

JUDGMENT SUMMARY

Neutral Citation	[2026] ADGMCFI 0006
Case Number	ADGMCFI-2024-158
Name of Case	Xetech Solutuons Ltd v. Pulsar Capital Holdings Limited
Judge	Justice Paul Heath KC
Date Issued	19 February 2026
Catchwords	Principles of contractual interpretation. Objective meaning and business common sense. Breach of software development contract. Obligation to pay purchase price. Meaning of “completion” of source code. Whether new documentary evidence adduced at trial is admissible.
Cases Cited	<p>Arnold v Britton & Ors [2015] UKSC 36</p> <p>Dijllah Jewellery FZE v AVA Trade Middle East Ltd [2026] ADGMCFI 0001</p> <p>Ladd v Marshall [1954] 1 WLR 1489 (CA)</p> <p>Prenn v Simmonds [1971] 1 WLR 1381 (HL)</p> <p>Providence Building Services Ltd v Hexagon Housing Association Ltd [2026] UKSC 1</p> <p>Rainy Sky SA & Ors v Kookmin Bank [2011] 1 WLR 2900.</p> <p>Reardon Smith Line Ltd v Yngvar Hansen-Tangen [1976] 1 WLR 989 (HL)</p> <p>Wood v Capita Insurance Services Ltd [2017] UKSC 24</p>
Executive Summary	<p>These ADGM Court of First Instance proceedings concerned a dispute relating to a software development project. Xetech was engaged to design a digital healthcare platform for Pulsar. Xetech claimed that Pulsar owed sums under agreement concluded between the parties to purchase the “source code” for the platform. Pulsar counterclaimed for a refund of instalments already paid for the source code, alleging Xetech had not delivered it.</p> <p>The Court held that, as a matter of contractual construction under the parties’ agreement, “completion” meant the source code should be in a state ready to hand over, which then triggered a payment obligation. The Court found that, as a matter of fact, Xetech had completed the source</p>

	<p>code. The Court ruled in Xetech’s favour, dismissed Pulsar’s counterclaim, and ordered payment of the outstanding balance due under the agreements with interest and costs.</p>
<p>Overall Summary</p>	<p>Xetech, a UK-based IT company, originally entered into agreements with TruDoc Healthcare LLC to design a digital healthcare platform (electronic medical records system). By late 2022, TruDoc had defaulted on its payment obligations to Xetech. Pulsar, a third-party investor, took an equity stake in TruDoc and entered into an "Assignment Agreement" with Xetech on 17 February 2023. Under this agreement, Pulsar assumed TruDoc’s debt to Xetech. In return, Xetech was to transfer the intellectual property rights (the "source code") directly to Pulsar instead of TruDoc. A dispute arose, in circumstances where Xetech refused to transfer source code until the full balance of its fees were paid, whereas Pulsar refused to pay Xetech until a fully functioning source code was delivered.</p> <p>The Court considered the meaning of "completion" in the Assignment Agreement. Applying objective principles of contractual interpretation under English law, the Court reviewed the contract as a whole. The Judge found that clauses 2(b), 7, and 10 of the Assignment Agreement consistently indicated that the source code was not to be transferred to Pulsar until the full purchase price had been paid. "Completion" of the source code simply meant that it was in a state where it could be handed over for Pulsar's immediate use, which triggered Pulsar's obligation to pay the remaining balance.</p> <p>The burden of proof was on Xetech to demonstrate that the source code was completed and ready for handover. Pulsar argued that the software remained "bug-ridden" and was never properly delivered or signed off. The Court was assisted by expert evidence on this issue, and records from the "Azure DevOps" system, a platform used by Xetech to manage the software's development, track changes, and log bugs.</p> <p>The Judge concluded that, as a matter of fact, the source code had reached the status of "completion" at the time Xetech demanded final payment. The Court concluded that Xetech had fulfilled its obligations to bring the software to a state of completion, and that Pulsar's refusal to pay the balance constituted a breach of the Assignment Agreement.</p> <p>Accordingly, the Court ruled in Xetech’s favour, dismissed Pulsar’s counterclaim, and ordered payment of the outstanding balance due under the agreements with interest and costs.</p>

This statement is not intended to be a substitute for the reasons of the Court or to be used in any later consideration of the Court’s reasons.