

WITHOUT PREJUDICE

NHIDCL/Sikkim/Legship-Gyalshing/NH-510/Pkg-V/AAFS/21-22/197808/ 17.03.2026
3389

TERMINATION NOTICE

To,

Authorized Signatory

M/s JRA Infrastructure Ltd.

"Ashok Villa", Opp. Old Adarsh School,

Dist. Banakantha, Gujarat India

Dessa-385535

[Kind Attention: Sh. Rajiv Agarwal, Managing Director]

Subject: Construction of 2-lane specification road with Paved shoulder as re-align (Greenfield Alignment) of existing stretch between Legship to Gyalshing of NH-510 (Design chainage from km 58.840 to km 75.000) under SARDP-NE Phase 'A' on EPC mode in the state of Sikkim-(Package-V): **Termination of the Contract under Clause 23.1(ii) of the EPC Contract Agreement - Reg."**

Ref.:

- i. NHIDCL/PMU-Gyalshing/NH-510/PKG-V/2020-21/76, dt 05.11.2020 "Declaration of appointed date as 10.11.2020-Reg";
- ii. NHIDCL/PMU-Gyalshing/NH-510/PKG-V/2020-21/136, dated: 02.12.2020 "Obtaining different license(s)/permission(s) - Reg";
- iii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/141, Dated: 02.12.2020 " Obtaining different license(s)/permission(s) - Reg";
- iv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/140 dated: 02.12.2020; Different formalities as per agreement - Reg.
- v. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2020-21/202, dated:31.12.2020
- vi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-227Z/0337dated:24.07.2021; Submission of Major Bridge GAD at Chainage 74+195- Reg.

- vii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/2020-21/150 dated: 05.12.2020;
Different formalities as per agreement - Reg.
- viii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2020-21/221 dated: 05.01.2021; **Achievement of DBM - Reg.**
- ix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/224 date 07.01.2021; **Deployment of responsible representative at site- Reg.**
- x. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/240 date 08.01.2021; **Submission of DPR on daily basis - Reg.**
- xi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/253 date 11.01.2021; **Submission of DPR on daily basis - Reg.**
- xii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/273 date 22.01.2021 **“Guidelines and Standard Operating procedure for selection of manufactures/Suppliers of various types of bearings and expansion joints for bridges on National Highways and other Centrally sponsored schemes - Reg”;**
- xiii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/277 date 23.01.2021 **“Deployment of responsible representative at site-Reg”;**
- xiv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2020-21/281, dated: 29.01.2021 **“Maintenance during construction period”;**
- xv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/300 date 09.02.2021 **“Bill for compensation, claim for damages others - Reg”;**
- xvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/358 dated: 05.03.2021 **“Panel of safety & proof consultant - Reg”;**
- xvii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2020-21/371 date 13.03.2021 **“Various responsibility of EPC Contractor - Reg”;**
- xviii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/ 391 Dated 18.03.2021 **“Air pollution caused by road construction”;**
- xix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/031 dated: 19.04.2021 **“Obligation of the contractor under Article 4 (clause 4.1 & 4.2) of EPC Agreement”;**



- xx. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/050, dated:26.04.2021 **“Letter of Information from RDD, Kaluk, Sub-Division-Reg”**;
- xxi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0209 dated: 15.06.2021 **“Commencement of project work - Reg”**;
- xxii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V& VI/2021-22/0334 dated: 23.07. 2021 **“Establishment of Site Laboratory - Reg”**;
- xxiii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0338 dated: 24.07.2021 **“Regarding Protection work of formation”**;
- xxiv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/0360 dated: 31.07.2021 **“Laboratory Establishment & Cure Notice - Reg”**;
- xxv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/0359 dated: 31.07.2021 **“Insurance Policy & Cure Period Notice - Reg”**;
- xxvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/0374 dated: 04.08.2021 **“Enforcement of Quality Assurance and Quality control measures in construction of Road & Bridge works on National Highways and centrally sponsored schemes by Authority Engineer, contractors and Authority Representative”**;
- xxvii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0565, dated 18.10.2021. **“Slow Progress of Work - Reg”**;
- xxviii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0661, dated: 09.12.2021. **“ Failure to achieve DBM target - Reg”**;
- xxix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2021-22/0666 dated: 09.12.2021 **“Air Pollution Control regarding”**;
- xxx. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0718, dated: 03.01.2022 **“Failure to achieve DBM target regarding”**;
- xxxi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0904, dated 18.02.2022 **“Bank account statement & detailed report on utilization fund”**;
- xxxii. SIKKIM510/AE/2022/105, Date: 03.03.2022 **“Non Conformance Report No: 01”**;

- xxxiii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0928, dated
07.03.2022 “Failure to achieve DBM target - Reg”;
- xxxiv. SIKKIM510/AE/2022/118, Date: 09.03.2022 “ Progress of work Hampered- Reg”;
- xxxv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0940 dated
11.03.2022 “Damage to the Existing PMGSY Road -Reg”;
- xxxv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0945, dated:
12.03.2022 “Slow Progress of Work-Regarding”;
- xxxvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2021-22/0949 dated:
14.03.2022
“Slow Progress of Work-Regarding”;
- xxxvii. SIKKIM510/AE/2022/127, Date: 14.03.2022 “Nonconformance Report No: 02”;
- xxxviii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/0960 dated:
17.03.2022 “Show Cause Notice for non-submission of design & Drawings of
Bridges -Reg”;
- xxxix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2021-22/0968 dated:
21.03.2022 “Slow Progress of Work-Regarding”;
- xl. NHIDCL/PMU-Gyalshing/PKG-II,III,IV,V&VI/2021-22/0988 dated: 26.03.2022
“Failure to achieve DBM target reg”;
- xli. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/0993 dated:
28.03.2022 “Hindrances in constructing Box Culvert”;
- xl.ii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/01 dated:
01.04.2022 “Intention to impose the Penalty for not starting the Construction
works of Bridges-Reg”;
- xl.iii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/24 dated:
09.04.2022 “Slow Progress of Work-Regarding”;
- xl.ii. No. 332/UDD/Secy/439, dated: 05.05.2022.

- xlvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-VI/2020-21/116 dated: 10.05.2022 “Working permission in forest land -Reg”;
- xlvi. SIKKIM510/AE/2022/209, dated: 14.05.2022 “Regarding Very Slow Progress of Work”;
- xlvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2022-23/159, dated: 30.05.2022 “Working permission w.r.t the restriction on hill cutting - Reg”;
- xlvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2022-23/197, Dated: 08.06.2022 “Confirmation of Foreign Bank Guarantee for Mobilization advance regarding”;
- xlvi. SIKKIM510/AE/2022/279, Date: 11.07.2022 “Slow Progress of Work (Package-V)”
- l. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/300, Date: 06.08.2022 “Extension of Time- Reg”;
- li. SIKKIM510/AE/2022/254, Date: 13.06.2022 “ Non Conformance Report No-03”;
- lii. SIKKIM510/AE/2022/262, Date: 20.06.2022 “Slow Progress of Work - (PKG-V)”;
- liii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V &VI/2022-23/248, Date: 14.07 .2022 “Working permission w.r.t the restriction on hill cutting - Reg”;
- liv. Memo No. 234/DC(Gyz)/2022, dated: 27.07.2022 “ Permission for Hill Cutting Work”;
- lv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V &VI/2022-23/276, Dated: 27.07.2022 “Permission regarding hill cutting work within RoW- Reg”;
- lvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2022-23/280, Dated: 29.07. 2022 “Mobilization of advance payment - Reg”;
- lvii. SIKKIM510/AE/2022/306, Date: 01.08.2022 “ Submission of 1st Mobilization Advance Payment (1st Phase) Bill”;
- lviii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2022-23/297, Dated: 05.08.2022 “verification of Bank Guarantee (Ref No.JIR88535.5001 dated 13.07.2022) for mobilization advance - Reg”;

- lix. NHIDCL/RO-Sikkim/JRA/Pkg-V/2021-22/ Dated 12-08-2022 “ Mobilisation Advance- reg”;
- lx. NHIDCL/Sikkim & WB/ReviewMeeting/2019/1538, Dated: 12.08.2022 “Minutes of Project Review Meeting dated 19.07.2022 (Sikkim and West Bengal) - Reg;
- lxi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKGV/2022-23/382 Date: 10.09.2022 “Slow Progress - Reg”;
- lxii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKGV/2022-23/435 Date: 26.10.2022 “Slow Progress - Reg”;
- lxiii. SIKKIM510/AE/2022/408, Date: 02.11.2022 “ Non Conformance Report No (NCR) - 04”;
- lxiv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKGV/2022-23/475, Dated: 18.11.2022 “Maintenance of existing road- Reg”;
- lxv. NHIDCL/Sikkim&WB/ReviewMeeting/2019/1695 dated 29.11.2022 “Minutes of Project Review Meeting dated 22.11.2022 (Sikkim and West Bengal) - Reg.
- lxvi. NHIDCLPMU-Gyalshing/Legship-Gyalshing/PKGV/2022-23/511 dated: 08.12.2022 Termination under Clause 23.1 of Article 23 of Contract Agreement- cure notice.
- lxvii. SIKKIM510AE/2022/443, Date: 06.12.2022 “Regarding Shut Down of Work”
- lxviii. NHIDCL/RO-Gangtok/Pkg-V/2023-24/1189 dated: 11.03.2024 “Slow progress of work”-Reg
- lxix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V/2024-25/78 dated 20.05.2024 “Inadequate Mobilization of resources”
- lxx. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2024-25/80 dated 20.05.2024 “Repair/replacement of non-functional laboratory apparatus equipments”
- lxxi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2024-25/115 dated 31.05.2024 “Show cause notice for from SPCB for not adhering the directions of SPCB”

- lxxii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2024-25/142 dated 13.06.2024 **“Damage to newly constructed road from 62.850 to 63.000”**
- lxxiii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/AE/2024-25/245 dated 07.08.2024 **“Damage to newly constructed road”**
- lxxiv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PkgV/2024-25/360 dated 28.10.2024 **“Slow progress and non-achievement of milestone-III”**
- lxxv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2024-25/410 Date: 30.11.2024 **“Non-achievement of DBM Target & Slow progress of work”**
- lxxvi. NHIDCL/PMU-Gyalshing/AE/Ravangla-Legship-Gyalshing/2024-25/455 Date: 26.12.2024 **“Extremely slow progress of the project work”-Reg**
- lxxvii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2024-25/409 Date: 30.11.2024 **“Slow progress of work & non achievement of DBM Target”**
- lxxviii. SIKKIM/NHIDCL/NH-510/AE/2024-25/698 Date: 06.12.2024 **“Slow progress of work & non achievement of DBM Target”**
- lxxix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V&VI/2025-26/42 Date: 03.05.2025 **“Immediate action required for repair/rectification of protection work”**
- lxxx. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2025-26/47 Date: 05.05.2025 **“Issuance of Cure Notice to the EPC contractor M/s JRA Infrastructure Ltd. as per Clause 23.1 of the EPC Contract Agreement”**
- lxxxi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/41 Dated: 02.05.2025 **“Construction Equipment - Reg.”**
- lxxxii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/118 Dated: 05.06.2025 **“Final Notice for deployment of equipment at site - Reg”**
- lxxxiii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/130 Dated: 13.06.2025 **“Immediate action required abandonment of site by M/s JRA and resolution of Local Issues- Reg.”**
- lxxxiv. JRA/SIKKIM/PKG-V/2024-25/209 Dated: 21.05.2025 **“Contractor’s reply on cure period notice issued on 05.05.2025”**

