

No. MoRTH/PIU/ARAKU/Consultancy/SATRA/NH-516E  
GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT & HIGHWAYS  
(EAP ZONE)  
Jeevan Bharti Building, MoRTH, Ground Floor, 124, Connaught Place, New Delhi-110001

Dated the 13 January, 2025

To,

The Authorized Signatory  
M/s SATRA Infrastructure Management Services Pvt. Ltd.,  
#1-8-359-363, 5<sup>th</sup> Floor,  
Centre Point Building, US Consulate lane,  
SP Road, Begumpet, Secunderabad,  
Telangana - 500003

**Subject: Consultancy Services for Project Management including preparation of Detailed Project Report of selected stretches/ corridors of National Highways/ State Roads (Approved "In principle" for declaration as National Highway) in the State of Andhra Pradesh for upgradation to two lane/ four lane with paved shoulder configuration of NH 516E (i) Paderu - Araku road section (ii) Sugavarapukota - Vizianagaram on NH 26 - Debarment of M/s SATRA Infrastructure Management Services Pvt. Ltd. from bidding in NH project- Reg.**

Reference:-

1. Contract Agreement dated 28.07.2016
2. Project Director, Araku letter no. MoRTH /PIU /ARAKU /Consultancy/SATRA/ NH-516E/04 dated 21.02.2022.
3. Consultant's letter no. 01041016/7.3/001 dated 19.03.2022
4. Consultant's letter no. 01041016/2022/09/01 dated 08.09.2022
5. Project Director, Araku letter no. MoRTH/PIU/ARAKU/Package-VI/CoS/05 dated 09.06.2022
6. Project Director, Araku letter no. MoRTH/PIU/ARAKU/Package-VI/CoS/06 dated 30.12.2023
7. Project Director, Araku letter no. MoRTH /PIU /ARAKU /Consultancy/SATRA/ NH-516E/06 dated 23.01.2024.
8. Consultant's letter no. 01041016/2024/01 dated 20.02.2024.
9. Project Director, Araku letter no. MoRTH/PIU/ARAKU/Package-5/CoS dated 30.09.2024.
10. Ministry's OM of even no. dated 11.11.2024 and 13.12.2024.

Sir,

**Whereas,** M/s SATRA Infrastructure Management Services Pvt. Ltd now known as M/s Satra Services and Solutions Pvt. Ltd. ("the consultant") had been engaged by the NH Wing, Andhra Pradesh State Government for preparation of Detailed Project Report of selected stretches/ corridors of National Highways/ State Roads (Approved "In principle" for declaration as National Highway) in the State of Andhra Pradesh for upgradation to two lane/

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four lane with paved shoulder configuration of NH 516E (i) Paderu - Araku road section (ii) Sugavarapukota - Vizianagaram on NH 26 road section.

1.1 Based on the DPR prepared by the Consultant, Ministry had sanctioned three works having the total Civil Cost of Rs. 493.44 Crore (Rs. 168.32 Crore for package IV of NH-516E, Rs. 227.59 Crore for Package V of NH-516 E and Rs. 97.53 Crore for package VI of NH-516 E) and tender for civil work of these projects was invited by the Ministry which are being executed through Project Implementation Unit (PIU), Araku established vide Ministry's letter dated 22.05.2020.

2. **Whereas**, Ministry had issued show cause notices to the consultant vide letter dated 21.02.2022 due to discrepancies and deficiencies in the DPR work, which were raised by the EPC Contractor after visiting the project site, thereby bringing out the issues like existence of municipal water pipeline running along the alignment in Gantyada Section on LHS of Bowdara to Vizianagaram stretch of NH-516E and significant variation in the Utility Shifting Estimates. These were not brought out to the notice of the Ministry while submitting Alignment Plan and DPR, causing a major time and cost overrun to the Ministry. Thereafter, the consultant vide letter dated 19.03.2022 & 08.09.2022 had made it's submissions with regard to the show cause notice.

2.1 Due to discrepancies in the DPR, Ministry vide letter dated 09.06.2022 had to approve Change of Scope/variation due to shifting of centre line of the alignment towards RHS due to existing Municipal water pipeline in Bowdara-Vizianagaram section of NH-516E amounting to Rs. 20.72 Crores.

3. **Whereas**, The Terms of reference of the Contract Agreement clearly defines the objective and the scope of the services of the consultancy service as to establish the technical, economical, and financial viability of the project and prepare detailed project reports for rehabilitation and upgrading of the existing road to 2/4 lane configuration.

