec-24	1.30%
9	Jan-25	1.30%
10	Feb-25	1.30%
11	Mar-25	1.30%
12	Apr-25	1.30%
13	May-25	4.68%
14	Jun-25	5.23%
15	Jul-25	7.07%
16	Aug-25	7.07%
17	Sep-25	7.19%
18	Oct-25	9.03%

15. **Whereas**, the foundation works at the site were halted on 27.06.2025 on the A1 side due to damage to the rig machine, and work was resumed on 30.08.2025. Similarly, foundation work at the Creek portion was halted on 06.08.2025 due to a shortage of reinforcement steel, and the piling activities resumed on 26.09.2025 and only 1 pile group foundation was completed on 29.10.2025 and after which, work in the Creek portion were halted again. Given the current pace of progress, it is unlikely that the Contractor will be able to complete and hand over the project by the scheduled date as stipulated in the Contract Agreement.

16. **Whereas**, the PMU, directed the EPC Contractor to submit the methodology and timeline for casting of segments, as segment casting was scheduled to commence from 01.09.2025 as per the approved work programme, followed by girder casting and launching scheme at the earliest. The Contractor was also informed that piling works on the A1 side have remained halted since 27.06.2025 due to damage to the rig machine. However, the Contractor has not complied with the submission of the methodology for segment casting and finalisation of the launching scheme.

17. **Whereas**, the EPC Contractor has also failed to achieve the progress stipulated in the approved work programme finalised by the AE on 11.07.2025.

18. **Whereas**, during the weekly meeting with Authority, the EPC Contractor was advised to mobilize the required machineries, procure all the materials and approvals required for completion of work, and the EPC Contractor has failed to submit the drawings and compliances for approval as well as to mobilize the required machineries, procure required materials for smooth progress.

19. **Whereas**, the PMU had issued repeated directives instructing the EPC Contractor to commence work in areas where there is no issue such as soil investigation works in creek

portion and viaduct portion, construction of inspection bungalow and Finalization of design and drawings required for timely execution. Despite these clear instructions, the Jack-up Barge was not operational until March 2025, notably after the issuance of the Cure Period Notice. This indicates that Contractor intentionally delayed the project and not followed the Authority / Authority Engineers instructions. The EPC Contractor has consistently delayed progress by raising repetitive queries without viable solutions, indicating an intent to buy time rather than execute works.

20. That be the case, it is clear and certain that in the above above-mentioned circumstances:

20.1. Current pace work leads to failure of EPC Contractor to complete the project within the stipulated timeline.

20.2. EPC Contractor has failed to achieve 1<sup>st</sup> Milestone, 2<sup>nd</sup> Milestone, and current Physical progress which is 9.27% after lapses of 570 days from date of appointed, which shows that contractor will further fail to complete the project within the stipulated timeline.

20.3. EPC Contractor has failed to mobilize machinery/ manpower as per the direction of the Authority & Authority Engineer.

20.4. EPC Contractor has shown total lack of ability to execute projects of such size.

20.5. EPC Contractor has failed to abide by any lawful directions of the Authority.

20.6. EPC Contractor not improved the performance in spite of numerous letters/notices as well as review meetings with the Authority.

20.7. EPC Contractor has violated the Contract Agreement signed between them and the Authority.

20.8. EPC Contractor not followed the Good Industry Practice which is inherent in the Contract Agreement.

20.9. EPC Contractor failed to restore the project within the given timeline of Cure Period Notice.

21. Please refer the clause 2.1.14 of the RFP of the CA, it is mentioned that if attracts any or more of the mentioned conditions in any of its ongoing or completed projects, the bidder shall be deemed to be a non-performing party. **The following deficiencies are established in respect of the EPC Contractor are also mentioned in the clause 2.1.14 of the RFP:**

21.1 Fails to set up institutional mechanism and procedure as per Contract.

21.2 Fails to mobilize key construction equipment within a period of 4 months from the Appointed Date.


21.3 Fails to complete or has missed any milestone and progress not commensurate with the contiguous unencumbered project length/ROW, even after a lapse of 6 months from the respective milestone/scheduled completion date, unless Extension of Time has been granted due to Authority's default or force majeure.



