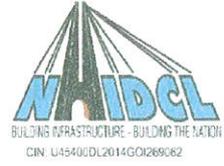


राष्ट्रीय राजमार्ग एवं अवसंरचना विकास निगम लिमिटेड

सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार
प्रथम तल, टावर ए, वर्ल्ड ट्रेड सेंटर, नौरोजी नगर, नई दिल्ली-110029.



National Highways & Infrastructure Development Corporation Limited

Ministry of Road Transport & Highways, Govt. of India

First Floor, Tower A, World Trade Centre, Nauroji Nagar, New Delhi-110029, Tel: +91 11 26768950, www.nhidcl.com

(भारत सरकार का उद्यम)

(A Government of India Enterprise)

[Through Email only]

NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/2020/Part-I/194338/

Dated 02.02.2026

सेवा में,

M/s Shankar Agarwal.
Namchi Bazar, PO & PS Namchi.
South Sikkim-737126
Sikkim.

(Kind Attention: Shankar Agarwal, Proprietor)

विषय: Widening/Improvement to 4 (Four) Lane with Paved Shoulder from Km 146+230 to Km 157+460 (Design Chainage 145+712 to 156+502) of Dillai to Lahorijan (package - 7) of NH 29 in the state of Assam on EPC mode: **Termination Notice – reg.**

सन्दर्भ:

- i) HQ, NHIDCL letter no. NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/197792/1818 dated 02.09.2022
- ii) RO-Guwahati letter no. RO/DIP/D-L/Pkg-VII/Civil/Corres/2/11454 dated 20.01.2023
- iii) HQ, NHIDCL letter no. NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/2021/197792/3519 dated 20.09.2024
- iv) AE's letter no. CPC/AE/PKG-7/NH-29/2025-26/757 dated 01.04.2025
- v) AE letter no. CPC/AE/PKG-7/NH-29/2025-26/777 dated 01.04.2025
- vi) PMU Diphu letter no. PMU-DIPHU/EPC/D-L: Pkg-VII/Corrs/FY: 2025-26/3914 dated 03.04.2025
- vii) HQ, NHIDCL letter no. NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/2021/106 dated 29.05.2025
- viii) PMU Diphu letter no. PMU-DIPHU/EPC/D-L: Pkg-VII/Corrs/FY: 2025-26/3992 dated 19.06.2025
- ix) PMU Diphu letter no. PMU-DIPHU/EPC/D-L: Pkg-VII/Corrs/FY: 2025-26/4008 dated 27.06.2025
- x) EPC Contractor letter no. SA/NH-29/PKG-7/CT/10072502 dated 10.07.2025
- xi) AE's letter no. CPC/AE/PKG-7/NH-29/2025-26/808 dated 11.07.2025
- xii) PMU-Diphu letter no. PMU-DIPHU/EPC/D-L:Pkg-VII/Corrs/FY:2025-26/4034 dated 11.07.2025
- xiii) EPC Contractor letter no. SA/NH-29/PKG-7/CT/10072502 dated 10.07.2025
- xiv) PMU-Diphu letter no. PMU-DIPHU/EPC/D-L:Pkg-VII/Corrs/FY:2025-26/4052 dated 26.07.2025
- xv) EPC Contractor letter no. SA/NH-29/PKG-7/CT/08082501 dated 08.08.2025
- xvi) PMU Diphu letter no. PMU-DIPHU/EPC/D-L: Pkg-VII/Corrs/FY:2025-26/4077 dated 15.08.2025
- xvii) EPC Contractor letter no. SA/NH-29/PKG-7/CT/28082501 dated 28.08.2025
- xviii) AE letter no. CPC/AE/PKG-7/NH-29/2025-26/841 dated 08.09.2025
- xix) AE letter no. CPC/AE/PKG-7/NH-29/2025-26/846 dated 18.09.2025
- xx) EPC Contractor letter no. SA/NH-29/PKG-7/CT/10092501 dated 10.09.2025
- xxi) AE letter no. CPC/AE/PKG-7/NH-29/2025-26/855 dated 04.10.2025
- xxii) AE letter no. CPC/AE/PKG-7/NH-29/2025-26/862 dated 10.10.2025
- xxiii) HQ letter no. NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/2020/Part-1 dated 01.01.2026 (Declaration of Non-Performer)