3.1 As per the Clause 4.11.2.2 (1) of Terms of Reference (ToR) of Contract Agreement, the Consultants shall collect details of all important physical features such as buildings and structures, monuments, burial grounds, cremation grounds, places of worship, railway lines, stream/ river/ canal, water mains, sewers, gas/ oil pipes, crossings, trees, plantations, utility services such as electric, and telephone lines (O/H & U/G) and poles, optical fibre cables (OFC) etc. along the alignment.

3.2. As per Clause 4.11.3.1 of Terms of Reference (ToR) of Contract Agreement, it is stated that detailed road inventory surveys shall be carried out to collect details of all existing road and pavement features along the existing road sections.

4. **Whereas**, Attention is drawn to Ministry circular no. RW/NH-33044/24/2020-S&R (P&B) dated 06.01.2021 which stipulates Policy guidelines on action against the consultancy firm and key personnel for misrepresentation of facts & fraudulent practices and non-performance. Ministry in accordance with the circular and taking reference to Clause 7.3.1 "Penalty for Error/ Variation" under Responsibility for Accuracy of Project Documents provision of Contract Agreement and Clause 7.4.2 "Warning/Debaring" under Action for Deficiency in Services provision of the Contract Agreement constituted a committee for

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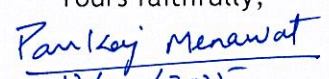
examining the matter with due diligence and to recommend action for acceptance of competent authority. The committee had noted that on account of these DPR deficiencies Show Cause Notices were issued on 21.02.2022 & 23.01.2024 and the consultant responded with replies vide letter dated 19.03.2022, 08.09.2022 and 20.02.2024. In view of this, the committee vide O.M. of even no. dated 11.11.2024 notified that a meeting shall be held on 14.11.2024 in physical mode to give an opportunity to the consultant to provide clarification.

5. **Whereas**, the committee provided an opportunity to consultant for giving clarification in person. After hearing in depth from PD/PIU Araku and consultant, committee carefully examined the matter. It observed that one of the major deficiency as pointed out in the package VI, NH516E is that a 16 km major water pipe line of 600 m dia is going parallel to the highway within ROW and this pipeline is feeding Vijayanagar district from Tathipudi reservoir. Several valves of this pipeline is visible over the ground within the ROW. The committee found the contention of consultant not being at fault in locating the pipeline not acceptable. The committee considered the lapse as major deficiency which resulted into huge variation apart from substantial loss of time in project execution. In view of this, committee recommended to impose penalty to the tune of 5% of Contract value of consultancy work considering various provision of Contract conditions and debar the consultant for 6 months, or as appropriate, for participating in bids.

6. In light of the above said facts, based on the recommendation of the committee the Competent Authority has approved the recommended deterrent action of a penalty to the tune of 5% of Contract value of consultancy work and also debarment for 6 months for participating in bids in NH works, on the consultant (M/s SATRA Infrastructure Management Services Pvt. Ltd now known as M/s Satra Services and Solutions Pvt. Ltd).

7. The period of debarment shall be Six month from the date of issuance of the order.

8. This issues with the approval of Competent Authority.

Yours faithfully,  
  
13/01/2025  
(Pankaj Menawat)  
Executive Engineer

**Copy to:**

1. The Chief Engineer cum Regional Officer, Ministry of Road Transport and Highways, Govt. of India, Vijaywada 520013.

2. The Superintending Engineer-EAP Zone, MoRTH HQ, Ground Floor, Tower-1, Jeevan Bharti Building, 124, Connaught Place, New Delhi-110001

3. Authority Engineer, Aarvee Associates Architects Engineers and Consultants Pvt. Ltd., 8-2-5, Ravvula Residency, Srinagar Colony, Hyderabad-500082.



4. Team Leader, M/s Aarvee Associates Architects Engineers and Consultants Pvt. Ltd., C/o Bannoth Narayana Naik, Govt. High School Road, Kantabamsuguda, Araku Valley, Araku Mandal, Alluri Sitharama Raju - 531149
5. IT Cell, NHAI for information and with request to upload this letter on their website.
6. NIC, NHIDCL - for information and with a request to upload this letter on their website.
7. NIC MORT&H, New Delhi- for uploading on Ministry's Website

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