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NOTE - Please view the ppt in Canva only in ppt format only

2025



CE716

LAW FIRM

PROJECT MANAGEMENT AND CONTROL

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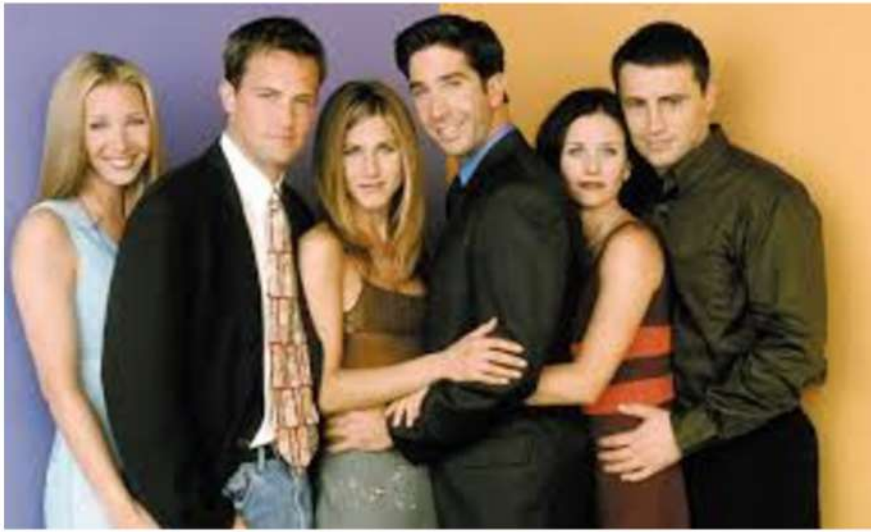
Welcome to Our Law Firm

Our Ideology

"You have calculated the submission deadline wrong, until you have added the 10 extra minutes given by HelloITK portal to it "



OUR CLIENT



OUR TEAM



JUDGE





How much EOT is required



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1. Contractor did not inform in advance regarding the expected delay of work by 2 months rather informed only when PMC visited the site on expected date of completion

2. Any concreting, whitewashing, and painting activity could not be conducted on these days

DATES OF NO WORK	NO. OF DAYS
October 14 - 16, 22 - 24, 2024	3+3 = 6
December 2, 9, 10, 15, 2024	4
January 11, 12 2025	2
February 6, 12 2025	2
April 5th 2025	1
TOTAL	15

Though, it is mentioned that other activities could be done as it is but since PMC was unable to respond, so the PMC in agreement with the client has decided to grant an **excusable delay of 15 days**

3. Since it was the mistake of the Contractor to order wrong windows whose specifications were already mentioned in the contract, hence the contractor is entitled to a **non-excusable delay of 10 days**



4. Date on which designs for approval were sent to the client – 1/04/25

No of days available for approval – 15

So, the deadline date for approval by the client – 15/04/25

Date on which the client approved the designs - 15/05/25

Hence, the delay by clients – 30days

Due to the delay in approval the sanitary fitting could not be procured on time. The contractor decided to expedite the delivery and paid INR 1 Lakh extra for the same. The sanitary fitting was finally available on site on 1st July 2025.





If the drawings were approved on time, then Planned date of start of sanitary work – 27-5-25

So available no of days to procure sanitary fittings without extra payment for accelerated delivery – 42 (27th May – 15th April)

Date of approval by the client – 15/5/25

So the new start date of sanitary work without accelerated delivery = 15/5/25 + 42 days = 26/06/25

But the constructor informed that he had to pay extra money for accelerated delivery and then only work could be started by 1/07/25.

