

**CLASS- B.A.LL.B VIIIth SEMESTER**

**SUBJECT- ADMINISTRATIVE LAW**

**PAPER CODE- 801**

**SUIT FOR DAMAGES**

**Meaning:**

The term damages may be defined as the monetary compensation which is payable by the defaulting party to the aggrieved party for the loss suffered by him. It can be granted by the Civil Courts as well as by Arbitral Tribunals where parties agreed to submit their disputes to arbitration. The primary aim of damages is to compensate the aggrieved party and to place him in the same position which he would have occupied had the breach of contract not occurred.

A contracting party who has suffered loss due to the breach of contract can file a suit in a Civil Court or pray for an award from the Arbitral Tribunal seeking damages against the defaulting party under the applicable provisions of law.

The damages can be of the following types:

**1] Ordinary damages**

On the breach of a contract, the suffering party may incur some damages arising naturally, in the usual course of events. Even if the suffering party knew about the likely damages if the contract was breached, he can claim compensation for such losses.

Peter agrees to sell and deliver 10 bags of potatoes to John for Rs 5,000 after two months. On the date of delivery, the price of potatoes increases and Peter refuses to perform his promise. John purchases 10 bags of potatoes for Rs 5,500. He can receive Rs 500 from Peter as ordinary damages arising directly from the breach.

**2] Special Damages**

A party to a contract might receive a notice of special circumstances affecting the contract. In such cases, if he breaches the contract, then he is liable for the ordinary damages plus the special damages.

**3] Vindictive or Exemplary Damages**

There are two scenarios for awarding vindictive or exemplary damages:

- ✓ Breach of a promise to marry because it causes injury to his/her feelings
- ✓ Wrongful dishonour of cheque by a banker because it causes loss of reputation and credibility.

In case of a wrongful dishonour of cheque from a businessman, the compensation will include exemplary damages even if he has not suffered any financial loss. However, a non-trader is not awarded heavy compensation unless the damages are alleged and proved as special damages.

#### **4] Nominal Damages**

If a party to a contract files a suit for losses but proves that while there has been a breach of contract, he has not suffered any real losses, then compensation for nominal damages is awarded. This is done to establish the right to a decree for a breach of contract. Also, the amount can be as low as Re 1.

#### **Case Law:**

**Ratlam Municipality v. Vardichand ( AIR 1980 SC 1622)**

**Shree Hanuman Cotton Mills v. Tata Aircraft Ltd (AIR 1970 SC 1986.)**

**Apeksha Chaudhary**

**Contact No.- 7465974497**

**E-mail- [apekshalaw03@gmail.com](mailto:apekshalaw03@gmail.com)**