

WITHOUT PREJUDICE

NHIDCL/AE/SIKKIM/NH-510/2020/188210/3360

27.02.2026

To,

M/s ALTINOK Consulting Engineering Inc In JV with
M/s EDMAC Engineering Consultant (I) Pvt. Ltd. And
In Association with M/s DSD Infratech Management Pvt. Ltd. and
511, Tower-B, Ptot No. A-40,
I-Thum, Sector-62, Noida, UP-201301

[Kind Attention: Sh. Sameer Saxena, Authorized Signatory]

Subject: Consultancy Services for Authority's Engineer for Supervision of "Construction and Up-gradation of existing road on NH-510 between Rabongla to Gyalshing to 2-Lane paved shoulder configuration in the state of Sikkim under SARDP-NE Phase 'A' on EPC mode for (i). km 32+500 to km 33+600 (Package-III), (ii). km 33+600 to km 58+840 (Package-IV), (iii). km 58+840 to km 75+000 (Package-V), (iv). km 75+000 to km 90+210 (Package-VI): "Termination of Contract as per clause 2.9.1 of Contract Agreement"-Reg.

Ref: -

- i. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2020-21/401 Dt: 20.03.2021
- ii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/556, Dt: 09.01.2023.
- iii. NHIDCL/PMU-Gyalshing/AE/Ravangla-legship-Gyalshing/2022-23/580 Dt: 13.01.2023.
- iv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/681 Dt: 11.03.2023.
- v. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/683 Dt: 11.03.2023.
- vi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/697 Dt: 20.03.2023
- vii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2023-24/104 Dt: 03.06.2023
- viii. Sikkim 510/AE/2022/465, dated 21.12.2022
- ix. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/267 Dt: 10.11.2023
- x. NHIDCL/RO-Gangtok/AE/2023-24/803, Dated: 15.11.2023
- xi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2023-24/259 dated: 04.11.2023
- xii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-26/46 Dt: 06.05.2025 (Show Cause Notice for delay in Compliance-Reg)
- xiii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/e-197603/2023-24/92 dt.: 25.05.2024 (Intention to declare & place the Authority's Engineer in the non-performer list of the NHIDCL-Reg)

- xiv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/113 dt.: 31.05.2024
(Immature Correspondence of Authority's Engineer)
- xv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/198 dt.: 11.07.2024
(Replacement of Team Leader (Mr. Ashwini Kumar))
- xvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/246 dt.: 07.08.2024
(Irregularities in the attendance of Authority's Engineer Staff)
- xvii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/293 dt.: 09.09.2024
(Submission of Estimate of balance works and damaged works)
- xviii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/319 dt.: 21.09.2024
(Poor Progress of the project work on Package-IV, V &VI NH-510)
- xix. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/348 dt.: 24.10.2024
(Inadequate deployment of the technical staff at project site)
- xx. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/362 dt.: 29.10.2024
(Drawing of Box culvert)
- xxi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-5/388 dt.: 22.11.2024 (Non-compliance with design and Quality Norms During Concrete work)
- xxii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/400 dt.: 27.11.2024
(Non-Involvement in testing Process-Show Cause)
- xxiii. AE letter No. SIKKIM/NHIDCL/NH-510/AE /2024-25/329 dt.: 15.05.2024
- xxiv. AE letter No. SIKKIM/NHIDCL/NH-510/AE/2024-25/2024-25/311 dt.: 10.05.2024
- xxv. AE letter No. SIKKIM/NHIDCL/NH-510/AE/2024-25/2024-25/313 dt.:10.05.2024
- xxvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/427 dt.: 11.12.2024
(Deployment of Sub-Professionals)
- xxvii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/458 dt.: 28.12.2024
(Without approval/finalization location of Retaining wall/Breast Wall)
- xxviii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/65 dt.: 14.05.2024
- xxix. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/ 25/70 dt.: 16.05.2024
- xxx. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/92 dt.: 25.05.2024
- xxxi. SIKKIM/NHIDCL/NH-510/2024-25/381 Dated: 10.06.2024.
- xxxii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/76 dt.: 17.05.2024
- xxxiii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/679 dt.: 10.03.2023
- xxxiv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2023-24/118 dt.: 14.06.2023
- xxxv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2023-24/408 dt.: 20.02.2024
- xxxvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2023-24/417 dt.: 22.02.2024
- xxxvii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/243 dt.: 07.08.2024