महोदय,

WHEREAS, Letter of Award (LOA) for the work of "**Widening/Improvement to 4 (Four) Lane with Paved Shoulder from Km 146+230 to Km 157+460 (Design Chainage 145+712 to 156+502) of Dillai to Lahorijan (package - 7) of NH 29 in the state of Assam on EPC mode**" through an Engineering, Procurement and Construction (EPC) Contract (hereinafter referred as "Project") was issued to **M/s Shankar Agarwal** (hereinafter referred as the "EPC Contractor") on 02.09.2022 by National Highway & Infrastructure Development Corporation Limited (NHIDCL) (hereinafter referred as the "Authority").

h

2. **WHEREAS**, an EPC Contract Agreement was signed on 15.12.2022 between NHIDCL and M/s Shankar Agarwal for construction of the subject project with the requirement that the Contractor shall complete the Project in accordance with the provisions of the Contract Agreement, abiding by all the relevant MoRT&H specifications/IRC guidelines and with good industry practice, on or before 548th day i.e., 20.07.2024 from the Appointed Date fixed as 20.01.2023 conforming Schedule-J of the Contract Agreement.

3. **WHEREAS**, the scope of the Project is:

i) Construction of the Project Highway on the site set forth in Schedule-A and as specified in Schedule-B together with provision of Project facilities and as specified in Schedule-C and in conformity with the specification and standards set forth in Schedule-D;

ii) Maintenance of the Project Highway in accordance with the provisions of said agreement and in conformity with the requirements set forth in Schedule-E;

iii) Performance and fulfilment of all other obligations of the Contractor in accordance with the provisions of said agreement and matter incidental thereto or necessary for the performance of any or all of the obligations of the Contractor under said agreement.

4. **WHEREAS**, as provisioned in Clause 4.1 of the contract agreement, the Contractor was obligated to undertake the survey, investigation, design, engineering, procurement, construction and maintenance of the Project Highways and observe, fulfil, comply with and perform all its obligations set out under said Agreement.

5. **WHEREAS**, the Project Completion Schedule in accordance with Schedule J of contract agreement are as under:

Project Milestone	Financial Progress	Original Schedule Dates
Milestone – I	10%	30.07.2023
Milestone – II	35%	04.12.2023
Milestone – III	70%	28.04.2024
Schedule Completion Date	100%	20.07.2024

6. **WHEREAS**, Authority has appointed M/s Chaitanya Projects Consultancy Ltd. In Association with MAV Associates LLP as 'Authority's Engineer' on Appointed Date itself in accordance with Article 18 of the Contract Agreement.

7. **WHEREAS**, Authority has handed over ROW in 9.83 km (91.10%) length to EPC Contractor on 19.01.2023 & balance ROW in 0.960 km (cumulative 10.790 km i.e., 100%) length on 05.07.2024.

8. **WHEREAS**, Authority vide letter no. NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/2021/197792/3519 dated 20.09.2024, conveyed the approval of Competent Authority for 1st Extension of Time of 152 days considering delays occurred in the project, as per Clause 10.5 of Contract Agreement, shifting the Schedule Completion Date to 19.12.2024. Thereafter, HQ, NHIDCL vide letter no. NHIDCL/Assam/NH-29/Dab-Man/Pkg-7/2021/106 dated 29.05.2025 again conveyed the approval of Competent Authority for 2nd Extension of Time for 192 days (cumulative 344 days) considering delays occurred in the project, as per Clause 10.5 of Contract Agreement, shifting the Schedule Completion Date to 29.06.2025. However, EPC Contractor has not been able to complete the subject project till date and financial progress of the project stands at 92.977% till date.

hso

9. **WHEREAS**, the dates extended by Authority for achievement of Project Milestone and Schedule Completion Date by Extension of Time granted by Authority and achievement of the same by EPC Contractor are as under:

Sl. No.	Project Milestone	Scheduled Dates	Extended Dates	Achievement Dates
1	MS-I (10%)	30.07.2023	30.07.2023	21.08.2023
2	MS-II (35%)	04.12.2023	04.12.2023	25.12.2023
3	MS-III (70%)	28.04.2024	28.04.2024	27.05.2024
4	SCD (100%)	20.07.2024	29.06.2025	Not yet achieved

10. **WHEREAS**, despite of fulfilment of obligations of Contract Agreement by Authority, the EPC Contractor has been unable to perform its obligations at site in accordance with the provisions of the contract Agreement.

