FININ2MIN PROFESSIONAL LAW CORPUS - BATCH 05

Costs, Interest and Settlement Strategy Master

Commercial costs, settlement offers, interest calculation, costs budget, PIMS impact, mitigation and decree economics.

Commercial Courts Act, 2015 | Reviewed through 2026-07-18 | India-first professional reference

Source control: The official India Code Act PDF, current Rules, Gazette notifications, State/High Court instruments and event-date court orders prevail. This publication is an implementation guide and source map, not a substitute for signed official text or matter-specific legal advice.

Dedicated Finin2min Summary - Chapter in 2 Minutes

- Commercial costs, settlement offers, interest calculation, costs budget, PIMS impact, mitigation and decree economics.
- Convert the interest basis into a dated evidence-backed control.
- Convert the daily accrual into a dated evidence-backed control.
- Convert the costs budget into a dated evidence-backed control.
- Convert the conduct/offer into a dated evidence-backed control.

Section-by-section provision map

Provision / gate	Subject	Status	Finin2min decode	Implementation	Evidence
Gate 1	Interest basis	Matter-specific	Test interest basis using current Act, Rules, notifications, CPC Schedule and local practice.	Assign an owner, deadline, approval and exception route for interest basis.	Retain the source, working paper and decision evidence for interest basis.
Gate 2					

Provision / gate	Subject	Status	Finin2min decode	Implementation	Evidence
	Daily accrual	Matter-specific	Test daily accrual using current Act, Rules, notifications, CPC Schedule and local practice.	Assign an owner, deadline, approval and exception route for daily accrual.	Retain the source, working paper and decision evidence for daily accrual.
Gate 3	Costs budget	Matter-specific	Test costs budget using current Act, Rules, notifications, CPC Schedule and local practice.	Assign an owner, deadline, approval and exception route for costs budget.	Retain the source, working paper and decision evidence for costs budget.
Gate 4	Conduct/ offer	Matter-specific	Test conduct/offer using current Act, Rules, notifications, CPC Schedule and local practice.	Assign an owner, deadline, approval and exception route for conduct/offer.	Retain the source, working paper and decision evidence for conduct/offer.
Gate 5	PIMS settlement	Matter-specific	Test pims settlement using current Act, Rules, notifications, CPC Schedule and local practice.	Assign an owner, deadline, approval and exception route for pims settlement.	Retain the source, working paper and decision evidence for pims settlement.
Gate 6	Decree economics	Matter-specific	Test decree economics using current Act, Rules, notifications, CPC Schedule and local practice.	Assign an owner, deadline, approval and exception route for decree economics.	Retain the source, working paper and decision evidence for decree economics.

Finin2min clause-by-clause decode

Gate 1 - Interest basis
Test interest basis using current Act, Rules, notifications, CPC Schedule and local practice.
Status: Matter-specific

Gate 2 - Daily accrual
Test daily accrual using current Act, Rules, notifications, CPC Schedule and local practice.
Status: Matter-specific

Gate 3 - Costs budget
Test costs budget using current Act, Rules, notifications, CPC Schedule and local practice.
Status: Matter-specific

Gate 4 - Conduct/offer
Test conduct/offer using current Act, Rules, notifications, CPC Schedule and local practice.
Status: Matter-specific

Gate 5 - PIMS settlement
Test pims settlement using current Act, Rules, notifications, CPC Schedule and local practice.
Status: Matter-specific

Gate 6 - Decree economics
Test decree economics using current Act, Rules, notifications, CPC Schedule and local practice.
Status: Matter-specific

Finin2min implementation explanation

Opening control

Freeze the transaction, relief, cause of action, limitation, specified value, territorial facts, current notified court, urgent-relief position and arbitration/special-statute interface.

Execution control

Assign legal, finance, records, business and authorised-signatory owners. Use one dated matter file and a court-calendar owner with exception escalation.

Practical examples and calculations

A finance and legal team uses the master before demand notice or filing. The team reconciles contract authority, invoices, GST/TDS, interest, settlement offers, evidence custodians, forum notification, limitation and litigation economics.

Calculation	Method	Evidence
Specified value	Principal or market/intangible value plus interest computed only up to filing; arbitration uses claim plus counterclaim.	Invoices, contract, interest schedule, valuation and arbitration pleadings.
Interest	State legal/contract basis, rate, from/to dates, total to filing and daily accrual afterwards.	Contract clause, MSMED/statute analysis, ledger and bank records.
Litigation economics	Claim, defence/set-off, court fees, PIMS cost, legal/expert cost, interest, recovery probability and time value.	Approved claim model and settlement authority.