- lxxxv. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/139 Dated: 17.06.2025 “Final Notice - Maintenance/Repair work for Package-V from Km 62+400 to Km 64+400 - Reg.”
- lxxxvi. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/154 Dated: 26.06.2025 “Final Notice - 2 - Maintenance/Repair work for Package-V from Km 62+400 to Km 64+400 - Reg.”
- lxxxvii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/159 Dated: 03.07.2025 “PMU’s reply to Contractor on Contractor’s reply of cure notice - reg”
- lxxxviii. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/200 Dated: 02.08.2025 “Final Notice for non-maintenance of existing roads and landslide clearance timely -reg”
- lxxxix. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/Pkg-V&VI/2025-26/223 Dated: 22.08.2025 “Presence during SPM Visit in Pkg-V- reg”
- xc. NHIDCL/PMU-Gyalshing/Legship-Gyalshing/PKG-V/2025-26/234, dated 01.09.2025 “Regarding complete demobilization Pkg-V - Bridge work at Ch. 63+300 - Reg.”
- xc. NHIDCL/Sikkim&WB/ReviewMeeting/2019/175722/3107 Dated: 26.09.2025. “MOM of MD, NHIDCL Review meeting held at HQ, NHIDCL on 12.09.2025.”
- xcii. HQ, NHIDCL email dated 21.11.2025 - “Meeting to discuss the issues under Package-V of NH-510”
- xciii. Contractor Email dated: 24.11.2025 - Meeting to discuss the issues under Package-V of NH-510”
- xciv. NHIDCL/Sikkim/NH-510/Legship-Gyalshing/PkgVI/2020/185976/3180 Dated: 10.12.2025 “Meeting to discuss the issues under Package-V of NH-510”

xcv. NHIDCL/Sikkim/Legship-Gyalshing/NH-510/Package-V/ReviseAA&FS/197808/08
Dated: 08.01.2026. "Notice of intention to Terminate the Contract under
Clause 23.1.(ii) of the EPC Contract Agreement -Reg"

1. The sum and substance of the above notices /letters/meetings / proceedings is that EPC Contractor has continuously missed committed milestones, contractual/project timelines and all the assurances, written and oral, made through various replies either as an answer to the above notices/reviews or commitments to Employer/Authority. All your said replies are part of the record with Authority. The reasons for the said defaults are solely attributable to the EPC Contractor, including but not limited to mismanagement, inadequate mobilization of resources, poor planning, non-submission of designs, and abandonment of the site.

2. **WHEREAS**, Letter of Award (LOA) for the work of "*Construction of 2-Lane Specification Road with Paved Shoulder as Re-alignment (Greenfield Alignment) of Existing Stretch between Legship to Gyalshing of NH-510 (Design Chainage from Km 58.840 to Km 75.000) under SARDP-NE Phase "A" on EPC Mode in the State of Sikkim-(Package-V) on the EPC basis in the State of Sikkim*" through an Engineering, Procurement and Construction (EPC) Contract" (hereinafter referred as "Project") was issued to M/s JRA Infrastructure Ltd, Ashok Villa, Opp. Old Adarsh School, Dist. Banakantha, Gujarat India Dessa-385535 (Hereinafter referred to as the "EPC Contractor") by National Highways Infrastructure & Development Corporation Limited (NHIDCL) (hereinafter referred as the "Authority") on 14.09.2020 for a contract price of Rs. 132.30 Cr (excluding GST). The Contract Agreement was signed between the Authority and Contractor on 08.10.2020. The Appointed Date for the project was subsequently declared as 10.11.2020 vide letter cited at ref (i), as mutually agreed upon.

3. **WHEREAS**, clause 4.1 (i) of the Contract Agreement states that "*Subject to and on the terms and conditions of this Agreement, the Contractor shall undertake the survey, investigation, design, engineering, procurement, construction, and maintenance of the Project Highway and observe, fulfil, comply with and perform all its obligations set out in this Agreement or arising hereunder.*" However, the Contractor's carelessness, negligence, and lackadaisical approach and attitude towards the project have adversely impacted the progress of the project work.

4. **WHEREAS**, as per Schedule-J of the Contract Agreement, the construction of the subject project was to be completed in all aspects within 30 months from the Appointed Date, which means that the EPC Contractor was obliged to complete the construction by 10.05.2023. However, in complete disregard to the aforesaid stipulation, the Contractor had failed to undertake the construction work at the requisite pace, inter

alia, due to inadequate deployment of machinery, plant, material, and manpower. Despite grant of cumulative Extension of Time (EoT) of 605 days without levy of Liquidated Damages, EPC Contractor has failed to achieve Milestone-III (70%) within extended date of 20.08.2024.