11. **WHEREAS**, the progress achieved by the EPC Contractor since the commencement of project to till date are as under:

Sl. No.	Month	Progress (%)			
		Physical	Increase	Financial	Increase
1	Jan-23	0.00	0.00	0.00	0.00
2	Feb-23	0.00	0.00	0.00	0.00
3	Mar-23	0.651	0.651	0.00	0.00
4	Apr-23	2.656	2.005	0.00	0.00
5	May-23	5.013	2.357	3.750	3.750
6	Jun-23	7.481	2.468	6.070	2.320
7	Jul-23	7.650	0.169	6.290	0.220
8	Aug-23	11.984	4.334	10.137	3.847
9	Sep-23	13.412	1.428	10.137	0.00
10	Oct-23	17.517	4.105	10.137	0.00
11	Nov-23	23.587	6.07	13.941	3.804
12	Dec-23	36.560	12.973	23.351	13.214
13	Jan-24	40.208	3.648	35.174	11.823
14	Feb-24	44.165	3.957	42.086	6.912
15	Mar-24	55.025	10.86	48.981	6.895
16	Apr-24	56.230	1.205	48.981	0.00
17	May-24	70.350	14.12	62.735	13.754
18	Jun-24	71.781	1.431	63.735	1.000
19	Jul-24	73.085	1.304	70.288	6.553
20	Aug-24	76.720	3.635	70.288	0.00
21	Sep-24	81.620	4.90	74.950	4.662
22	Oct-24	83.530	1.91	77.247	2.297
23	Nov-24	85.200	1.67	82.360	5.113
24	Dec-24	90.40	5.20	85.58	3.22
25	Jan-25	91.06	0.66	85.61	0.03
26	Feb-25	92.12	1.06	89.76	4.15
27	Mar-25	93.26	1.14	91.68	1.92
28	Apr-25	95.01	1.75	91.68	0.00
29	May-25	96.02	1.01	92.97	1.29
30	Jun-25	96.80	0.78		
31	Jul-25	96.83	0.03		

12. **WHEREAS**, Authority's Engineer and PMU Diphu has issued various Notices as well as Cure Period Notices to the EPC Contractor on various accounts of lapses and defaults on their part, for which various commitments were made by EPC Contractor. However, no concrete steps were taken up by EPC Contractor to complete the project as per provisions of the contract agreement. The details are as under:

hio

Sl. No.	Notice/Cure Period Notices by AE & PMU	Replies of EPC Contractor
1	AE letter no. 757 dated 01.04.2025 – Notice for Slow progress of work and restoration of distressed surfaces based on site inspection conducted on 30.03.2025.	Email dated 02.04.2025 – assurance for rectification of distressed surface and proper restoration within 3-4 days for site inspection conducted on 30.03.2025.
2	PMU letter no. 3914 dated 03.04.2025 – Cure Notice for rectification of distress locations notified by AE, expediting progress of work and maintenance of existing road.	Letter dated 19.04.2025 - assurance for rectification of distressed surface and proper restoration within 7-10 days
3	AE letter no. 777 dated 15.05.2025 – Cure Notice rectification of distress at 23 locations in newly constructed pavement in 610m length.	Letter dated 21.05.2025 – reiterating rectification of distressed surface and proper restoration in fair weather condition & within agreed timeline.
4	PMU letter no. 3992 dated 19.06.2025 – Cure Notice for rectification of distress at 23 locations in newly constructed pavement in 610m length notified by AE and catch-up plan for completion of balance work.	Letter dated 20.06.2025 – Reply to Cure Notice for slow progress & rectification of distressed stretches and submitted Catch-up plan for completion of work till 28.07.2025.
5	AE letter no. 789 dated 25.06.2025 – Notice for inadequate deployment of manpower & machinery and directions for submission of list of manpower, material and machinery.	Letter dated 27.06.2025 – citing rainfall and moisture related issues as the reason for delay in rectification of distress work as well as balance work.
6	PMU letter no. 4008 dated 27.06.2025 – Cure Notice for rectification of defects notified by DRSC in the meeting held on 14.05.2025 & 27.06.2025 and expediting completion of work as per commitment by EPC Contractor.	Letter dated 27.06.2025 – Reply to Cure Notice & rectification of defects citing moisture-related challenges which impacted workability and commitment for compliance.
7	PMU letter no. 4026 dated 08.07.2025 & AE letter no. 797 dated 01.07.2025 – Notice that extended completion date (29.06.2025) lapsed and balance works yet to be completed.	Letter dated 10.07.2025 – Reply stating that EPC CONTRACTOR willingness to terminate the contract allegedly claiming department's failure to fulfil reciprocal promises.
8	AE letter no. 801 dated 04.07.2025 – Notice for Poor progress of works and delay in repairing of damages occurred in newly constructed pavement.	Letter dated 06.07.2025 – citing rainfall as force majeure event hampering construction operation and also cited operational challenges due to return of SPS-20 by Authority.