21.4 Fails to fulfil its obligation to maintain the highway in a satisfactory condition in spite of multiple rectification notices issued in this regard.

22. As per the SoP to debar/penalize/declare a Contractor as Non-Performer under MoRTH Circular dated 06.10.2021 and the NHIDCL, HQ office Order no. 178/2022 dated 23.05.2022, the following deficiencies are established in respect of the EPC Contractor:

Sr. No.	Type of Deficiency	Action to be taken against Contractor
1	Failure to set up institutional mechanism and procedure as per Contract	Declaring the Contractor as Non-Performer till institutional mechanism and procedure is properly set up as verified by the "Nominated Officer".
2	Fails to complete or has missed any milestone and progress not commensurate with the contiguous unencumbered project length/ROW, even after a lapse of 6 months from the respective project milestone/scheduled completion date, unless Extension of Time has been granted due to Authority's default or force majeure.	Declaring the Contractor as Non-Performer till milestone is achieved or project is completed, as certified by the "Nominated Officer".

23. Whereas, all the earlier letters/correspondences/notices issued by the Authority and the Authority Engineer to the EPC Contractor for improving its performance may be read as part and parcel of this Notice.
24. As per the above MoRTH Circular, the Contractor was issued a Non-Performer Notice granting 15 days' time to submit a written reply vide RO letter under ref(ix). The EPC Contractor vide letter under ref(x) submitted its reply; however, the reasons furnished are not acceptable.
25. However, in view of the aforesaid facts and circumstances, it is clearly evident that the EPC Contractor has failed to uphold its contractual obligations as per the Contract Agreement and has caused detrimental effect on the projects under it. In light of the aforesaid facts and circumstances, considering the nonprofessional attitude of M/s RKEC-YFC(JV) and aforesaid contractual defaults, breaches, and willful non-performance in fulfillment of Contractor's obligations as per the provisions of the Contract Agreements and blaming the Authority for its own accountabilities, the National Highways & Infrastructure Development Corporation Limited is hereby declaring the EPC Contractor M/s RKEC-YFC(JV) as Non- Performer till the Completion of the above Project in National Highways and centrally sponsored road projects as per MoRTH Circular No. RW/NH-33044/76/2021-S&R (P&B), dated 06.10.2021
26. The Authority is declaring the EPC Contractor, M/s RKEC-YFC (JV) as Non Performer till the Completion of the above project and as per Para-8 of MoRTH Circular dated 06.10.2021, upon declaration of non-performer/ debarred, the EPC Contractor will not be able to participate in any bid with MoRTH or its executing agencies, till such time the EPC Contractor is removed from the list of non-performers or the debarment persists. The Contractor shall include its JV partners, promoters etc whose credentials
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were considered while qualifying them for the project. Non-performer / debarment status of a bidder on the bid due date will be the criteria for eligibility of a bidder to participate in the said bid.

27. This order is issued without prejudice to any other right or remedy available with the Authority under the Contract Agreement and applicable law,  
28. This issues with the approval of the Competent Authority.



Nitin Kumar Sharma  
Executive Director(T)-IV  
NHIDCL, HQ, New Delhi

To,

- (i) The Authorised Signatory, M/s-RKEC-YFC JV., through email  
(ii) ED(P), NHIDCL, RO-Sri Vijaya Puram: For information.

Copy for information to:

- (i) PPS to DG(RD)& SS, MoRT&H  
(ii) PS to DG(BR), Seema Sadak Bhawan, New Delhi  
(iii) PS to Chairman, NHAI  
(iii) PS to MD, NHIDCL  
(v) PS to Director (Technical-II), NHIDCL  
(vi) GM(IT): to host it on the NHIDCL website