5. **WHEREAS**, clause 6.1 (iii) of the Contract Agreement states that *“The Contractor acknowledges and hereby accepts the risk of inadequacy, mistake or error in or relating to any of the matters set forth in Clause 6.1 (i) above and hereby acknowledges and agrees that the Authority shall not be liable for the same in any manner whatsoever to the Contractor, or any person claiming through or under any of them, and shall not lead to any adjustment of Contract Price or Scheduled Completion Date.”* Therefore, Authority is not liable for the inadequacy, mistake or error in or relating to any matter set forth is Clause 6.1 (i) of CA.

6. **WHEREAS**, as per clause 8.2 of Article 8 of the Contract Agreement, the Joint Memorandum regarding the inventory of the site was prepared and signed along with the EPC Contractor on 08.11.2020, wherein it has been mentioned that 9.83% of the land is available. The Authority has handed over ROW of 14.50 km out of 16.16 km length to the EPC Contractor to date from time to time & the balance ROW of 1.660 km (10.30%) is hindered due to Holy Srijunga waterfall & cave issue and the acquisition of structures in Legship Market & Maniraj. On this account and other hindrance events, the Authority has granted 03 numbers of Extension of Time (EOT) of cumulative 605 days for shifting of all the milestones, in accordance with Clause 10.5 of the Contract Agreement, without liquidated damages. Therefore, delay cannot be attributed to the Authority to the extent of available land (around 90%). The original date of milestone achievement against the Extension of Time granted by the Authority and the actual achievement by the contractor is as follows:

Milestones	Progress	Days as per Schedule-J	Date as per Schedule-J	Modified Date as per EoT	Current Status
I	10%	35% of Schedule Period	24.09.2021	30.03.2023	Achieved
II	35%	60% of Schedule Period	09.05.2022	30.12.2023	Achieved
III	70%	85% of Schedule Period	24.12.2022	20.08.2024	Not achieved till date
IV	100%	100% of Schedule Period	09.05.2023	-	-

7. **WHEREAS**, in complete disregard of the aforesaid timeline and despite lapse of more than 64 (Sixty Four) months since Appointed Date, the EPC Contractor has failed to undertake the construction work at the requisite pace, inter alia, due to non-finalization of Plan & Profile in schedule time, inadequate deployment of machinery, plant, material, and manpower. However, to say the least, the progress of work has been dismal, and the EPC Contractor has been able to achieve only 49.202% physical progress till date. The details of targeted progress and achievement are tabulated below, which clearly establishes the careless, negligent & lackadaisical attitude of the EPC Contractor towards this important project works.

Sr. No.	Month	Physical Progress (%)	Financial Progress (%)
1	Cumulative up to Aug-2023	30.293	26.206
2	Sep-23	3.013	2.790
3	Oct-23	1.716	0.930
4	Nov-23	1.208	0
5	Dec-23	1.737	2.67
6	Jan-24	1.040	2.534
7	Feb-24	1.044	2.734
8	Mar-24	2.666	0.492
9	Apr-24	0.113	2.013
10	May-24	0.991	0
11	Jun-24	2.037	2.401
12	Jul-24	0.247	0.148
13	Aug-24	0.069	0
14	Sep-24	0	0
15	Oct-24	0	0
16	Nov-24	0	0
17	Dec-24	0	0
18	Jan-25	0	0
19	Feb-25	0.282	0
20	Mar-25	1.106	1.254
21	Apr-25	0	0
22	May-25	0	0
23	June-25	1.64	0
24	Jul-25	0	1.894
25	Aug-25	0	0
26	Sep-25	0	0
27	Oct-25	0	0

28	Nov-25	0	0
29	Dec-25	0	0
30	Jan-26	0	0
31	Till 15.03.2026	0	0
Total		49.202%	46.07%

8. **WHEREAS**, it is evident from the above table that the contractor has failed to expedite the progress of works in order to achieve completion within the stipulated time. It can be seen that no substantial physical progress has been achieved from Jun'2024 to Sep'2024 (04 months - 3.353%), Oct'2024 to Jun'2025 (09 months - 3.028%) and the works are stalled since Jul'2025 and no progress made till date i.e more than 08 months. It can be seen from the above table at para 5 above that EPC Contractor has to achieve extended Milestone-III i.e. 70.00% financial progress upto 20.08.2024 due to mismanagement, own failure, lack of planning & resources, the contractor could achieve 46.07% financial progress till 15.03.2026.

9. **WHEREAS**, the EPC contractor has demobilized from the project site since 04.04.2025, except for 01 bridge activity at km 63+300. Contractor had been requested repeatedly vide letter at ref (lxix, (lxxxi) to (lxxxiii), lxxxix for mobilization/deployment of adequate resources. However, as on date, the site remains unattended, with no representatives of the EPC contractor present on site. GM (P), PMU-Gyalshing vide letter no. 234, dated 01.09.2025 issued notice regarding complete demobilization at package 5 (Bridge Work at Ch. 63+300) without intimation. This act of the Contractor clearly attracts actions as per clause 23.1 (i) (d), which states, *"The Contractor abandons or manifests intention to abandon the construction or Maintenance of the Project Highway without the prior written consent of the Authority"*.

