

Case Title: Breach of Contract in Software Development

Parties Involved:

- **Plaintiff:** XYZ Tech Solutions (Software Development Company)
- **Defendant:** ABC Retail Pvt. Ltd. (Retail Business)

Case Summary:

XYZ Tech Solutions entered into a contract with ABC Retail Pvt. Ltd. on **January 1, 2024**, to develop a **customized inventory management system**. The contract specified that the software would be delivered within **six months**, with a total payment of **\$50,000**, paid in three milestones:

1. **\$20,000** upon project initiation
2. **\$15,000** after delivering the beta version
3. **\$15,000** upon final delivery

XYZ Tech Solutions successfully completed the first two milestones and received **\$35,000**. However, due to unexpected technical challenges, the project was delayed by **two months** beyond the deadline. ABC Retail Pvt. Ltd. refused to pay the remaining amount and **terminated the contract**, claiming "**failure to deliver on time**" as a reason.

XYZ Tech Solutions argues that:

- The contract allowed for **reasonable extensions** due to unforeseen technical difficulties.
- The client continued **using the beta version** and derived business benefits.
- Termination was unjustified, and the remaining **\$15,000** should be paid.

ABC Retail Pvt. Ltd. argues that:

- The contract clearly **specified a strict deadline**, and the delay caused **financial losses**.
- The beta version was **not fully functional**, and they had to hire another developer.
- As per the contract's **liquidated damages clause**, XYZ Tech Solutions should compensate for the delay.

XYZ Tech Solutions filed a **breach of contract lawsuit** against ABC Retail Pvt. Ltd. in the Delhi High Court on **August 1, 2024**, seeking **full payment** and additional **damages of \$10,000**