Supplementary Claim Heads for Contract Package ARTL/WIPL/2021/001
Period: September 2023–June 2025 (22 months)
Submission Date: September 26, 2025

Overview

These supplementary claim heads (8–14) address additional costs and losses beyond the primary prolongation claims (A–I, INR 451.55 Crores, Annexure 1). Each head is tied to Employer-attributable delays, primarily failure to provide hindrance-free Right of Way (RoW) per Clause 8.1 of the Construction Contract and Clause 2.1 of the Supplementary Agreement, impacting the critical path (Appendix X – Delay Analysis). Narratives detail computation methods, contractual/legal basis, and assumptions for clarity, ensuring alignment with actual deployment in September 2023 (Annexure 1.1.1). Claims 15 and 16 are merged with existing heads H and F to avoid overlap. All claims are supported by contemporaneous records (MPRs, notices, invoices) to mitigate global claim risks (Associate Builders v. DDA, 2015).

8. Disruption Costs

Amount: INR 62.00 Crores (Appendix H)

In addition to time-related prolongation, the Contractor has suffered substantial disruption losses arising from fragmented and stop–start execution of the Works. These losses are distinct from prolongation, as they relate to reduced productivity and inflated unit costs on the work fronts that were made partially available. Despite mobilization in accordance with the Contract, execution was repeatedly hindered due to piecemeal site handovers, delays in removal of utilities and trees, and late approvals of design and change of scope works. As a result, resources deployed at site were often idle or forced to work under suboptimal sequencing, leading to measurable productivity losses.

Computation Basics

- Planned productivity: 500 cu.m/day of earthwork (Apr–Aug 2023, Schedule 9).
- Actual productivity: 300 cu.m/day over 660 days (Sep 2023–Jun 2025).
- Affected quantum: INR 180 Crores (BOQ items 2.01–2.03, earthwork and subgrade).
- Productivity loss: 40%, mitigated to 35% via re-sequencing.
- Cost calculation:
$$\text{INR } 180 \text{ Crores} \times 0.35 = \text{INR } 63 \text{ Crores}$$
- Adjusted claim: INR 62 Crores for conservatism.
- Supporting records: MPRs, productivity logs, notices (Sep 2023, Appendix H).

Basis

- Contractual: Clause 2.1 (hindrance-free RoW), Clause 13.1 (disruption compensation).
- Factual: Piecemeal RoW, utility delays, late approvals (notices Feb 2022, Sep 2023) reduced efficiency (MPRs, Appendix H).
- Legal: Section 73, Indian Contract Act, 1872; NHAI v. HCC (2015, Delhi HC) awarded 25% productivity loss; SCL Delay and Disruption Protocol (2017) endorses measured mile methodology.
- The Contractor reserves the right to update this claim with additional productivity data.

Assumptions

- 660-day period aligns with prolongation; adjusted from 274 days.
- INR 180 Crores based on BOQ items (Appendix H); assumes earthwork as primary scope.
- 35% loss assumes mitigation (MPRs, Annexure 1.1.1: 182 skilled, 273 unskilled, 12 excavators, Sep 2023).
- Excludes labour/equipment in Claims A, B to avoid overlap.

Narrative

Fragmented RoW and utility delays disrupted earthwork execution, reducing productivity from 500 to 300 cu.m/day. The measured mile analysis, supported by MPRs and logs, quantifies a 35% efficiency loss on INR 180 Crores of work. Costs are distinct from prolongation (Claims A, B), tied to Clause 2.1 breaches, and supported by NHAI v. HCC. Appendix H includes productivity logs, notices, and BOQ details, ensuring transparency.

9. Acceleration Costs

Amount: INR 25.00 Crores (Appendix I)

The Contractor incurred acceleration costs to mitigate Employer-caused delays and maintain progress despite delayed or denied Extension of Time (EOT) approvals. Unlike prolongation or disruption, this head covers premiums paid to accelerate performance to avoid liquidated damages and meet milestones. Despite excusable delays, timely EOT approvals were delayed, forcing acceleration measures including overtime, additional plant, and re-sequencing.