10. **WHEREAS**, the Authority engaged Special Project Monitor (SPM), in accordance with clause 11.5 (i) of CA, to conduct an audit of the quality of works, progress of works etc. SPM in its site inspection report conducted from 25.08.2025 to 28.08.2025 (Pkg-IV & Pkg-V) recorded that *"There is no progress at site at present and only one person was available. One idle excavator was also seen at site. However, there was no responsible representative from the EPC Contractor for inspection. From Km 58+840 up to the Km 63+300 (Proposed MJB) the road was inspected. It appears that the contractor has demobilized his resources and the work at site is at a standstill."*

11. **WHEREAS**, it has been observed that protection works such as breast wall, retaining wall, Gabion wall, DBM, etc. were of inferior quality. In this regard, Non-Conformance Reports (NCR) were issued by Authority's Engineer, but no initiative from

EPC contractor's side has been taken for closing the same. The brief details of the NCR's issued to the EPC Contractor are as mentioned below:

Sr. no	NCR	Subject	AE Letter No	Status
1	NCR- 01	Issuance of Non-Conformance Report(NCR) for using of size stone not as per IRC:SP:11 6-2018 Clause No. 4.2 in gabion wall from km-63+840 to km-63+860	SIKKIM510/AE/2021/105 Dated: 03-03-2022	Open
2	NCR- 02	Issuance of Non-Conformance Report (NCR) for non-achievement of specified compressive strength during cube test at 28 days of concrete in breast wall from km-71+940 to km-71+950 (LHS) for which instruction was given for removal & re-construction of the same.	SIKKIM510/AE/2022/127 Dated: 14-03-2022	Open
3	NCR- 03	Issuance of Non-Conformance Report (NCR) for non-achievement of specified design thickness of DBM during core cutting test on 10-06-2022 from km-71+950 to km-72+050.	SIKKIM510/AE/2022/254 Dated: 13-06-2022	Open
4	NCR-06	Issuance of Non-Conformance Report (NCR) for not constructing the retaining wall as per design and drawing specification. Cracks found in retaining wall. Foundation lain on earth filled ground.	SIKKIM 510 /AE/2023/ 236 Dated : 19.07.2024	Open
5	NCR-07	Issuance of Non-Conformance Report (NCR) for not constructing the Breast wall as per the Breast wall at Chainage 71+900 to km 71+940 the approved Design & Drawing. The Slope in PCC Wall is not maintained.	SIKKIM 510 /AE/2023/ 266 Dated : 04.08.2023	Open
6	NCR-09	Issuance of Non-Conformance Report (NCR). At Km 63+080 to 63+100 the work of retaining wall was not as per the Design and Drawing and no surface reinforcement has been used to withstand the surface cracks .	SIKKIM 510 /AE/2024/ 117 Datd: 30.10.2023	Open
7	NCR-10	Issuance of Non-Conformance Report (NCR). The work of Breast Wall is not as per th	SIKKIM 510 /AE/2024/	

		e design & drawing submitted by the EPC Contractor. Oversize Boulder and excess Quantity of boulder used in Breast Wall Photographs attached for your reference .	117 Dated : 04.03.2024	Open
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12. **WHEREAS**, in addition, EPC Contractor also has defaulted in fulfilling its following obligations as per the details given below: -

Sr. No.	Clause No.	Obligation	Time Period (Due Date)	Actual Status
1	11.16	Video Recording	Every calendar quarter	Not being submitted
2.	Clause 10.2. IV.(a)	Submission of Design and Drawing	90 days	Design & drawing of 02 number (total 168 meter) of Bridges out of the total provisioned 5 number (total length 394 meter) has not been finalized.
3	Clause 10.2.IV.(h)	Ensure the approval of the design and drawings from AE		

13. **WHEREAS**, it is evident from above that the EPC Contractor has not taken the activity of construction of the bridge seriously. As per the provision of Schedule-J, the EPC Contractor must start the work on all bridges prior to achieving Milestone-II. However, the EPC Contractor has not started the work on all the bridges till date and the design & drawing of 02 number (total 168 meter) of Bridges out of the total provisioned 5 number (total length 394 meter) have not been finalized. Submission of Bridge design & drawings is still pending with the EPC Contractor. This raised justifiable doubts in the mind of the Authority about the seriousness of the EPC Contractor.

14. **WHEREAS**, attention is drawn to clause 10.1 (i) of the Contract Agreement, which clearly stipulates that the Design director shall head the EPC Contractor's design unit and shall be responsible for surveys, investigations, collection of data, and preparation of preliminary and detailed designs. In this particular instance, it is evident that the Design Director appointed by the EPC Contractor has failed to perform in accordance with the requirements, as they could not finalize the design & drawing of the viaducts as brought out in the above paragraphs.

15. **WHEREAS**, Clause 10.2 (iv) (f) of the Contract Agreement states that the EPC Contractor shall be responsible for delays in submitting the drawing as set forth in

Schedule-I caused by reason of delays in surveys and field investigations and shall not be entitled to seek any relief in that regard from the Authority. Thus, EPC Contractor is responsible for the delay in submission & finalization of the design & drawings as per Clause 10.2 (iv) (f).


16. WHEREAS, pursuant to Clause 10.4.1 of the Contract Agreement, the EPC Contractor shall maintain the existing road condition in traffic worthy and must ensure to avoid public inconvenience and the safety of road users. Nonetheless, the EPC Contractor has failed to maintain the road as well as failed to maintain the constructed road and also damaged the adjacent PMGSY road during construction, for which notices have also been issued by the Authority & Authority Engineer vide letter cited under ref. xiv, xxxiv lxiv, lxxii, lxxiii, lxxxv, lxxxvi, lxxxviii and during various site inspection of Executive Director (P). In spite of repeated notices and letters, the condition of existing lane(s) of the project road is not satisfactory.