13. WHEREAS, Authority/Authority's Engineer issued several Notices to EPC Contractor for rectification of damaged works in accordance with Clauses 4.1(iv), 4.6, 11.13(i)(b), 16.1, 19.5(iv) and 25.1 of the Contract Agreement. However, EPC Contractor in complete disregard, has completely failed to rectify the damaged works which has caused immense suffering to the road users and thereby tarnishing the image of NHIDCL among the public.

14. WHEREAS, the EPC Contractor vide their letter no. SA/NH-29/PKG-7/CT/10072502 dated 10.07.2025 issued Termination Notice for alleged default of Authority as per Clause 23.2 to terminate the contract immediately along-with demobilization of manpower & machineries from the project site for which Authority's Engineer vide their letter no. CPC/AE/PKG-7/NH-29/2025-26/808 dated 11.07.2025 replied to the Termination Notice duly stating that none of the 'defaults' specified in Clause 23.2 (i) of contract agreement has been occurred at the end of the Authority which may intend the EPC Contractor to declare 'Termination due to Authority's Default' against the subject project. Whereas, the 2nd Cure Notice issued by Authority vide PMU Diphu letter no. 3992 dated 19.06.2025 is yet to be complied by the EPC Contractor till date. With all the above representations, the proposal for Termination' of work is returned 'unacknowledged from the end of the Authority's Engineer and requested to deploy adequate resources to complete the balance works of the Project along with rectification of damaged/defective stretches already pointed out to EPC Contractor by the Authority as well as Authority's Engineer through various communications. It is also clarified that PMU Diphu vide letter no. 4034 dated 11.07.2025 also replied to the EPC Contractor that Termination of Contract with immediate effect is not as per provisions of contract agreement and Cure Notice of 90 days for curing the defaults of Authority, if any, has not been issued as required under the contract agreement. The allegation of EPC Contractor is completely baseless, and no such instances have ever been brought to the notice of the Authority, whereas the authority had notified the defaults of EPC Contractor as per Clause 23.1 (i) of the contract agreement and requested to resume the construction works immediately.

h
no

15. WHEREAS, the EPC Contractor vide their letter no. SA/NH-29/PKG-7/CT/25072501 dated 25.07.2025 issued another Termination Notice for alleged default of Authority as per Clause 23.2 to terminate the contract agreement immediately and misrepresenting their previous letter no. SA/NH-29/PKG-7/CT/10072502 dated 10.07.2025 as 'Intention to Termination' for which Authority's Engineer vide their letter no. CPC/AE/PKG-6&7/NH-29/2025-26/RO-82 dated 04.11.2025 has submitted their comments and denied the claims of EPC Contractor, which has been forwarded to EPC Contractor vide PMU letter no. 4130 dated 04.11.2025.

16. WHEREAS, PMU-Diphu vide letter no. PMU-DIPHU/EPC/D-L: Pkg-VII/Corrs/FY:2025-26/4077 dated 15.08.2025 has issued Show Cause Notice to EPC Contractor seeking explanation within 15 days from the date of issue of the notice, as to why the EPC contractor shall not be declared as a "Non- Performer" in light of the provisions stipulated in MoRT&H Circular No.: RW/NH-33044/76/2021-S&R (P&B) dated 06.10.2021 and the provisions of the EPC Contract Agreement, for which EPC Contractor vide letter no. SA/NH-29/PKG-7/CT/28082501 dated 28.08.2025 has submitted their response.

