**Claim No. 1: Compensation for Additional Costs and Losses Arising from Delays and Disruptions**

**Contract Package**: ARTL/WIPL/2021/001  
**Period**: September 2023 to June 2025 (22 months)  
**Total Claim**: INR 451.47 Crores (excluding interest)  
**Submission Date**: September 26, 2025

**Executive Summary**

This claim seeks compensation for prolongation costs incurred by WAGAD INFRAPROJECTS PRIVATE LIMITED (WIPL) due to Employer-attributable delays and disruptions, primarily the 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. These delays extended the project timeline by 22 months (September 2023 to June 2025), impacting the critical path as evidenced by delay notices (e.g., letters dated February 2022, September 2023) and Monthly Progress Reports (MPRs). Each claim head is quantified discretely, supported by certified ledgers, MPRs, and MoRTH standards, with mitigation efforts (e.g., partial resource redeployment) considered to avoid global claim risks. The total claim is INR 451.47 Crores, with interest calculated at 12% p.a. from July 1, 2025, to September 25, 2025.

**Claim Heads with Narratives**

**A. Additional Costs for Extended Stay of Plant & Machinery (Sep 2023–Jun 2025)**

**Amount**: INR 193.83 Crores (Annexure 1.5)

**Computation Basics**:  
The cost represents hire charges for plant and machinery deployed during the extended period, calculated as:

* Total machine-months (e.g., Backhoe: 6 months, Hydra Cranes: 6 months) × market hire rates (double-shift for owned equipment, single-shift for hired).
* Example: Backhoe (JCB) at INR 2,00,000/month × 6 months = INR 12,00,000.
* Total across all equipment (Annexure 1.5.1) sums to INR 1,938.3 million (INR 193.83 Crores).

**Basis**:

* **Contractual**: Clause 10.3 (Extension of Time) entitles compensation for costs due to Employer delays, such as RoW unavailability (Clause 8.1).
* **Factual**: Equipment remained on-site due to delayed RoW, as per MPRs (Exhibit). Annexure 1.1.1 confirms actual deployment in September 2023, aligning with Schedule 9 obligations.
* **Reference**: Annexure 1.5.1 lists equipment (e.g., Excavators, Dumpers) and rates, sourced from market data (double-shift rates, e.g., INR 2,88,000/month for 20 mt. Excavator).

**Assumptions**:

* Equipment deployment matches MPRs; proportional allocation (total months ÷ 22) assumed for September 2023 where exact monthly data is unavailable.
* Double-shift rates applied for owned equipment to reflect intensive use, per industry norms.
* No idle time double-counted; costs are for active deployment only.

**Narrative**:  
WIPL deployed plant and machinery as required by Schedule 9, but RoW delays prevented timely demobilization, necessitating extended retention. Costs are based on actual deployment (Annexure 1.5.1), verified by MPRs, with rates aligned to market standards (e.g., INR 2,88,000/month for excavators, consistent with regional quotes). The claim excludes speculative costs and reflects mitigation efforts (e.g., partial redeployment to other site tasks).

**B. Additional Costs for Extended Stay of Labour (Sep 2023–Jun 2025)**

**Amount**: INR 25.62 Crores (Annexure 1.6)

**Computation Basics**:  
Costs are calculated as:

* Skilled labour: 4,020 man-months × INR 28,600/month = INR 11.497 Crores.
* Unskilled labour: 6,035 man-months × INR 23,400/month = INR 14.122 Crores.
* Total: INR 25.62 Crores. Man-months derived from MPRs (Annexure 1.6.1); rates from Annexure 1.6.2.

**Basis**:

* **Contractual**: Clause 10.3 and Clause 13.1 allow compensation for labour retention due to Employer delays. Schedule 9 mandates labour deployment, reflected in Annexure 1.1.1 (September 2023: 182 skilled, 273 unskilled).
* **Factual**: Labour remained on-site due to RoW delays, as per MPRs and payroll records (Exhibit).
* **Reference**: Rates based on Kerala Govt. Dept. of Economics & Statistics (2023-25), with unskilled at INR 900/day (26 days = INR 23,400/month) and skilled at INR 1,100/day (INR 28,600/month).

**Assumptions**:

* Rates include variable dearness allowance (VDA) and overtime, slightly above minima (e.g., unskilled ~INR 800/day per government notifications).
* Man-month counts are averages from MPRs; September 2023 data (182 skilled, 273 unskilled) aligns with Annexure 1.6.1.
* No labour idle time claimed separately to avoid overlap with overheads.

**Narrative**:  
Due to RoW unavailability, WIPL retained labour beyond the original contract period, incurring costs for 4,020 skilled and 6,035 unskilled man-months. Rates reflect Kerala government minima plus allowances, verified by payrolls. Deployment in September 2023 (Annexure 1.1.1) matches Schedule 9 obligations, with costs directly tied to critical path delays evidenced by delay notices (e.g., September 2023).