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- xxxviii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/253 dt.: 09.08.2024
- xxxix. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/348 dt.: 24.10.2024
- xl. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/335 dt.: 16.10.2024
- xli. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/536 dt.: 04.02.2025
- xlii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/220 dt.: 24.07.2024
- xliii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/280 dt.: 29.08.2024
- xliv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/427 dt.: 11.12.2024
- xlv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/480 dt.: 09.01.2025
(Submission of MPR for the month of Dec. 2024)
- xlvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/499 dt.: 15.01.2025
- xlvii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/536 dt.: 04.02.2025
- xlviii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/546 dt.: 10.02.2025
- xlix. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/588 dt.: 08.03.2025
- I. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/455 dt.: 26.12.2024
- li. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/411 dt.:01.12.2024
(Show Cause Notice)
- lii. NHIDCL/RO-Gangtok/Msc. /2024-25/1290 dt.: 27.02.205
- liii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/511 dt.: 23.01.2025
- liv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/602 dt.: 19.03.2025
- lv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/436 dt.: 12.12.2024
- lvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/588 dt.: 08.03.2025
- lvii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/69 dt.: 10.05.2025
- lviii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/72 dt.: 13.05.2025
- lix. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2025-26/91 dt.: 21.05.2025
- lx. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2025-26/144 dt.: 20.06.25
- lxi. NHIDCL/RO-Gangtok/NH-510/AE/2025-26/461 dt.: 08.07.2025
- lxii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2025-26/185 dt.: 24.07.2025
- lxiii. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2025-26/188 dt.: 28.07.2025
- lxiv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2025-26/205 dt.: 06.08.2025
- lxv. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2025-26/211 dt.08.08.2025

Sir,

1. **Whereas**, the work of Consultancy for Providing Consultancy Service for Authority's Engineer for "Construction and Up-gradation of existing road on NH-510 between Rabongla to Gyalshing to 2-Lane paved shoulder configuration in the state of Sikkim under SARDP-NE Phase 'A' on EPC mode for (i). km 32+500 to km 33+600 (Package-III), (ii). km 33+600 to km 58+840 (Package-IV), (iii). km 58+840 to km 75+000 (Package-V), (iv). km 75+000 to km 90+210 (Package-VI)" (hereinafter referred as "Project"), was awarded to M/s Altinok Consultant Engineering Inc. In Joint Venture with M/s EDMAC Engineering Consultant (I) Pvt. Ltd. and in association with M/s DSD Infratech Management Pvt. Ltd. (hereinafter referred to as the "Consultant" or "Authority's Engineer") by National Highways & Infrastructure Development Corporation Limited (NHIDCL) (hereinafter referred as "Authority") on 09.02.2021.
2. **Whereas**, the Contract Agreement was signed between the Authority and the Consultant on 18.03.2021. Letter to proceed w.e.f. 22.03.2021 was issued to the Consultant vide ref (i) above with a Construction Period of 30 (Thirty) months and 60 (Sixty) months of DLP.
3. **Whereas**, the Authority's Engineer has failed to perform and deliver its duties and responsibilities in accordance with the contract agreement, despite repeated warnings/notices by the Authority to ensure proper technical and quality supervision of the civil works.
4. **Whereas**, the Authority's Engineer has time and again failed to remedy the failure in performance of their obligations as specified under various clauses of the contract:

GCC Cl. 3.1.1: *"The Consultants shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods "The Consultants shall always" act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealing with Sub-consultants or Third Parties"* . However, AE did not abide by the same.

GCC Cl. 2.9.1 (d): *"If the Consultant submit to the Client a statement which has a material effect on the rights, obligation or interests of the Client and which the Consultant know to be false"*. However, AE recommended SPS-14 (Pkg-VI), IPC-16 (Pkg-IV), and SPS-29 (Pkg-IV) without proper scrutiny. Further, on several occasions, it has been observed that AE recommended contractors' bills without conducting physical verification or site inspection. Moreover, there have been multiple instances where the AE recommended bills despite the contractors' insurance policies having expired, thereby violating Article 20 and Schedule-P of the EPC Agreement. Additionally, false clarification was submitted with respect to the approval of drawings.