Practical transaction application

1. Classify the transaction and every relief.
2. Compute specified value and limitation using a reproducible working.
3. Identify the currently notified commercial forum and appeal route.
4. Complete PIMS or document genuine urgent interim relief.
5. Preserve pleadings, disclosure, electronic evidence, court calendar and settlement authority.

Authority, consent and execution controls

Authority

- Correct legal entity and counterparty.
- Board, partner, delegated authority or power of attorney.
- Named deponent acquainted with facts.
- Settlement and payment authority matrix.

Execution

- Statement of Truth and verification.
- PIMS application/appearance authority.
- Electronic signature and filing credentials.
- Execution, notarisation and court-specific requirements.

Stamp duty and registration alerts

The Act does not create one national stamp or registration rule for underlying contracts, powers, settlement deeds, property instruments or security documents. Apply the relevant State stamp law, Registration Act, court-fee law and settlement-enforcement route. Do not treat PIMS or court filing as curing an inadequately stamped or unregistered underlying instrument.

Evidence and document-retention checklist

- Executed contract and amendments
- Invoices, delivery and acceptance
- Ledger, bank and tax records
- Demand and settlement offers
- PIMS application and outcome
- Valuation and limitation working
- State/High Court notifications
- Pleadings and Statement of Truth
- Disclosure and adverse-document list
- Email, cloud, metadata and logs
- Admission/denial affidavit
- Case-management and hearing orders
- Costs budget and authority
- Appeal/stay and enforcement file

Performance, delivery and payment controls

Performance

Map milestones, specifications, variation approvals, delivery, inspection, acceptance, defects, cure, termination and mitigation to contemporaneous records.

Payment

Reconcile principal, GST, TDS, retention, credits, debit notes, interest basis, payment appropriation and MSMED exposure before pleading.

Breach, loss, mitigation and remedy framework

Separate breach, causation, remoteness, proof, avoided cost, mitigation, liquidated sum, restitution, interest, specific relief, interim protection, set-off/counterclaim, costs and enforceability. A large invoice or contractual figure is not by itself proof of recoverable loss.

Limitation and forum controls

Limitation

Record accrual, invoice/due date, breach/refusal, acknowledgement, part payment, PIMS exclusion, arbitration commencement, certified-copy time and filing date.

Forum

Verify commercial category, specified value, territory, original side, court level, State notification, statutory bar, arbitration allocation and appealability.

Arbitration and mediation interface

Section 10 allocates qualifying Arbitration Act applications and appeals to the commercial forum. Section 12A PIMS applies to qualifying suits not contemplating urgent interim relief. Contractual mediation, MSMED conciliation, consumer mediation, arbitration and court-annexed settlement must be classified separately rather than blended into one procedure.

Company, partnership, GST and tax overlays

Entity overlay

Check company/LLP/partnership authority, related-party restrictions, insolvency moratorium, assignment, guarantees, insurance and officer admissions.

Finance and tax overlay

Reconcile GST supply/credit notes, TDS, interest accounting, provision/contingent liability, bad-debt/recovery treatment, stamp duty and settlement allocation.

Finin2min Q&A

What is the first question?

Classify the dispute, relief, specified value, urgent-relief requirement and currently notified forum.

What creates the greatest procedural risk?

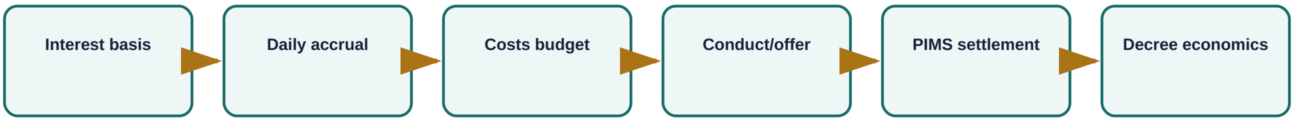
Late written statement, incomplete disclosure, defective Statement of Truth, missed PIMS, wrong forum and non-appealable interlocutory challenges.

What should the professional retain?

A single source-controlled matter file containing current law, notifications, valuation, authority, pleadings, evidence, dates and court outputs.

Chapter-specific decision flowchart

Costs, Interest and Settlement Strategy Master - Decision Flow



Verify current Act, Rules, State/High Court notifications, practice directions and event-date law before filing or advising.