17. WHEREAS, the Authority has reviewed the progress regularly and the project was categorized as critical project due to horrendous delay. In all such meetings, EPC Contractor had committed to achieve the targets of various work activities during review meeting and site inspection note issued under ref. lx & lxxv. However, not a single target has been achieved by EPC Contractor, despite knowing that adverse action may be taken by the Authority as per the provisions of CA towards non-achievement of such targets. The approach and intention of EPC Contractor is clear when it has failed to take up the pace of work. However, EPC Contractor always failed to fulfil the targets and assurances. The reasons for non-achievement of the targets are entirely attributable to the EPC Contractor.

18. WHEREAS, repeated notices and warnings have been issued to M/s JRA Infrastructure Ltd. by Authority and Authority's Engineer vide letter at ref (xxvii, xxviii, xxx to xxxvii, xxxix to xl, xliii, xlvi, xlix, li, lii, lxi to lxiii, lxviii, lxxii to lxxix) for slow progress and poor quality of works have proved to be a futile exercise and could not yield desired results from M/s JRA Infrastructure Ltd.

19. WHEREAS, it has become evidently clear that the EPC Contractor has failed to comply the directions of Employer regularly and resorted to false assurances as the progress of works could not be increased adequately.

20. WHEREAS, the Employer on various occasions pointed out the lack of manpower, be it laborers, operators or middle management, the EPC Contractor chose to not pay any heed to it and remained insensitive to the agony of people living around the Project as well as commuters due to delayed execution.



21. **WHEREAS**, Employer, as well as other stakeholders, have lost trust in the EPC Contractor due to false commitments and poor management. The situation has become so grave that the EPC Contractor has been wasting the ongoing working season as it has failed to put in efforts to satisfaction of any party be it Authority, State Govt or Public in general.

22. **WHEREAS**, the Assistant Labour Commissioner, Labour Department, Gyalshing, Government of Sikkim, vide letter No. 113 dated 29.01.2025, has raised concerns regarding complaints of non-payment of wages to labourers engaged under NHIDCL Package-V. The letter further indicates that multiple complaints were received on 26.12.2024, 06.01.2025, and 07.01.2025. Such instances constitute a breach of Clause 4.1(vii) (k) of the Contract Agreement, which states that *“ensure that all payments to the manpower (labour, operators, technicians, officers, engineer etc) are release directly to their bank account.”* And clause 11.18 (i) of the Contract Agreement which states that, *“The Contractor shall make its own arrangements for the engagement of all personnel and labour, local or otherwise, and for their payment, housing, feeding and transport.”*

23. **WHEREAS**, Commissioner of Commercial Tax issued notice under sec 79 to the Authority on 15.03.2024 effecting recovery of default amount of GST for Rs. 8,53,29,140/- from your future bills. NHIDCL RO-Gangtok vide letter dated 23.03.2024 requested to pay attention towards the notice and settle all the default payment of GST with the GST Authority. The Contractor was reminded time and again. The Commissioner of Commercial Taxes vide their letter dated 04.07.2025 mentioned that *“Enclosed herewith please find report generated from GST portal showing short payment of GST of 912.33 lakh by M/s JRA Infrastructure Limited. The company has declared total liability of GST of 2,640.24 lakh in returns filed in Form GSTR-1 whereas the company has paid ₹1,727.91 lakh by concealing the supply value in returns filed in Form GSTR-3B.*

The short payment was detected and recovery notice was issued in March 2024 to NHIDCL under section 79(1) (a) and section 79(1)(c)(ii) of the Sikkim Goods & Services Tax Act, 2017. NHIDCL failed to recover the tax from sum of 23,68,83,763.00 released to M/s JRA Infrastructure Limited from May 2024 to May 2025 other than an amount of 14,34,674.00 that was recovered in March 2024.”

24. **WHEREAS**, the EPC Contractor has been frequently instructed to expedite the works at the project site but in spite of these instructions, the EPC Contractor has failed to perform in almost all aspects of the provisions of Contract Agreement. The defaults/failures/non- fulfillment of the obligations of the EPC Contractor leads to

extremely slow progress of the works and non-achievement of Milestone-III and Completion of project. The EPC contractor was reminded several time to rectify the damage work in the project stretch, however the EPC contractor did not pay heed to the instructions of the Authority.

25. WHEREAS, Cure Period Notice was issued by NHIDCL, PMU-Gyalshing to the EPC Contractor vide letter dated 05.05.2025 vide letter at ref (lxxx) above due to various defaults and breach of Agreement mentioned therein to cure the defaults within 60 (sixty) days. EPC Contractor vide letter dated 21.05.2025 at ref (lxxxiv) submitted a reply to the Cure Period Notice, which was examined and found fundamentally unsatisfactory and unacceptable due to sustained and demonstrable defaults, i.e., the absence of a compliant EOT Justification, procedural lapses, poor performance, and failure to rectify or respond to the defaults/breaches. The Contractor continues to shift blame, alleging non-payment and other factors, yet fails to present any documentary evidence or timeline linking these claims to the specific defaults identified. The Contractor has not addressed the core breaches cited in the notice viz. missed milestone deadlines, failure to meet contractual targets, execution of inferior-quality work resulting in damages, and unauthorized demobilization from the site, abandoning of the site without intimation etc.

