

**De Facto IAS**  
Civil Law Judgement Writing

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**Judgement Writing : Software Developer Suit**

In February 2019, 'A', a freelance software developer, entered into a contract with 'B', a startup company, to develop a customised inventory management system. According to the contract, 'A' was to receive a payment of \$20,000, divided into three instalments, with the final instalment due upon completion of the project. The contract also stipulated that 'A' was required to deliver a fully functional beta version of the software by December 2019.

'A' delivered the beta version on schedule, but 'B' withheld the final payment, claiming that the software did not meet the agreed-upon specifications and was riddled with bugs that made it unusable. 'A' contends that the software meets the contractual specifications and that any minor issues present do not affect the overall functionality and usability of the product.

After failing to resolve the dispute through negotiation, 'A' filed a suit against 'B' for breach of contract, seeking recovery of the unpaid final instalment and additional damages for delayed payment. 'B', in their defence, argues that the software's non-compliance with the contract specifications justifies withholding the final payment.

The court has reviewed all the submissions, evidence, and arguments presented by both parties. As a judge assigned to this case, you are required to draft a judgement.

**IN THE COURT OF THE DISTRICT JUDGE**  
**Civil Suit No.: XYZ of 2020**

Between:

'A', Freelance Software Developer (Plaintiff)

and

'B', Startup Company (Defendant)

Date of Judgment: [Insert Date]

Presiding Judge: Hon'ble Judge [Insert Name]

**JUDGMENT**

This matter comes before the Court on a suit filed by the Plaintiff, 'A', a freelance software developer, against the Defendant, 'B', a startup company. The Plaintiff seeks recovery of the unpaid final instalment of \$20,000 and additional damages for delayed payment under the terms of a contract for the development of a customised inventory management system.

**Factual Background**

In February 2019, the parties entered into a contract wherein 'A' was to develop and deliver a fully functional beta version of the software by December 2019. According to the contract, 'A' was to be paid in three instalments, with the final instalment contingent upon the completion of the project. 'A' asserts that the beta version was delivered on schedule and met the agreed-upon specifications. However, 'B' withheld the final payment, citing that the software was riddled with bugs and did not meet the contractual specifications, rendering it unusable.

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### Issues for Determination

1. Whether the beta version of the software delivered by 'A' met the contractual specifications.
2. Whether 'B' is justified in withholding the final payment.

### Legal Framework

#### Contract Law Principles

Performance of Contractual Duties (Section 37, Indian Contract Act, 1872): This section mandates that parties to a contract must either perform, or offer to perform, their respective promises, unless such performance is dispensed with or excused under the provisions of the Act or of any other law.

Breach of Contract (Section 73, Indian Contract Act, 1872): This section outlines the principle that when a contract has been broken, the party who suffers by such breach is entitled to receive compensation from the party who has broken the contract.

### Analysis

#### Contractual Obligations and Compliance

The contract clearly stipulated the delivery of a beta version by a specified date, which 'A' fulfilled. The issue centres on the functionality and adherence to specifications of the software. Evidence submitted, including expert testimonies and software audit reports, indicates that while the software contains bugs, such issues are typical of a beta version and do not render the software unusable.

#### Definition and Expectation of a Beta Version

It is generally understood in the software development industry that a beta version is near-complete but may still contain defects that require fixing. The contract did not explicitly define the acceptable number of bugs or their severity, nor did it stipulate that the software had to be free of all bugs.

#### Breach of Contract

Withholding payment on the grounds of the software being 'riddled with bugs' without a clause specifying the acceptable error threshold constitutes a breach of contract if the software fundamentally meets the specifications and functions as intended, albeit with minor issues.

### Decision

Given that 'A' has substantially fulfilled the contractual obligations by delivering a functional beta version of the software on time, and considering the nature of beta software, the Court finds that 'B' has unjustifiably withheld the final payment.

### Order

1. The Defendant, 'B', is hereby ordered to pay the final instalment of \$20,000 to the Plaintiff, 'A', within 30 days from the date of this order.
2. Additionally, 'B' is ordered to pay damages for the delayed payment, quantified at [specify amount or method of calculation], to compensate 'A' for the financial losses incurred due to the delay.

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3. Costs of the suit are also awarded to the Plaintiff.

Delivered by:

[Insert Judge's Name]

[Insert Judicial Title]

[Insert Date of Judgement]