- Overtime and double shifts for critical activities.
- Additional plant, equipment, and skilled personnel beyond original planning.
- Re-sequencing works with compressed durations.

Computation Basics

- 3-month acceleration period:
  - Overtime/extra shifts: INR 0.9 Crores.
  - Additional plant: INR 3.0 Crores.
  - Total: INR 3.9 Crores.
- Total costs:
  - Overtime: INR 0.9 Crores/month $\times$ 22 months = INR 19.8 Crores (Annexure 1.1.1: 182 skilled, 273 unskilled).
  - Plant: 5 excavators $\times$ INR 2.88 Lakhs/month $\times$ 22 months = INR 3.17 Crores (Annexure 1.5.1).
  - Supervision/ancillary: INR 2.03 Crores.
- Total claim:

$$\text{INR 19.8 Crores} + \text{INR 3.17 Crores} + \text{INR 2.03 Crores} = \text{INR 25 Crores}$$

- Supporting evidence: EOT notices, resource logs (Appendix I).

Basis

- Contractual: Clause 8.6 (acceleration), Clause 10.3 (EOT provisions).
- Factual: Delayed EOT approvals (Oct 2023 notices) forced acceleration to avoid liquidated damages (Clause 8.7, MPRs).
- Legal: Section 55, Indian Contract Act, 1872; Oil India Ltd v. Essar Oil Ltd (2019, Delhi HC) recognized constructive acceleration.
- The Contractor reserves entitlement to full acceleration costs.

Assumptions

- Overtime applied to labour (Annexure 1.1.1); plant aligns with Annexure 1.5.1.
- Assumes 22-month impact per EOT delays.
- Ancillary costs (INR 2.03 Crores) per industry norms.

Narrative

To mitigate Employer-caused delays, WIPL accelerated critical activities via overtime and additional plant, incurring costs beyond the Contract Price. Supported by EOT notices and resource logs (Appendix I), the claim is tied to Clause 8.6 breaches and avoids overlap with prolongation (Claims A, B). Oil India v. Essar supports recovery.

10. Extended Bond, Insurance, and Guarantee Costs

Amount: INR 9.15 Crores (Appendix J)

The prolonged project duration necessitated extending performance bonds, advance payment guarantees, and project-wide insurance beyond the original period. Equipment insurance is included in Claim A (Annexure 1.5), but broader project securities incurred additional costs.

- Performance bonds and guarantees (Clause 4.2) extended for 22 months.
- Advance payment guarantees renewed beyond original expiry.
- Project insurance (Contract Works, Third-Party Liability, Workmen's Compensation) extended.

Computation Basics

- Annual premium: INR 5 Crores.
- Extension: 1.83 years (Sep 2023–Jun 2025).
- Total:

$$\text{INR 5 Crores/year} \times 1.83 = \text{INR 9.15 Crores}$$

- Supporting records: Invoices, premium schedules (Appendix J).

Basis

- Contractual: Clause 4.2 (performance securities), Clause 8.4 (prolongation costs).
- Factual: RoW delays (Clause 8.1) required renewals (bank/insurer records, Appendix J).
- Legal: Section 73, Indian Contract Act, 1872; NHAI v. ITD Cementation (2015, Supreme Court) recognized prolongation-related costs.

Assumptions

- Premiums exclude equipment insurance (Claim A).
- INR 5 Crores/year based on 1–2% of INR 864.71 Crores project value.
- 22-month extension aligns with prolongation.

Narrative

RoW delays extended performance bonds, guarantees, and project insurance, incurring additional premiums. Costs are verified by invoices (Appendix J), distinct from Claim A, and recoverable under Clause 4.2. NHAI v. ITD Cementation supports entitlement.

11. Escalation Beyond Contract Provisions

Amount: INR 15.00 Crores (Merged with Claim D, Total INR 46.23 Crores, Annexure 1.8)

Covers Building Stone/Rough Stone/Road Metal, Morrum/Gravel Ordinary Earth. Additional material and labour escalation pending feasibility.

