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**EFFECTIVENESS OF CONTRACTUAL REMEDIES IN
ADDRESSING DELAY IN PROGRESS DUE TO LATE PAYMENT;
THE CASE OF HISTORIC RAJAWASALA RESTORATION
PROJECT IN KANDY**

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Abstract: Delays in payments and progress are plentiful phenomena in the construction industry. This case study provides a perspective in exploring decisions taken to delay progress due to a delayed payment decision not explicitly covered by the contract. This is extremely true in the context of a specially designed project in Sri Lanka. The case study is used to find decisions taken in specific projects. That is, the deviation from contractual entitlements in contracts, assess their practicality, and determine the most appropriate practices in the construction industry. The study aims to analyze the effectiveness of contractual remedies in addressing such delays in the Sri Lankan construction industry. Through a qualitative research methodology, including literature review and unstructured interviews with industry experts, the study explores the impact of delayed payments on project progress, cash flow, and stakeholder relationships. The findings highlight the critical role of timely payments in ensuring project success, as well as the importance of effective contract administration and dispute resolution mechanisms. The study concludes by emphasizing the need for robust contractual frameworks that address payment terms, dispute resolution procedures, and liquidated damages to mitigate the adverse effects of payment delays. The contractor's response should be aligned with the specific contractual provisions. In this case, the appropriate action would be to pursue interest claims rather than delaying project progress.

Keywords: Delay Payment, Delay Progress, Late Payment, Contractual Entitlement, Special Cases, Construction Industry, Sri Lanka