TOR Cl. 3.1: *"The Authority's Engineer shall discharge its duties in a fair, impartial and efficient manner, consistent with the highest standards of professional integrity and Good Industry Practice."* However, AE did not abide by the same.

TOR Clause 5.1: *"During the construction period, the Authority's Engineers shall review and approve the drawing furnished by the contractor along with supporting data, including the geo-technical and hydrological investigation, characteristics materials from borrow areas and quarry sites, topographical surveys, and the recommendation of the safety Consultant in the accordance of the provisions of Clause 10.1.6 of EPC agreement. The Authority engineer shall complete such review and approve and sent its observation to the*

authority and to the contractor within 15(fifteen) days of receipt if such drawings; provide, however that in case of major bridge and structure, the aforesaid period of 15 days may be extended upto 30 (Thirty) days. In particular, such comments shall specify the conformity of otherwise of such with the scope of the project and specification and standard". However, several lapses observed in the approved drawings

TOR Cl. 5.2: "The Authority's Engineer shall review and approve any revised Drawings sent to it by the Contractor and furnish its comments within 10 (ten) days of receiving such Drawings. The review/approval of drawing should be authenticated by Authority's Engineer."

TOR Cl. 5.3: "Quality Assurance Manual and Plan forms the basis of quality of the work. It is therefore essential that the Quality Assurance Manual and Plan prepared by the Contractor be checked and approved. Thus, the Authority's Engineer shall check the contents of Quality Assurance Plan and Manual of Concessionaire/Contractor as per requirements of Quality Management System (as per ISO 9001), IRC: SP:47-1998 and IRC: SP:57-2000 for road bridges and roads respectively. The Authority's Engineer shall also offer their comments for modifying/ improving the document. After receiving the corrected document, the Authority's Engineer shall review and formally approve the QAM and Quality Plan and send one copy to the Authority. The Authority's Engineer shall complete the review of the methodology proposed to be adopted by the Contractor for executing the Works, and convey its comments to the Contractor within a period of 10 (ten) days from the date of receipt of the proposed methodology from the Contractor". However, AE did not abide by the same.

TOR Cl. 5.6: "On a daily basis, the concerned key personnel of Authority Engineer shall inspect the Construction Works.....". However, the absence of key personnel resulted in non-adherence of the same.

TOR Cl.11: "Authority's Engineers shall be expected to fully comply with all the provisions of the Terms of Reference', and shall be fully responsible for supervising the Designs, Construction and maintenance and operation of the facility takes place in accordance with the provisions of the EPC Agreement and other schedules.....". However, AE failed to abide by the same.

5. Whereas, the defaults and lapses of in consultancy services of the Authority's Engineer are as hereunder: -

- i. **Inadequate mobilization of the Key Professional/Personnel:** The Authority's Engineer has failed to mobilize the requisite Key Professionals/Personnel as mandated under the contractual provisions. The Team Leader of the AE left the project site on 20.02.2025, leaving the ongoing construction works under the supervision of subordinates without proper leadership. Since then, the AE has not provided any replacement Team Leader to oversee the project activities. The status of mobilization of Key Personnel by the AE is detailed below.

S.N	Designation of Key Professional/Personnel	Present status of mobilization	Remarks
1	Team leader cum Senior Highway Engineer	Not mobilized	Team Leader joined on 18.10.2024 after the lapse of one year and left the project on 20.02.2025.

2	Resident Engineer/Highway Engineer	Mobilized	The Authority's Engineer failed to mobilize the personnel during the period from 01.12.2021 to 02.01.2024 (more than two years), i.e., during the peak working season.
3	Senior Bridge structure Engineer	Not mobilized	Despite repeated written directions from the Authority since 10.03.2023. Authority's letter dated 10.03.2023, 14.06.2023, 22.02.2024, 23.03.2024, 17.05.2024, 24.10.2024 and 04.02.2025, AE failed to mobilize the personnel.
4	Senior Quality cum Material Engineer	Mobilized	Authority's letter Dated 04.02.2025 may be referred. SQME left the site on 10.12.2024. Thereafter, the replacement was provided on 26.06.2025.
5	Senior Tunnel Engineer cum Excavation Expert	-	Deployed for 0.47 Man-Month against approved 12 Man-Months
6	Geologist	Not mobilized	
7	Tunnel safety Expert	Not mobilized	
8	Contract Specialist	-	Deployed for 0.75 Man-Month against approved 2 Man-months

ii. **Failure to detect design/quality deficiency:** It has been found that the Authority's Engineer has been approving the EPC Contractor's proposals without verifying them in accordance with NH requirements and the relevant codal provisions.