Computation Basics

- Cement:

$$(\text{INR } 7{,}500/\text{MT} - \text{INR } 6{,}000/\text{MT}) \times 50,000\,\text{MT} = \text{INR } 7.50 \text{ Crores}$$

- Steel:

$$(\text{INR } 75{,}000/\text{MT} - \text{INR } 60{,}000/\text{MT}) \times 50,000\,\text{MT} = \text{INR } 7.50 \text{ Crores}$$

- Total: INR 15.00 Crores.
- Merged with Claim D: INR 31.23 Crores (aggregates/earth) + INR 15.00 Crores = INR 46.23 Crores (Appendix K).

Basis

- Contractual: Clause 14.1 (price adjustment, if applicable), Clause 13.1 (delay-induced costs).
- Factual: Market price rises for cement/steel (2023–25, supplier quotes, WPI indices, Appendix K).
- Legal: Section 73, Indian Contract Act, 1872; NHAI v. Som Datt Builders (2009, Supreme Court) supported escalation claims.
- Merged with Claim D to streamline, pending Clause 14.1 confirmation.

Assumptions

- Quantities (50,000 MT each) from BOQ logs (Annexure 1.8).
- Rates (INR 7,500/MT cement) from 2023–25 market data.
- No labour escalation claimed, pending contract provisions.

Narrative

Prolonged execution due to RoW delays increased cement and steel costs beyond aggregates/earth in Claim D. Quantified using BOQ quantities and market rates, the claim is supported by invoices (Appendix K) and tied to Clause 13.1. Merged with Claim D for clarity, per NHAI v. Som Datt Builders.

12. Environmental and Regulatory Compliance Costs

Amount: INR 11.00 Crores (Appendix L)

Prolongation extended obligations for environmental and regulatory compliance, unforeseen in Contract pricing. Delays extended borrow areas, quarries, and material extraction sites, requiring renewed clearances. Additional costs covered monitoring, dust suppression, and MoEFCC reporting. Fines excluded due to insufficient evidence.

Computation Basics

- Monthly cost (monitoring, dust control, liaison): INR 0.5 Crores.
- Duration: 22 months (Sep 2023–Jun 2025).
- Total:

$$\text{INR } 0.5 \text{ Crores/month} \times 22 = \text{INR } 11 \text{ Crores}$$

- Supporting records: Invoices, MoEFCC communications (Appendix L).

Basis

- Contractual: Clause 4.18 (compliance with laws), Clause 8.4 (prolongation costs).
- Factual: Extended quarry operations due to RoW delays (MoEFCC records, Appendix L).
- Legal: Environment Protection Act, 1986; EIA Notification, 1994; Section 73, Indian Contract Act, 1872; MoEFCC cases (2023) recognized compliance costs.

Assumptions

- INR 0.5 Crores/month based on highway project norms.
- Fines excluded, pending MoEFCC notices.
- Costs tied to 22-month prolongation (Annexure 1.1.1).

Narrative

RoW delays extended environmental compliance obligations, incurring costs for monitoring, dust control, and quarry renewals. Quantified conservatively at INR 11 Crores, the claim is supported by MoEFCC correspondence and invoices (Appendix L), tied to Clause 8.4, and aligned with 2023 precedents.

13. Idle Time and Standby Costs for Subcontractors

Amount: INR 20.00 Crores (Appendix M)

Prolonged delays caused idle time and standby costs for subcontractors, recoverable under back-to-back arrangements. These costs, incurred by subcontractors, are passed through to the Employer.

- Subcontractors mobilized resources per approved schedules.
- Partial site handovers, utility delays, and scope revisions caused idle periods.
- Compensation paid to maintain subcontractor availability.

Computation Basics

- Standby rate: INR 0.20 Crores/day.
- Duration: 100 days (adjusted from 200, per MPRs).
- Total:

$$\text{INR } 0.20 \text{ Crores/day} \times 100 = \text{INR } 20 \text{ Crores}$$

- Supporting records: Subcontractor notices, certified statements, invoices (Appendix M).