**C. Additional Indirect Costs & Overheads (Sep 2023–Jun 2025)**

**Amount**: INR 66.15 Crores (Annexure 1.7)

**Computation Basics**:  
Costs are actual overheads incurred, extracted from CA-certified ledgers (Annexure 1.3.2):

* Extended period (Sep 2023–Jun 2025): INR 50.80 Crores (Sep 2023–Jan 2025) + INR 15.35 Crores (Feb 2025–Jun 2025) = INR 66.15 Crores.
* Components include salaries (INR 50.37 Crores), power/fuel (INR 34.44 Crores), and others (e.g., rent, insurance).

**Basis**:

* **Contractual**: Clause 13.1 compensates unabsorbed overheads due to Employer delays. MoRTH Data Book (Annexure 1.3.3) supports 9.15% weighted overhead rate (8% roads, 20% bridges).
* **Factual**: Overheads increased due to prolonged site operations, verified by ledgers and MPRs.
* **Reference**: Annexure 1.3.2 details 19 components; CA certification ensures accuracy.

**Assumptions**:

* Actuals reflect full absorption; no inflation adjustment applied as ledgers capture real costs.
* Overheads tied to revenue shortfall (Annexure 1.4) but claimed separately to avoid overlap.

**Narrative**:  
Prolonged site operations due to RoW delays increased indirect costs (e.g., staff salaries, site maintenance). Costs are actual, certified by a CA, and align with MoRTH’s 9.15% overhead rate. The claim is conservative, excluding speculative escalations, and supported by detailed ledgers (Exhibit).

**D. Increase in Cost of Aggregates and Earth (Sep 2023–Jun 2025)**

**Amount**: INR 31.23 Crores (Annexure 1.8)

**Computation Basics**:  
Costs from price escalation:

* Building Stone: (INR 1,034.67/mt – INR 750/mt) × 901,688.16 mt = INR 25.67 Crores.
* Earth: (INR 100/cu.m – INR 30/cu.m) × 793,888.24 cu.m = INR 5.56 Crores.
* Total: INR 31.23 Crores. Quantities based on execution logs.

**Basis**:

* **Contractual**: Clause 14.1 (if applicable) allows material escalation claims; otherwise, compensable under Clause 13.1 for Employer delays.
* **Factual**: Increased costs due to market price rises during extended period, verified by invoices (Exhibit).
* **Reference**: Annexure 1.8; market data confirms stone at ~INR 1,000/mt, earth at INR 100/cu.m in 2023-25.

**Assumptions**:

* Quantities are approximate, pending quantity surveyor audit.
* Old rates (e.g., INR 750/mt) from contract BoQ; prevailing rates from supplier quotes.
* Excludes transport costs to remain conservative.

**Narrative**:  
RoW delays extended material consumption into a period of rising prices, increasing costs for aggregates and earth. Quantities are based on actual execution (MPRs), with rate differences verified by market data. The claim is supported by invoices and aligns with contract provisions for cost escalation due to delays.

**E. Additional Financial Costs Due to Revenue Shortfall**

**Amount**: INR 36.06 Crores (Annexure 1.4)

**Computation Basics**:  
Calculated using:

* Revenue shortfall: Foreseen (INR 864.71 Crores) – Actual (INR 175.83 Crores) = INR 422.08 Crores (cumulative).
* Loss of profit (10%): (shortfall – shortfall/1.10).
* Unabsorbed overheads (9.15%): (shortfall/1.10) × (1 – 1/1.0915).
* Interest (12% p.a.) on total loss per month: (profit + overheads) × 12%/12.
* Total monthly costs summed to INR 36.06 Crores (Annexure 1.4).

**Basis**:

* **Contractual**: Clause 13.1 compensates financial losses from revenue shortfall due to delays.
* **Factual**: Shortfall due to RoW delays reduced progress (Annexure 1.3.1), impacting cash flow.
* **Reference**: MoRTH supports 10% profit, 9.15% overheads; 12% interest aligns with arbitral norms.

**Assumptions**:

* Foreseen revenue per Clause 14.1 programme; actuals from ledgers.
* 12% interest assumes bank rate (8%) + margin, common in claims.
* No double-counting with overhead claim (C).

**Narrative**:  
Delayed RoW reduced revenue, causing losses in profit and unabsorbed overheads. The formula follows industry standards (Eichleay-like), with rates per MoRTH. Interest at 12% reflects financing costs incurred, supported by bank statements (Exhibit). The claim is precise, with monthly breakdowns ensuring transparency.

**F. Loss of Opportunity Due to Prolonged Site Setup**

**Amount**: INR 78.61 Crores (Annexure 1.9)

**Computation Basics**:

* Total work value: INR 864.71 Crores ÷ 22 months = INR 39.31 Crores/month.
* Profit (10%): (39.31 ÷ 1.1) × 0.10 = INR 3.57 Crores/month × 22 months = INR 78.61 Crores.

**Basis**:

* **Contractual**: Clause 13.1 allows compensation for lost opportunities due to Employer delays.
* **Factual**: Prolonged deployment prevented resource redeployment to other projects, per MPRs.
* **Reference**: Annexure 1.9; 10% profit per MoRTH.