17. WHEREAS, Authority's Engineer vide letter no. CPC/AE/PKG-7/NH-29/2025-26/841 dated 08.09.2025 has submitted para-wise comments to the response of EPC Contractor and mentioned that the claims of the EPC Contractor are baseless and with all the above comments, it would be prudent on the part of the EPC Contractor to take up the repair works against the damages already occurred in the Project Highway without further delay along with urgent necessary action for completion of balance works of the Project Highway. In the event of continued reluctance at the end of the EPC Contractor to take up the repair works as well as balance works, the Authority will be compelled to take appropriate action under provisions of the Contract Agreement to complete the repair of damages & balance works within earliest possible time to make the Project Highway safe for road users.

18. WHEREAS, Authority's Engineer vide letter no. CPC/AE/PKG-7/NH-29/2025-26/846 dated 18.09.2025 has recommended to take necessary action at the end of Authority for declaring the EPC Contractor as 'Non-Performer' in line with MoRTH Circular dated 06.10.2021. Accordingly, with the approval of the Competent Authority, HQ vide letter dated 01.01.2026 has declared the EPC Contractor as 'Non-Performer'.

19. WHEREAS, it is also observed that Contractor has submitted fake Insurance policies during construction of progress as came to our notice recently. Same is also confirmed by the insurance company (New India Assurance Company Ltd. vide letter no. 613203/Claims/2025-26 dated 18.11.2025) stating therein that "no one approached them regarding the issuance of the policy and no premium was collected by them" in respect of Policies Nos. 61320336200200006146 and 61320344200300006145 (including subsequent extensions). As such it is established that Contractor has breached the provisions of the Contract Agreement by submitting fake document (Policies) as per Provisions Clause 23.1(i)(o) of CA.

20. WHEREAS, EPC Contractor has breached the Contract Agreement, inter – alia with the following defaults in the terms of Clause 23.1 (i) of the Contract Agreement:

i) Sub-Clause 23.1(i)(d)- the Contractor abandons or manifests intention to abandon the construction or Maintenance of the Project Highway without the prior written consent of the Authority;

ii) Sub-Clause 23.1(i)(e)- the Contractor fails to proceed with the Works in accordance with the provisions of Clause 10.1 or stops Works and/or the Maintenance for 30 (thirty) days without reflecting the same in the current program and such stoppage has not been authorized by the Authority's Engineer;

hio

iii) Sub-Clause 23.1(i)(f)- the Project Completion Date does not occur within the period specified in Schedule-J for the Scheduled Completion Date, or any extension thereof;

iv) Sub-Clause 23.1(i)(g)- the Contractor fails to rectify any Defect, the non-rectification of which shall have a Material Adverse Effect on the Project, within the time specified in this Agreement or as directed by the Authority's Engineer.

v) Sub-Clause 23.1(i)(o)- the Contractor submits to the Authority any statement, notice or other document, in written or electronic form, which has a material effect on the Authority's rights, obligations or interests and which is false in material particulars; *and*

21. WHEREAS, EPC Contractor has failed to comply with the following Obligations as stipulated under Article-4 of the Contract Agreement:

i) Clause 4.1.(iii): Subject to the provisions of Clauses 4.1 (i) and 4.1 (ii), the Contractor shall discharge its obligations in accordance with Good Industry Practice and as a reasonable and prudent person.

ii) Clause 4.1.(iv): The Contractor shall remedy any and all loss, defects, or damage to the Project Highway from the Appointed Date until the end of the Construction Period at the Contractor's cost, save and except to the extent that any such loss, defect, or damage shall have arisen from any willful default or neglect of the Authority.

iii) Clause 4.1.(f): support, cooperate with and facilitate the Authority in the implementation and operation of the Project in accordance with the provisions of this Agreement.