This is not only a false claim of extra money used but also
a way to hide an extra delay of 5 days





EOT and Compensation Calculation

5. Thus, considering all the updates after the agreed updated contract,

DELAY CAUSE	NO. OF DAYS	TYPE
Inclement Weather	15	Excusable to client
Wrong windows	10	Inexcusable to client
Approval of design by client	30	Excusable to client
Serial delay	(1/7/25 – 27/05/25) – 30 days = 5	Excusable delay
TOTAL	60	

EOT claimed by the contractor = 60 days

Since, wrong window order is an inexcusable delay, so no EOT for this delay

Updated EOT = 50 days

Delay hidden in false money claim = 5 days (inexcusable to client)
So, it needs to be deducted

Updated **EOT = 45 days**

6. False claim is a breach of trust which needs to be penalised

According to Section 17 of the Indian Contract Act, 1872 covering Frauds in a Construction Contract,

“Any Act which misleads the other party is considered a fraud and can be penalised”

Section 74 of Indian Contract Act, 1872 states that the compensation cannot exceed the amount named in the contract as a penalty or liquidated damages, even if actual loss is not proven. You are entitled to reasonable compensation, not exceeding the amount stipulated, and you do not need to prove actual damages to receive it.

Hence, our client has agreed over a penalty amount of **Rs. 3lacs** as a penalty against a false claim involving money.

7. Time required for work completion = 60 days

Updated EOT = 45 days

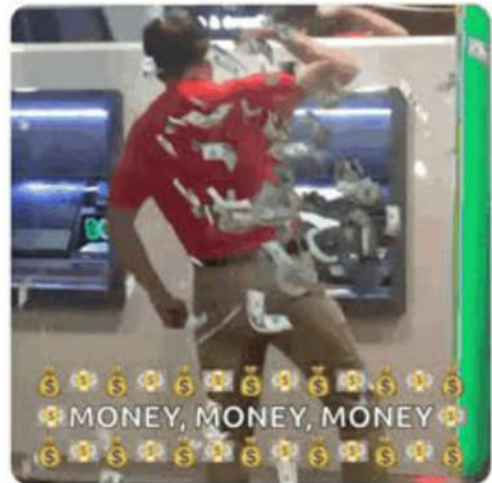
Hence, there will be a compensation for the extra 15 days

8. According the Contract Clause,

“ Monthly rental charges for every month of delay. The current rent is 1 Lakh per month and can be indexed at 8% ”

Therefore, compensation for 15 days = **Rs. 50,000**

BONUS FOR CONTRACTOR



9. As per the Contract Clause,

“ Bonus (If project completed on time) –Contractor will be awarded with INR 5 Lakhs over and above the contract sum ”

Since, the contractor is not able to complete the work in the estimated time, so BONUS AMOUNT = Rs. 0





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Compensation to Contractor

This is because of delay of work due to client



Compensation to contractor is calculated according to given formula,

Hudson Formula:

$$\frac{\text{Contract Head Office and Profit \%}}{100} \times \frac{\text{Contract Sum}}{\text{Contract Period}} \times \text{Delay period}$$

- Total contract sum : 1.5 cr
- Overheads is 10% of the contract sum.
- The contractor is doing this work at 15 % margins
- Contract duration = 9 Months (1/10/2024 - 1/07/2025)
- Delay Period = 1.5 Month (45 days)

$$\text{Compensation} = \frac{25}{100} \times \frac{1,50,00,000}{9} \times 1.5$$

$$\text{Compensation for Overhead} = ₹6,25,000$$

Since, the expected date of work completion was 1/07/25, so our client had already agreed to give the house on rent to a tenant by 15/07/25 and taken a security deposit of Rs. 1 lac from them but the contractor did not inform in advance regarding the expected delay of work by 2 months rather informed only when PMC visited the site on expected date of completion

Hence, the contractor must pay a fine for this situation

Fine amount = Rs. 25,000

OVERALL ADJUSTMENT

CAUSE	AMOUNT (Rs.)
Penalty for false claim	-3,00,000
Delay due to Contractor	-50,000
Compensation for Overheads	6,25,000
Delay in intimation about work delay	-25,000
Total	2,50,000

- + = paid by client
- -= paid by contractor



Hence, we suggest that the contractor should only be entitled to a compensation of **Rs. 2.5 lacs** and an **EOT of 45 days**



THANK YOU