- a. **Design and Drawing of Pre-cast culverts (Pkg-IV):** Authority's Engineer accorded approval to the design of the precast culvert without adequately considering the critical jointing arrangements between the precast culvert segments. The structural integrity and long-term performance of a segmental box culvert are primarily dependent on the proper design and execution of its joints. However, the AE permitted execution of the precast culvert without ensuring appropriate joint detailing.

As per IRC: 122-2017, Clause 4.9.10, "Normal joint is socket and spigot joint and same is generally used in culvert construction. Jointing is important in reducing the migration of soil fines and water between box sections and their surroundings.....".

Despite this requirement, the approved design lacks the provision of grooves, which is contrary to standard engineering practice. This clearly indicates that the AE failed to review the box culvert design and drawings in accordance with the relevant provisions of the IRC code.

- b. **Plan & Profile (Pkg-V) approval without verification:** Authority's Engineer vide letter no. 146 dated 22.03.2022, approved the plan and profile from km 60.000 to km 61.550, and earlier, vide letter no. 358 dated 01.12.2021, approved the plan and profile from km 61.550 to km 64.500. However, a discrepancy of 6.25 m in the Finished Road Level (FRL) at km 61.550 was subsequently noticed between the two approvals. Despite this inconsistency, the AE permitted the EPC Contractor to

proceed with execution without verifying and rectifying the error, which led to a mismatch in FRL levels and the construction of a retaining wall approximately 100 m in length and 5-6 m in height above the FRL at km 62.100. The Authority, vide PMU letters no. 681 dated 11.03.2023 and 697 dated 20.03.2023, directed the AE to rectify the plan and profile accordingly.

- c. Plan approval beyond the CA alignment without verification: Authority's Engineer approved the plan and profile submitted by the EPC Contractor from km 60.000 to km 61.550 vide letter no. 146 dated 22.03.2022, wherein a realignment of the road at km 60.050 (Take-off Point) was approved by the Team Leader, and the Contractor was permitted to execute works along the said realigned stretch. However, the Authority had never accorded approval for any realignment at this location. The approval was granted by the AE without proper verification or authorization. Such unauthorized approval had the potential to cause serious financial implications on the project and could have resulted in public unrest, as no land acquisition had been undertaken in the realigned area. The issue was identified and intervened by the Authority vide PMU letters no. 681 dated 11.03.2023 and 697 dated 20.03.2023, wherein the AE was directed to provide an explanation for the unauthorized approval.

However, no satisfactory explanation has been received to date. Instead, the AE, vide letter no. 116 dated 21.03.2023, acknowledged the error as pointed out by the Authority regarding the approval of the plan and profile beyond the DPR alignment.

- d. Plan & Profile (Pkg-V) approval without adopting the provisions of relevant IS codes:

Direction was received from the State Administration for the realignment of the take-off point, pursuant to which a joint inspection was conducted on 02.12.2022 by representatives of NHIDCL, the Authority's Engineer, Chief Engineer (R&B), EPC Contractor, and officials of the District Administration. The inspection was followed by a survey to ascertain the feasibility of the proposed realignment, if any. Accordingly, the AE and the EPC Contractor were requested to examine and forward their feasibility report for consideration.

Subsequently, AE vide letter no. 465 dated 21.12.2022, forwarded the realignment proposal to the Authority stating that "*the submitted proposal of the EPC Contractor is as per MoRTH specifications and is ready for execution of works.*" However, upon scrutiny by NHIDCL officials, it was observed that the turning radius adopted in the proposal was only 10 m, with a super-elevation of 10% and no transition length, which is in violation of the relevant codal provisions. AE was directed to provide a written explanation regarding the basis of such approval. However, no satisfactory justification has been received from the AE till date.