22. WHEREAS, PMU Diphu vide letter no. PMU-DIPHU/EPC/D-L: Pkg-VII/Corrs/FY:2025-26/4052 dated 26.07.2025 issued Notice for Intention to Termination as per Clause 23.1 (ii) of Contract Agreement on account of defaults on the part of the EPC Contractor as per Clause 23.1 (i) (d) (e) (f) & (g) of Contract Agreement granting 15 day's time to make a representation, if any and the Authority will be at liberty irrespective of receipt of such representation to issue the Termination Notice after expiry of 15 days. The EPC Contractor is requested to present their case, in person, to the ED(P) at RO-Guwahati, in presence of GM(P), PMU-Diphu and AE with prior appointment of ED(P) at an early date. EPC Contractor vide letter dated 08.08.2025 submitted their response to the Authority's communication conveying Intention to Issue Termination Notice under Clause 23.1(ii) of the Contract Agreement and submitted their rebuttal and re-affirmation of their Termination of Contract on account of Authority Default under Clause 23.2 of Contract Agreement. EPC Contractor vide letter no. SA/NH-29/PKG-7/CT/08082501 dated 08.08.2025 submitted their response to the Authority's communication conveying Intention to Issue Termination Notice under Clause 23.1(ii) of the Contract Agreement and submitted their rebuttal and re-affirmation of their Termination of Contract on account of Authority Default under Clause 23.2 of Contract Agreement, which has been examined by the Authority's Engineer and vide letter no. CPC/AE/PKG-6&7/NH-29/2025-26/RO-81 dated 30.10.2025 denied the claims of EPC Contractor and mentioned that the EPC Contractor is at default under the provision of clause 23.1(ii) of contract agreement as the contractor has not shown any interest to resume the works of the Project Highway and hence, the Authority is now left with no other option but to terminate the EPC Contract agreement & to take necessary action as per clause 23.1(iv) of the contract agreement. It is evident that the declaration of 'Temporary Suspension of Works' and / or 'declaration of Termination of Works' can be treated as a 'Breach of Contract' on the part of the EPC Contractor and accordingly it is recommended to the Authority to take necessary action for 'Termination of Contract' under provision of clause 23.1(ii) of contract agreement and to take necessary action for completion of balance works.

hio

23. WHEREAS, it is pertinent to mention that despite the issuance of Intention to Termination and Show Cause Notice for declaration as 'Non-Performer', the EPC Contractor has shown no interest for taking up the balance works of the project including rectification works, which is clearly evident from the fact that despite prior intimation, the management of EPC Contractor remained absent during the various review meetings conducted by NHIDCL as under:

i) Review meeting under the Chairmanship of MD, NHIDCL held on 30.07.2025 at Guwahati wherein MD, NHIDCL has directed to hold a meeting with management of EPC Contractor at RO level with proper notice and reasons for termination.

ii) Specific Review meeting under the Chairmanship of ED(P) RO Guwahati held on 12.08.2025 at RO Guwahati duly intimated to the contractor vide Meeting Notice dated 06.08.2025. The meeting was instead attended by the Project Manager of the EPC Contractor along with the Team Leader of the Authority's Engineer. During the meeting, the Project Manager was asked the reasons for stopping the works, to which he had replied that the company does not have funds to invest in the project and complete the balance works.

iii) Review meeting under the Chairmanship of Director (Technical)-II NHIDCL held on 19.09.2025 at NHIDCL HQ.

iv) Review meeting under the Chairmanship of MD, NHIDCL held on 27.10.2025 at Guwahati.

24. WHEREAS, it is further to add that, a review meeting was convened at HQ on 12.12.2025 (Meeting Notice), under the Chairmanship of Director (T)-I, wherein the issues raised by the EPC Contractor were examined and deliberated in detail in terms of the provisions of the EPC Agreement. Considering that the physical progress of the Project had reached 96.83%, and with a view to expediting completion of the works, the Authority made concerted efforts and requested the EPC Contractor to resume and complete the balance and rectification works at site. However, the EPC Contractor expressed its unwillingness and declined to proceed with execution of the remaining works.

25. WHEREAS, EPC Contractor, during the meeting at NHIDCL on 12.12.2025 has admitted that the subject work has been delayed as Contractor has mobilized all his resources at the Pagla Pahar Work, where NH road was cut due to excess rain and flooding, as he has executed for about Rs.7 Crore work within one month.