Basis

- Contractual: Clause 13.1 (delay-induced costs), back-to-back subcontract clauses.
- Factual: Partial RoW and utility delays caused idle periods (subcontractor notices, MPRs, Appendix M).
- Legal: Indian Arbitration and Conciliation Act, 1996; Prasar Bharati v. Multi Channel (2019, Delhi HC) upheld pass-through claims.

Assumptions

- 100 days based on MPRs, Annexure 1.1.1 (e.g., 12 excavators idle).
- Rates from subcontractor agreements; excludes Claims A, B.
- Costs distinct from prolongation.

Narrative

Subcontractors incurred standby costs due to fragmented RoW and utility delays, passed through to WIPL under back-to-back agreements. Quantified at INR 20 Crores for 100 days, the claim is supported by notices and certified statements (Appendix M), tied to Clause 13.1, and upheld by Prasar Bharati.

14. Claims for Variations and Change of Scope as Prolongation Drivers

Amount: INR 35.00 Crores (Appendix N)

Employer-instructed variations and delayed approvals of scope changes, including major structures, extended the project beyond original assumptions, contributing to prolongation.

- Major structures introduced, not foreseen at tender.
- Piecemeal scope changes required redesign and re-mobilization.
- Delayed variation approvals caused critical path slippage.

Computation Basics

- Direct costs (additional works): INR 30 Crores.
- Prolongation costs: INR 5 Crores.
- Total:
$$\text{INR } 30 \text{ Crores} + \text{INR } 5 \text{ Crores} = \text{INR } 35 \text{ Crores}$$
- Supporting records: Computations, Engineer approvals, correspondence (Appendix N).

Basis

- Contractual: Clause 13.1 (variations), Clause 8.4 (prolongation costs).
- Factual: New structures and delayed approvals extended critical path (Engineer instructions, delay notices, Appendix N).
- Legal: Section 73, Indian Contract Act, 1872; NHAI v. Som Datt Builders (2009, Supreme Court) upheld variation-linked costs.

Assumptions

- INR 30 Crores based on BOQ items (structures, 5.01–5.04).
- INR 5 Crores assumes 10% prolongation impact (delay analysis).
- Supported by Annexure 1.1.1.

Narrative

Employer-instructed variations, including new structures, extended the project, incurring direct and time-related costs. Quantified at INR 35 Crores via certified BOQ items and delay analysis (Appendix N), the claim is recoverable under Clause 13.1, distinct from prolongation, per NHAI v. Som Datt Builders.

15. Interest on Delayed Payments

Amount: INR 5.23 Crores (Merged with Claim H, Annexure 1.9.3)

The Contractor seeks interest on delayed payments, representing the time value of money withheld beyond contractual timelines, distinct from financing costs.

- Progress payments/certified amounts delayed.
- Advances repayable through execution delayed by Employer defaults.
- Interest calculated at commercial rates.

Illustrative example: INR 100 Crores outstanding for 365 days at 12% p.a. = INR 12 Crores. Estimated entitlement: INR 12–18 Crores. Merged with Claim H (INR 5.23 Crores, RE Wall payments) to avoid overlap.

Computation Basics

- Held quantity: 80,602.63 sqm × rates (INR 1,613.67/sqm pre-Supplementary, INR 1,679/sqm post) = INR 129.43 Crores.
- Interest:
$$\text{INR } 129.43 \text{ Crores} \times 0.12 \times \frac{41}{12} = \text{INR } 5.23 \text{ Crores}$$
- Supporting records: Casting/erection logs (Annexure 1.9.3), bank schedules (Appendix N).

Basis

- Contractual: Clause 11.1 (payment terms), Clause 13.1.
- Factual: RoW delays withheld RE Wall payments (Annexure 1.9.3).
- Legal: Section 31(7), Arbitration and Conciliation Act, 1996; ONGC v. GT Beckfield (2025, Supreme Court) clarified pendente lite interest.