26. WHEREAS, EPC Contractor submitted a petition U/s 9 of the Arbitration & Conciliation Act, 1996, before the Hon'ble High Court of Delhi for both the subject projects for relief's w.r.t staying the further operations on the Cure Period Notice, Intention to Termination Notice, Notice of Liquidated Damages & Release of withheld amounts. The Hon'ble High Court of Delhi in it's Order dated 09.07.2025 stated that "*the respondents i.e NHIDCL & Ors shall also ensure that the letters of the petitioner, with respect to the conciliation process, are duly addressed in accordance with the terms of the Agreement.*" The Hon'ble Court, after hearing the parties, did not grant any stay on the contractual rights of the Authority to proceed in accordance with the provisions of the Contract Agreement. Accordingly, there exists no legal restraint upon the Authority from exercising its rights under Clause 23.1(ii) of the Contract Agreement.

27. WHEREAS, based on the letters of the EPC Contractor for conciliation concerns the disputes related to claims for EOT, withheld payments, and allegations of hostile work environment, Sh. S.C. Jindal, Retd. Chief Engineer, PWD Haryana and Former CGM, NHAI was appointed as "Conciliator" by the Authority vide letter dated 07.08.2025 to mediate and assist the parties in arriving at an amicable settlement on the disputes. However, EPC Contractor vide their letter dated 12.08.2025 submitted that they do not consent to refer the disputes to a conciliator under clause 26.2 of CA,

and they do not consent to the appointment of Sh. S.C Jindal to adjudicate the dispute as a conciliator.

28. WHEREAS, the Senior officers of NHIDCL, HQ visited the project site in the months of Sept and Oct 2025 and observed that the Contractor is not willing to execute the work as the site has been abandoned by the Contractor, which is a material breach of the agreement.

29. WHEREAS, during the review meeting of the projects in the state of Sikkim held on 12.09.2025 under the chairmanship of MD, NHIDCL, it was decided that a separate meeting would be convened under Director (T)-II by 30.09.2025 to discuss all open issues and finalize the way forward. Pursuant to this, a meeting was held on 16.09.2025 at NHIDCL HQ under the chairmanship of the then Director (T)-II, wherein the MD of the Contractor was requested to come up again on 22.09.2025 with a firm plan and methodology for completion of the balance work. However, the Contractor did not attend.

30. WHEREAS, a meeting was held under the chairmanship of Director (Tech)-II on 21.11.2025 at 4:30 PM. However, despite prior intimation, the authorized signatory of the EPC Contractor did not join the VC. Instead, an individual claiming to be the Contractor's Advocate attended. Therefore, no issues could be discussed or assessed. The same was communicated to the Contractor vide email dated 21.11.2025, wherein the Contractor was requested to ensure the presence of the authorized signatory in the rescheduled meeting on 25.11.2025 at 3:00 PM, to be held physically at NHIDCL HQ. Subsequently, the Contractor, vide email dated 24.11.2025, informed that the authorized signatory would be unable to attend the meeting due to his younger brother's wedding during the week and expressed that he would only be available in the first week of December. Considering the request of EPC Contractor to re-schedule the meeting, Contractor was requested vide letter dated 10.12.2025 at ref (xciv) above to attend the meeting scheduled on 15.12.2025 at 3:00 PM under the chairmanship of Director (T)-I at NHIDCL HQ, New Delhi, physically to discuss the issues pertaining to the project(s). It was also clarified to the Contractor that failure to attend the meeting shall compel the Authority to take action, as deemed appropriate, under the provisions of the Contract Agreement.

31. WHEREAS, despite several opportunities extended for hearing and resolution of issues, the Contractor has repeatedly failed to appear with a firm plan for project completion. Further, the project site still remains unattended for more than 8 months with the complete demobilization of the Contractor. Multiple efforts have already been made to revive the project, but the same could not be succeeded due to lapses, defaults

& de-mobilization of the contractor from the project site. As such, the project may be considered for termination.

32. **WHEREAS** clause 7.2 of Contract Agreement states that, "*The Contractor may initially provide the Performance Security for a period of 2 (two) years; provided that it shall procure the extension of the validity of the Performance Security, as necessary, at least 2 (two) months prior to the date of expiry thereof.....*". The Performance Security submitted by the Contractor in form of Bank Guarantee bearing no. 15300100010504 issued by Axis Bank Ltd was valid upto 31.12.2025. However, the Contractor failed to submit the extension of validity of the Performance Security, within the timeframe. As a result, the Authority encased the said Bank Guarantee.

33. **WHEREAS**, it has become evidently clear that the EPC Contractor is not in a position to execute the Contract within the provisions of the Contract Agreement and continues to be in default of the obligations as brought out in the Cure Period Notice leading to a major Material Adverse Effect on the Contract. Further, the EPC Contractor has breached the Contract Agreement, inter-alia, with the defaults in terms of following sub-clauses of Clause 23.1.(i) of Article 23 of Contact Agreement:

Clause 23.1 (i) (c), *'the contractor does not achieve the latest outstanding Project Milestone due in accordance with the provisions of Scheduled-J, subject to any time Extension, and continues to be in default for 45 (forty five) days'; Milestone-III not achieved.*

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'; Contractor demobilized their resources from site.*

Clause 23.1 (i) (e), *'the contractor fails to process 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 programme and such stoppage has not been Authorized by the Authority's Engineer; Contractor failed to achieve the targeted progress and also failed to achieve Milestone-III. Further, demobilized their resources from site and also failed to achieve.*

Clause 23.1 (i) (f), *'the project Completion Date does not occur within the period specified in the Schedule-J for Schedule Completion Date, or any extension thereof'; Contractor failed to achieve milestone-III of the project within the extended dates i.e. 20.08.2024.*

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'. Non-closure of NCRs issued from time to time by the Authority's*

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'. Non-closure of NCRs issued from time to time by the Authority's Engineer, non-maintenance of existing lane(s) of project highway in traffic worthy and safe condition.