26. WHEREAS, it is pertinent to mention that during the inspection of ED (P) RO Guwahati, NHIDCL to the project site on 05.09.2025, it was observed that the EPC Contractor has completely abandoned the site for 2 months. Neither project works nor maintenance works was carried out, and the condition of the road has further deteriorated. This clearly shows that EPC Contractor has no interest to take up the balance & rectification works of the project of National Importance. Accordingly, Authority has invited the tender for carrying out the balance as well as the rectification works at the Risk & Cost of the EPC Contractor in the subject project having estimated cost as Rs.14.28 Cr as per estimation by Authority's Engineer on 19.08.2025.

27. WHEREAS, Authority's Engineer vide letter no. CPC/AE/PKG-7/NH-29/2025-26/855 dated 04.10.2025 has informed the EPC Contractor to jointly visit the site on 06.10.2025 for verification of measurements of distressed stretches and balance works for which EPC Contractor vide email dated 04.10.2025 has replied that they have already terminated the project at their end and presently under conciliation and any further works, site activities, or related actions shall be solely under your authority and responsibility, and they shall not be responsible or liable for any such activities undertaken post-termination.

hip

28. WHEREAS, PMU Diphu vide letter no. 4124 dated 12.10.2025 has also issued Notice to EPC Contractor for carrying out rectification works & balance works of the Project Highway within 7 (seven) days, failing which Authority shall be constrained and left with no option other than to carry out the balance works & rectification works at the risk & cost of EPC Contractor as per provisions of Contract Agreement for which EPC Contractor vide email dated 15.10.2025 has replied that in continuation of their previous communications, they reiterate that, as per their letter dated 10.07.2025, the project has already been terminated and is presently under conciliation and clearly states that any further works, site activities, or related actions shall be solely under your Authority and responsibility, and they shall not be responsible or liable for any such activities undertaken post-termination. It is, therefore, very clear that EPC Contractor is not interested in jointly verifying the balance & rectification works and taking up any works. Accordingly, Authority has opened the bids for carrying out the balance as well as rectification works and new Contractor has been appointed on 08.01.2026.

29. WHEREAS, it is further notified that the EPC Contractor will be solely responsible for rectifying/remedying the damages along with any public or economic loss due to continuing default and deteriorated conditions of the project highway and shall indemnify the Authority and its personnel in accordance with clause 25.1. (i) of Contract Agreement, if any untoward incident happens during the construction period and maintenance period of the subject project highway, at his own risk and cost.

30. WHEREAS, the EPC Contractor, vide their letter no. SA/NH-29/PKG-7/CT/10092501 dated 10.09.2025, has submitted a demand for settlement of dues/claims along with interest, which has been examined by the Authority's Engineer. Accordingly, the Authority's Engineer, vide letter no. CPC/AE/PKG-7/NH-29/2025-26/862 dated 10.10.2025, has replied that they have already provided their comments vide (i) letter no. CPC/AE/PKG-7/NH-29/2025-26/804 dated 07.07.2025, (ii) letter no. CPC/AE/PKG-7/NH-29/2025-26/808 dated 11.07.2025, and (iii) letter no. CPC/AE/PKG-7/NH-29/2025-26/841 dated 08.09.2025, against the 'so-called' allegations of Authority's Default raised by the EPC Contractor. The Authority's Engineer has clarified that the said allegations have no bearing on the provisions of the Contract Agreement and have provided para-wise comments against each claim of the EPC Contractor, which have been forwarded by PMU-Diphu, vide letter no. PMU-DIPHU/EPC/D-L:Pkg-VII/Corrs/FY:2025-26/4123 dated 11.10.2025, to the EPC Contractor for information.

31. WHEREAS, as, EPC Contractor, vide letter dated 10.09.2025, has also raised a claim of Rs.64.04 Cr + GST @ 18% interest p.a., towards settlement of dues/claims as per Clause 26 of the Contract Agreement. Subsequently, Contractor vide letter dated 10.09.2025 & 27.09.2025 and letter dated 17.11.2025 (request for CCIE) has requested for conciliation in adherence to Clause-26.2 of CA. It will not be out of place to point out that original cost of work was Rs. 81.27 Cr. as such value of claim raised by the Contractor itself shows its gravity (as it is 78.80% of Contract Price).