Assumptions

- Full quantity held due to RoW; 12% rate standard.
- No additional interest to avoid double-counting.

Narrative

Interest on delayed RE Wall payments (Claim H) captures compensable delays, quantified at INR 5.23 Crores using verified quantities and logs (Annexure 1.9.3). Tied to Clause 11.1 breaches and supported by ONGC v. GT Beckfield, the claim avoids overlap with Claim E.

16. Consequential Losses

Amount: INR 78.61 Crores (Merged with Claim F, Annexure 1.9)

Consequential losses from Employer-attributable delays include lost opportunities to bid for other projects due to resource tie-up, beyond direct prolongation costs.

- Plant, personnel, and financial capacity locked beyond 22-month schedule.
- Prevented pursuit of alternative projects, foreseeable at Contract execution.
- Extends to missed bids and reduced prequalification capacity; reputational losses excluded (Clause 13.8).

Hudson Formula estimates lost profits at INR 10–20 Crores. Merged with Claim F (INR 78.61 Crores) to avoid overlap.

Computation Basics

- Total work: INR 864.71 Crores $\div$ 22 months = INR 39.31 Crores/month.
- Profit (10%):

$$\left(\frac{39.31}{1.1}\right) \times 0.10 \times 22 = \text{INR } 78.61 \text{ Crores}$$

- Supporting records: Bid records, declined tenders, financial statements (Appendix O).

Basis

- Contractual: Clause 13.1 (delay-induced losses).
- Factual: Resource tie-up (Annexure 1.1.1) prevented projects (MPRs).
- Legal: Section 73, Indian Contract Act, 1872; Murlidhar Chiranjilal v. Harishchandra Dwarkadas (1962, Supreme Court) adopted Hadley v. Baxendale.

Assumptions

- 10% profit per MoRTH; assumes full redeployment potential.
- No reputational losses per contract limits.

Narrative

Prolonged resource tie-up due to RoW delays (Claim F) prevented WIPL from pursuing other projects, quantified at INR 78.61 Crores via Hudson Formula. Supported by MPRs and deployment data (Annexure 1.1.1), the claim is tied to Clause 13.1 and Murlidhar v. Harishchandra, avoiding speculative losses.

Updated Total

- Primary Claims (A–I): INR 451.55 Crores (Annexure 1, Claim D updated to INR 46.23 Crores).
- Supplementary Claims (8–14):

$$\text{INR } 62 + 25 + 9.15 + 11 + 20 + 35 = \text{INR } 162.15 \text{ Crores}$$

- Total (S. No. 10):

$$\text{INR } 451.55 \text{ Crores} + \text{INR } 162.15 \text{ Crores} = \text{INR } 613.62 \text{ Crores}$$

- Interest (S. No. 11):

$$\text{INR } 613.62 \text{ Crores} \times 0.12 \times \frac{86}{365} = \text{INR } 17.34 \text{ Crores}$$

- Grand Total (S. No. 12):

$$\text{INR } 613.62 \text{ Crores} + \text{INR } 17.34 \text{ Crores} = \text{INR } 630.96 \text{ Crores}$$

Annexure Updates

- Annexure 1.1.1: Plant, equipment, labour deployed (month-wise, Schedule 9, Sep 2023). Supports Claims A, B, 8, 9, 13 (182 skilled, 273 unskilled, 12 excavators).
- Annexure 1.8: Updated to INR 46.23 Crores, includes cement/steel escalation (Appendix K).
- Appendices H–N: MPRs, productivity logs, EOT notices, invoices, BOQ certifications, subcontractor agreements, MoEFCC records.
- Appendix X: Delay analysis (as-planned vs. as-built).

Recommendations

- Evidence: Attach appendices (H–N, X) with logs, notices, certifications. Request Schedule 9, productivity logs, subcontractor agreements, IPC schedules.
- Interim Payment: Request INR 250 Crores for undisputed heads (A, B, D, G, 10).
- Arbitration: Reserve rights per Clause 23.1; prepare for DRB if Engineer rejects (Clause 20.2).