Clause 23.1 (i) (q), 'the contractor commits a default in complying with any other provision of this Agreement if such a default causes a Material Adverse Effect on the Project or on the Authority.' Non-payment of wages to the labourer, despite complaints by Labour Deptt, Govt. of Sikkim, non-finalization of Design & Drawing of Bridges, non-submission of quarterly videography etc.

34. WHEREAS, the non-professional attitude of the Contractor towards the strategically important subject project and above acts of omission and commission by the Contractor has resulted in:

- i. Non-achievement of timely completion of the strategic importance of the road, which is part of NH-510 connecting borderline areas of the Country and crucial for Defence Point of View.
- ii. Immense public suffering and the authority losing goodwill amongst the people of Sikkim.
- iii. Authority losing credibility in the eyes of its Stakeholders.

35. WHEREAS, In view of the persistent breach of Contract and lack of progress, Notice of Intention to Terminate the Contract in accordance with clause 23.1 (ii) of Contract Agreement was issued to the EPC Contractor vide letter dated 08.01.2026 at ref (xcv) above thereby granted 15 day's time to make a representation, if any.

36. WHEREAS, the Contractor vide HQ, letter dated 08.01.2026 at ref (xcv) above also show caused that as to why the instant contract with M/s JRA Infrastructure Ltd. should not be terminated and that, as a natural consequence thereof, the said M/s JRA Infrastructure Ltd. shall stand debarred for a period of 02 (two) years and it shall not be able to bid any contract of the Authority either singularly or in a JV or its Related Parties.

37. WHEREAS, the Contractor, through the Delhi High Court, appointed a Sole Arbitrator and initiated the proceedings of the Arbitration. In the said proceedings, the Contractor has not filed its Statement of Claim (SOC) till date, however, in the middle of the proceedings, the Contractor's Counsel intimated vide email dated 16.02.2026 to all the concerned that the Contractor's Company i.e. M/s JRA Infrastructure Limited, had entered Corporate Insolvency Resolution Process ("CIRP") vide Order dated 25.04.2025 passed by the National Company Law Tribunal, Ahmedabad bearing

No. C.P.(IB)/365(AHM)2024 titled as 'HDFC Bank Limited vs M/s JRA Infrastructure Limited'.

38. **WHEREAS**, in terms of Clause 23.1(i)(m) of the Contractor Agreement, insolvency of the Contractor's company is another viable ground for termination of the Contract on Contractor's default in addition to the grounds mentioned in Para 33 as above.

39. **WHEREAS**, neither the contractor had made any representation nor complied with any of the defaults as mentioned in the intention to terminate letter, even after lapse of more than a month.

40. **WHEREAS**, the EPC Contractor has failed to remedy the breaches even after issuance of the aforesaid Notice of Intention to Terminate and has neither resumed substantial work nor mobilized adequate resources at the site.

41. **WHEREAS**, the Authority is left with no other option but to terminate this Contract for the defaults highlighted as above in terms of Clause 23(1)(i)(c), 23(1)(i)(d), 23(1)(i)(e), 23(1)(i)(f), 23(1)(i)(g), 23(1)(i)(q) and 23(1)(i)(m).

42. In light of the above-mentioned facts and circumstances, including the non-exhaustive fundamental breaches and the EPC Contractor's persistent and sustained gross defaults in performance of its contractual obligations, the EPC Contractor was granted adequate and reasonable opportunities, and sufficient time was extended, to cure the defaults. The Authority further confirms that all contractual support and facilitation, as required under the Conditions of Contract, were duly extended to the EPC Contractor.

It is observed that the EPC Contractor has failed to remedy the breaches within the stipulated Cure Period of 60 (Sixty) days and even after issuance of the aforesaid Notice of Intention to Terminate. The EPC Contractor has neither resumed the Works nor mobilized adequate manpower, machinery, and other resources at the project Site. Further, no representation or substantive response has been received from the EPC Contractor contesting or addressing the grounds stated in the Notice of Intention to Terminate.

In view of the foregoing, and considering that such continued default has resulted in material adverse effect on the Project, the Authority is left with no other option but to terminate the Contract Agreement with M/s JRA Infrastructure Pvt. Ltd. in accordance with Article 23.1(ii) of the Contract Agreement, with immediate effect.



43. Upon Termination of this Contract on account of Contractor's default under Article 23.1 of the Contract Agreement, the relevant provisions of the Contract Agreement shall henceforth apply. The losses, damages, and expenditures incurred by the Authority due to the Contractor's failure to rectify defects, works carried out or to be carried out under maintenance during construction, or any additional expenses arising from the termination of the contract due to the Contractor's default, shall deemed to be recovered from the EPC Contractor.

44. This Notice is issued without prejudice to any other right or remedy available with the Authority under the Contract Agreement and/or applicable law.

This is issued with the approval of Competent Authority.



(Adil Singh)

Executive Director (Tech.)-VI

Copy for information to:

- i. PPS to MD, NHIDCL, HQ, New Delhi;
- ii. PS to Director (Tech.)-I, NHIDCL HQ, New Delhi;
- iii. Executive Director (P), NHIDCL RO-Gangtok, Sikkim;
- iv. General Manager (P), NHIDCL PMU-Gyalshing, Sikkim.