- e. Major Bridge GAD at km 63.290 approval without verification: Authority's Engineer had earlier approved the GAD of Major Bridge at km 63.290 of NH-510 vide letter no. 275 dated 11.08.2023, without verifying the actual ground levels at the project site. AE had approved the ground level of Pier P2 at RL 727.802, based on which the EPC Contractor commenced execution of the works.

However, during a subsequent site inspection by the GM (P), NHIDCL, it was observed that the actual bed/ground level of the river at Pier P2 was RL 721.319,

indicating a discrepancy of approx. 6.5 m from the level approved by the AE. This clearly reflects that the GAD and founding levels were approved above the scour depth of the river, without adequate verification or consideration of the structural safety and stability of the bridge.

- f. Super Structures & Bearing of Major Bridge Km 63.290: AE vide letters no. 311 and 313, both dated 10.05.2024, had approved the superstructure and bearings of the bridge proposed to be constructed at km 63.303. However, upon scrutiny of these approvals, the following discrepancies have been observed:
- The span configuration approved by the AE vide letter no. 311 is 1x35 + 1x33, i.e., a two-span bridge. However, in the bearing approval issued vide letter no. 313, the structure has been considered as a three-span bridge.
 - The number of girders approved for the superstructure vide letter no. 311 is four (04). In contrast, the bearing approval vide letter no. 313 considers five (05) girders, resulting in an increase in the number of bearings from 16 to 30.
- g. Approval of location changes without authorization: EPC contractor executed works of protection walls and culverts on the locations other than those mentioned in Schedule-B. AE allowed such work without giving any prior approval for location changes such a structure like Retaining Wall, Breast wall, and Culverts.

- iii. Casual Approach in reviewing the design submission and false clarification: Authority's Engineer is according approvals without exercising due diligence towards safety and design standards. Despite repeated directions from the Authority to pay careful attention to design-related submissions, the AE continues to exhibit negligence in this regard. Such lapses clearly reflect a lack of technical competence and professional accountability, which is a matter of serious concern.

In view of the discrepancies observed, the AE was instructed vide Authority's letter no. 65 dated 14.05.2024 to provide clarification. In response, the AE, vide letter no. 329 dated 15.05.2024, attempted to justify the error by stating that "*our executive assistant inadvertently attached the older file instead of the revised drawing with the same file name, leading to inconsistencies in the documentation provided for review.*" However, the clarification provided by the AE was found to be factually incorrect and unjustified. EPC Contractor vide letter no. 753 dated 07.05.2024 submitted the drawing via email to the AE with a copy marked to the Authority, wherein the EPC Contractor had submitted the latest revised drawings showing a 03 span bridge with 05 girders and 30 bearings. The same drawings were subsequently approved by the AE vide letter no. 311 dated 10.05.2024. Furthermore, the AE's contention that the error occurred due to a non-technical staff member is untenable, as the approved drawings bear the signature of the AE's authorized representative (Key Personnel). If the drawings were indeed incorrect, it is inexplicable how they were duly signed and issued by the AE. Accordingly, the AE was again requested vide Authority's letter no. 70 dated 16.05.2024 to furnish a detailed and satisfactory justification. However, no such response has been received to date.

- iv. Inaccurate recommendation of bills and insurance verification:

AE recommended bills despite expired insurance policies, violating Article 20 and Schedule-P of the Contract. For IPC-16 of Package IV, AE also misstated the validity of

BGs, citing 01.02.2023 instead of 01.08.2024. This raised serious concerns about the AE's diligence and the reliability of their recommendations.

a. Overpayment in bills of EPC Contractor:

- SPS-14 of Pkg-IV: Authority's Engineer recommended payment for hill cutting, subgrade, and GSB work from Km 46-290 to Km 46+500 in SPS-14. However, this work was not executed.
- SPS-29 of Pkg-IV: Authority's Engineer recommended a net payment of Rs. 6,55,36,611 in SPS-29. However, a complaint from Mr. Neeraj Yadav raised allegations of overpayment and financial irregularities. A three-member committee formed by NHIDCL-HQ found overpayment of Rs. 66,18,271/-. The committee also reported that measurement sheets were unsigned by any key personnel of AE, and cited poor RFI systems and inadequate quality control.
- SPS-14 of Pkg-VI: Authority's Engineer recommended payment for GSB work from km 89+150 to km 89+300 in SPS-14. This work has also not been executed to date.