32. WHEREAS, the Authority has extended all possible support & efforts to expedite the progress of project but the Contractor has shown no intention to execute the project as per Contract Agreement; and

33. WHEREAS, the Authority in the interests of the project and since Public Money is involved believe the representations of the Contractor on the last occasion however, it is plainly apparent at this stage the Contractor is not at all serious to execute the project and is causing a huge loss to the Government Ex-Chequer.

34. WHEREAS, the Authority is left with no other option but to terminate the Contract in accordance with the provisions of clause 23.1.(ii) for which, in compliance of the terms of the Contract Agreement ; and

ho

35. In the light of aforesaid non-exhaustive fundamental breaches to the Contract, and in view of the Contractor's persistent & sustained gross defaults, the Authority is hereby notifying "Termination of the Contract on account of Contractor's Default" under the provisions of the clause 23.1 with immediate effect; and

35.1 The provisions of Article 23 shall henceforth apply

35.2 Whereas, as a consequence, and in accordance with clause 23.4

i) All the, material, plant and equipment at the project site is the property of the Authority and the Contractor is strictly advised to maintain status-quo at the project site.

ii) Prepare a detailed list and submit all relevant records, reports, intellectual property and other licenses pertaining to the works, Maintenance other design documents etc.,

iii) Transfer and/or deliver all Applicable Permits to the extent permissible under Applicable Laws

iv) Vacate the site within 15 days; and

35.3 In accordance with clause 23.5, the Contractor is hereby directed to make a joint measurement of the work executed by them alongwith the Authority's Engineer on a date and time mutually agreed but strictly within 7 days of this 'Termination Notice', failing which, the work will be independently measured by the Authority's Engineer in the presence of Authority and such measurement shall be final and binding upon the Contractor.

35.4 WHEREAS, the Authority shall intimate the details of Termination Payment in accordance with clause 23.6 within 30 days of the date of 'Termination Notice'.

36. Whereas, the Authorized Signatory of the Contractor is directed to meet the RO/PMU alongwith all the details pertaining to transfer of rights in accordance with Clause 23.7 within 7 days of this 'Termination Notice'; and

37. The Authority, under Clause 23.6 of the Contract Agreement shall also encash and appropriate the performance security and retention money, for its losses including damage in accordance with Cl 10.3.2 & 10.3.3 of Contract Agreement, and recovery of expenditure incurred against maintenance executed at your risk and cost for failure to maintain the project highway in accordance with clause 10.4. The Authority shall also encash and appropriate the bank guarantee for an in respect of the outstanding advance payments and interest thereon, if any. The Contractor is hereby directed to restrain any person claiming through or under Agreement from entering upon the site or in part of the project except for taking possession of materials, stores, implements, construction plants & equipment's, which do not vest in the Authority as per the Contract Agreement with the prior permission of the Authority.

38. In the light of aforesaid facts and circumstances, non-exhaustive fundamental breach, in view of the Contractor's persistent & sustained gross default in fulfilling contractual obligations, leading to a material adverse effect on the Project, the Authority has now after giving sufficient time to cure the defaults and extending all possible support to the contractor and after observing no change in the non-professional and lackadaisical attitude of the contractor filled with the sole intention of gaining financially without doing the work, the Authority has left with no other option but to terminate the contract agreement with **M/s Shankar Agarwal** forthwith in accordance with

hio

Clause 23.1 of the Contract Agreement with immediate effect. **The contract is hereby terminated with immediate effect.**

39. In conjunction with this Contract Termination, your firm shall perform no further services other than those reasonably necessary to close out this Contract; and

40. This Notice is issued without prejudice to any other right or remedy available to the Authority under the Contract Agreement and/or applicable law and is issued with the approval of the competent authority of NHIDCL.

Yours Sincerely,

msd 2/2/26

(S.B. Singh)

**Executive Director (T)-I,
NHIDCL-HQ, New Delhi**

Encl: As stated above.

Copy To:

- i) Executive Director (P), RO-NHIDCL, Guwahati, Assam: for information and necessary action
- (ii) General Manager (P), PMU-Diphu-NHIDCL- for information and necessary action.
- (iii) Legal Division, HQ-NHIDCL, New Delhi – For appropriate necessary action to safeguard the interest of Authority vis a vis legal issues arising out of the Termination of the Contract Agreement.
- (iv) Media relation/IT division/INFRACON cell with request to get it hosted on NHIDCL website.