**Assumptions**:

* Assumes full redeployment potential; partial mitigation (e.g., local tasks) considered.
* No specific alternative projects identified, but claim capped at contract profit rate.

**Narrative**:  
RoW delays tied up resources, preventing WIPL from pursuing other projects. The 10% profit rate is standard, and the 22-month delay is evidenced by delay notices. The claim is conservative, assuming no speculative project values, and supported by deployment records (Annexure 1.1.1).

**G. Additional Cost of Maintenance of Diversions/Service Roads**

**Amount**: INR 4.75 Crores (Annexure 1.9.1)

**Computation Basics**:

* Work done: INR 6.00 Crores.
* Paid: INR 1.25 Crores.
* Balance: INR 4.75 Crores.

**Basis**:

* **Contractual**: Clause 13.1 compensates additional costs from prolonged maintenance due to delays.
* **Factual**: Extended period required ongoing road maintenance, per completion certificates.
* **Reference**: Annexure 1.9.1; work verified by Engineer records.

**Assumptions**:

* Costs are actual, supported by vouchers.
* No escalation claimed to remain conservative.

**Narrative**:  
Delays extended the need for diversion/service road maintenance, incurring unpaid costs. The balance is directly attributable to the extended period, supported by certified bills (Exhibit). The claim is straightforward and undisputed in quantum.

**H. Delay in Payment for Precast RE Wall Panels (Interest Only)**

**Amount**: INR 5.23 Crores (Annexure 1.9.3)

**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 at 12% for 41 months (Feb 2022–Jun 2025) = INR 5.23 Crores.

**Basis**:

* **Contractual**: Clause 11.1 (Payment Terms) and Clause 13.1 allow interest on delayed payments due to Employer actions.
* **Factual**: RoW unavailability delayed erection, holding payments, per casting/erection logs.
* **Reference**: Annexure 1.9.3; 12% interest per arbitral norms.

**Assumptions**:

* Full quantity held due to RoW; erection delays verified by logs.
* 12% rate assumes standard claim practice.

**Narrative**:  
RoW delays prevented RE Wall panel erection, delaying payments for casted panels. Interest is calculated conservatively at 12% on verified quantities, supported by logs and notices (Exhibit). The claim directly ties to Employer breach.

**I. Loss of Bonus (Supplementary Agreement Period)**

**Amount**: INR 10.00 Crores (Supplementary Agreement Cl. 2.3)

**Computation Basics**:

* Bonus of INR 10 Crores for completion by January 31, 2025, per Clause 2.3.
* Lost due to RoW delays preventing timely completion.

**Basis**:

* **Contractual**: Clause 2.1 requires hindrance-free RoW by March 31, 2024; Clause 2.3 ties bonus to completion.
* **Factual**: RoW delays extended beyond March 2024, per notices.
* **Reference**: Supplementary Agreement; delay records.

**Assumptions**:

* Assumes WIPL could have met the deadline but-for RoW delays.
* No partial bonus applicable per clause terms.

**Narrative**:  
WIPL was eligible for a INR 10 Crore bonus for early completion, but RoW delays made this unachievable. The claim is directly linked to Employer breach (Clause 2.1), supported by delay notices and progress records (Exhibit).

**Total and Interest**

* **Total (S. No. 10)**: INR 451.47 Crores.
* **Interest (S. No. 11)**: INR 451.47 Crores × 12% × (86/365) = INR 12.73 Crores (Jul 1, 2025, to Sep 25, 2025).
* **Grand Total (S. No. 12)**: INR 464.20 Crores.

**Computation Basics**: Interest calculated at 12% p.a. (simple) for 86 days, standard for delay claims.  
**Basis**: Clause 20.1 (Claims) allows interest on unpaid amounts.  
**Assumptions**: Submission date July 1, 2025; arbitration notice assumed September 26, 2025.

**Narrative**: The total claim is the sum of discrete heads, each tied to Employer delays. Interest reflects financing costs incurred, calculated conservatively to align with arbitral practice.

**Annexure References**

* **Annexure 1.1.1**: *PLANT, EQUIPMENT, AND LABOUR ACTUALLY DEPLOYED (Month-wise) As Per Schedule 9 and Actual Records of Construction Contract No. ARTL/WIPL/2021/001 as of September 2023*. Details deployment (e.g., 182 skilled, 273 unskilled, 12 excavators in Sep 2023), cross-referenced with MPRs.
* **Annexures 1.4–1.9.3**: Detailed computations, certified ledgers, and logs.
* **Exhibits**: MPRs, payrolls, invoices, delay notices, CA certificates.

**Recommendations**

* Attach delay analysis (as-planned vs. as-built schedule) to strengthen causation.
* Request interim payment of INR 250 Crores for undisputed heads (A, B, D, G).
* Reserve rights for additional claims (e.g., escalation, idle time) per Clause 23.1.