b. Submission of Forged RA Invoice: AE submitted their 20th RA Invoice vide letter dated 12.01.2024 for Nov 2023 & Dec 2023, which was found to contain forged attendance records. Despite directives vide letter no. 365 dated 23.01.2024 and 393 dated 07.02.2024, no satisfactory explanation has been received. This is a serious breach of contract and could have led to financial loser for the Government of India. Despite several prior directions, observations, and verbal communications, it has been noted with concern that in RA Bill No. 33, the Authority's Engineer submitted an attendance record reflecting the presence of 08 personnel at the AE's office, whereas only 7 staff members were actually deployed at the time. Mr. Anil Tamang was previously employed at the AE however, he discontinued his services in February 2025, was also included in the attendance sheet. Alarming, his name continues to appear in subsequent records, including RA Bill No. 33, indicating a serious lapse in the verification and submission process of the bills. It is further observed that despite repeated instructions, formal observations, and follow-up communications issued to the AE, no corrective action has been taken so far, and the submission of incorrect and misleading bills continues unabated.

- v. Lack of Technical Knowledge: During the site visits conducted on 03.05.2024 and 04.05.2024 by senior officials of NHIDCL, it was noted with serious concern that the Authority's Engineer was unable to provide a clear explanation of the project scope, key technical components, and progress status of the works under NH-510.
- vi. Poor Quality Work and Lack of Action: It has been observed that the breast walls, retaining walls, and DBM roads have sustained damage within just a few months of construction. Despite this, the Authority's Engineer has neither proposed deduction of amount as per relevant provision of CA nor recommended any appropriate actions against the agencies to the Authority.
- vii. Failure to Visit Site: It has been observed that the Authority's Engineer has failed to conduct regular site visits, which has directly contributed to inadequate quality control and the overlooking of multiple lapses and deviations by the EPC Contractor at site. This lack of routine supervision has adversely impacted the overall monitoring and

enforcement of construction standards, thereby compromising the integrity and progress of the project.

- viii. Delays in Processing EoT/CoS/D&D Proposals: It has been observed that due to the inefficiency of the Authority's Engineer, several proposals of the EPC Contractors such as EoT, SPS/IPC, CoS, and design & drawing approvals are being delayed far beyond the timelines stipulated in the Contract Agreement. AE has also been withholding proposals without valid justification, despite repeated directions from the Authority through various letters to ensure timely processing with proper assessment and recommendations.
- ix. Persistent delays and incorrect evaluations in EoT proposals for Packages III, IV, V, and VI clearly indicate the AE's lack of competence and diligence, resulting in avoidable project delays and financial implications for the Government. The habitual negligence and non-compliance with instructions by the AE have been viewed seriously by the Competent Authority, as these lapses continue to hinder the smooth execution of the NH-510 project.
- x. Failure to initiate contractual actions against the EPC Contractor:

Authority's Engineer has failed to recommend cure period notices, damages, or penalties against the EPC Contractor despite persistent defaults and poor progress, which is in clear violation of the provisions of the Contract Agreement. The overall progress of the project remains significantly behind schedule, both against the original and revised completion targets, adversely affecting project implementation. The details of the scheduled/revised completion dates and current physical progress of each package are summarized below:

Sr. No	Package Name	Schedule Completion date	Revised completion date	Physical progress upto date	Action Proposed by the Authority's Engineer
1	PKG-III	15.10.2022	31.12.2023	100%	Nil
2	PKG-IV	01.05.2022	14.10.2023	61.971%	Nil
3	PKG-V	11.05.2023	03.01.2025	49.202%	Nil
4	PKG-VI	10.05.2022	30.10.2023	51.854%	Nil

Despite the lapse of the revised completion dates for Packages IV, V, and VI of NH-510, the physical progress of these packages is approximately 50% to 60%. The slow progress is primarily due to reasons attributed to the EPC Contractor, as communicated by the Authority repeatedly. Given the sluggish pace, the Authority's Engineer should have recommended actions such as issuance of cure period notices, termination notices, risk and cost notices, or the levy of damages as per the Contract Agreement. However, the Authority's Engineer has failed to propose any such measures to date. The Authority questions both the capability and intent of the Authority's Engineer. Notwithstanding the above, the Authority vide letter no. 330 dated 02.01.2024, letter no. 331 dated 03.01.2024, and letter no. 445 dated 26.12.2024 requested AE to provide the reasons for the slow progress attributed to the EPC Contractors. However, the AE has ignored these requests and has not submitted any details to date. The AE consistently ignores directions from the Authority, resulting in financial losses to the Government of India and undue benefits to the EPC Contractors.

- xi. Delay in approval of Methodology and Mix Design Pkg-V: EPC Contractor was permitted/allowed by the Authority's Engineer to commence concreting work for the MJB girder at Km 63+330 based solely on a trial mix. However, the AE failed to approve the mix design submitted by the contractor on 15.01.2025 and allowed casting using M50 grade concrete without the requisite approval.

Furthermore, the EPC Contractor submitted the methodology for pre-stressing of the MJB girder on 17.03.2025, but despite several reminders from the PMU, the AE delayed its approval. Such a casual and non-compliant approach by the AE has been viewed seriously by the Authority.

6. Given the above it is clearly evident that the Authority's Engineer has failed to uphold the contractual obligations as per the CA and also failed to provide the technical services as per the Contractual provisions of Consultancy CA which has caused the detrimental effect on the Project under its supervision as well as creates additional financial burden over the Authority.
7. **Whereas**, in view of the above shortcomings, the Authority issued show cause notice vide letter dated 18.03.2025 for failure to perform the duties as per contractual obligations.
8. **Whereas**, the Authority vide letter dated 08.07.2025 issued Notice of Termination as per clause 2.9.1 (d) of GCC of Consultancy Contract Agreement.
9. **Whereas**, the Authority's Engineer vide their letter dated 07.08.2025 submitted reply to the notice wherein AE denied the deficiencies/breaches/defaults mentioned by the Authority. The same was perused by the Authority and found factually incorrect, misleading and un-acceptable.
10. **Whereas**, AE vide their letter dated 20.08.2025 to the Authority requested to provide an opportunity for a conciliation meeting as specified in clause 8.3, wherein the Consultant may present its case and supporting documentation for an impartial and fact-based resolution of the matter, in accordance with the principles of natural justice and contractual dispute resolution mechanisms.
11. **Whereas**, it was observed that the AE served notice invoking Arbitration dated 21.08.2025 through their advocate (Sh. Gaurav Singh), in which the AE raised some disputes. It is pertinent to mention that, just a day before, on 20.08.2025, the AE had already written to NHIDCL requesting conciliation as per Clause 8.3 of the contract. Without waiting for NHIDCL's response to that request within 10 days as per Clause 8.3, they sent the dispute letter the very next day, which is not appropriate. Later, the AE/Consultant also invoked arbitration under Clause 8.4.1, but since the ICADR (the arbitration body mentioned) no longer exists, and its rules do not allow unilateral appointment of a sole arbitrator, thus the dispute may be attempted to be resolved initially through conciliation. Further, it is also pertinent to mention that Clause 8.4.1 of Consultancy CA states, "**Any Dispute which is not resolved amicably by conciliation, as provided in Clause 8.3, shall be finally decided by reference to arbitration by an Arbitral Tribunal appointed in accordance with Clause 8.4.2.**"
Whereas, AE has not followed the due procedure & timeline for amicably resolution as

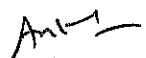
per Clause 8.3 which is completely wrong and cannot be accepted, therefore the Arbitration notice itself is not correct.

12. **Whereas**, AE submitted their petition before the Hon'ble High Court of Delhi [W.P.(C) 16070/2025 and CM APPL.65790/2025] and as per the order of Hon'ble Court dated 17.10.2025 *"the Learned counsel for the respondents submits that till the notice dated 06.05.2025 (Annexure-P5) is duly decided after affording an opportunity of hearing to the petitioner and till the issue of termination is also finally determined, in terms of relevant contractual clauses and in accordance with law, the respondents shall not issue the LOA to any third party, pursuant to NIT dated 28.08.2025."*
13. **Whereas**, in compliance of the order dated 17.10.2025, a conciliation meeting and personal hearing was held on 03.11.2025 under the chairmanship of MD, NHIDCL with the Director & other representatives of the Consultant/AE. After due deliberation, it was decided that all updated issues and deficiencies observed in the services of the Authority's Engineer, which have not been brought to the Consultant's notice earlier, shall be formally communicated to the Consultant for their written response. The Consultant shall furnish point-wise comments or replies within 03 (Three) weeks from the date of communication. Thereafter, a second conciliation meeting shall be convened to further deliberate on the matter.
14. **Whereas**, pursuant to the above, NHIDCL (PMU-Gyalsing) issued a letter dated 02.12.2025.
15. **Whereas**, it has also been clarified to the Authority's Engineer, during the conciliation meeting and personal hearing, that participation in the conciliation process shall not be construed as waiver of any rights or remedies available to NHIDCL under the Consultancy Agreement, the EPC Contracts, or any applicable law.
16. **Whereas**, it has been observed that the Consultant has completely demobilized from the project site, resulting in the complete absence of deployed personnel. This withdrawal has effectively disrupted and impaired the mandatory supervision responsibilities entrusted to the Authority's Engineer, thereby adversely affecting the monitoring, oversight, and continuity of the ongoing works in Package-IV as well as the activities in Packages II, V, and VI. Such dereliction of duty poses a direct risk to project progress, compliance, and safety, and cannot be allowed to remain unaddressed. The Authority is therefore compelled to take firm and immediate action to safeguard the integrity of the works and ensure uninterrupted supervision as mandated under the Contract Agreement.
17. **Whereas**, the Authority's Engineer submitted its reply to NHIDCL's letter dated 02.12.2025 on 07.01.2026 i.e. subsequent to its demobilization from the project site and beyond the stipulated period of 03 (Three) weeks granted for submission of the response. Further, the reply/clarifications furnished by the Authority's Engineer have been examined and found to be unsatisfactory, lacking substantive justification, and deficient in factual support. The submissions are vague, inconsistent, and unprofessional in nature, and are therefore found acceptable to the Authority.
18. **Whereas**, in the light of aforesaid, non-exhaustive fundamental breach and in view of the Consultant's persistent & sustained gross default in fulfilling contractual obligations,

the Authority is left with no other option but to terminate this contract in accordance with the provisions of Clause 2.9.1 of Article 2 under GCC of the Consultancy Agreement on account of Authority Engineer's Default with immediate effect.

19. Whereas, the provisions of Clause 2.9.4 shall henceforth apply.
20. Whereas, as a consequence, and in accordance with Clause 2.9.4, upon Termination of this Consultancy Agreement in accordance with the terms of Article 2 of the GCC, the Authority's Engineer shall comply and conform to the following:
 - a. Deliver to the Authority all plans, drawings, designs, reports, approval documents, other documents, & software (if any) along with a detailed inventory.
 - b. Deliver to the Authority all equipment & material made available by client/Authority or purchased by the Consultant with funds provided by the Client/Authority.
21. This Notice is being issued without prejudice to Authority's right to claim damages and/ or to realize any dues, losses and damages and/ or to exercise any other right or remedy on account of Consultant's failure to comply with its obligations under this Consultancy Agreement, which may be available now or in future under the Consultancy Agreement or under the applicable laws or otherwise, as the case may be. In pursuance of this Termination Notice, your firm including JV and associate shall perform no further services
22. This order is issued with the approval of the Competent Authority of NHIDCL.

Yours Sincerely,



(Ankush Mehta)
General Manager (Tech.)

Copy to,

- i. PPS to DG (RD) & SS, MORT&H
- ii. PS to MD NHIDCL
- iii. PS to Chairman, NHAI
- iv. PS to Dir (A&F/T)
- v. ED (T/P) s, NHIDCL
- vi. GM/DGM (T/P) s, NHIDCL
- vii. GM (IT), NHIDCL, HQ (to upload the notice on the website)