Case name

State of Punjab v. Span Motels Pvt. Ltd (2002)

Case

The case involved a dispute between the State of Punjab and Span Motels Pvt. Ltd. over the leasing of ecologically fragile land to the motel. The Supreme Court had earlier directed the motel to show cause as to why it should not be asked to pay exemplary damages for having committed the acts set out in the main judgment.

Brief Summary

The Supreme Court held that Span Motels Pvt. Ltd. had committed a patent breach of public trust by leasing ecologically fragile land to the motel. The Court directed the motel to pay compensation by way of cost for restitution of the environment and the ecology of the area. The Court also directed the motel to construct a boundary wall on the area of the motel which was covered by the lease.

Main Arguments

The main arguments in the case were centered around the applicability of the "polluter pays" principle, the quantum of exemplary damages, and the determination of the quantum of damages.

Legal Precedents or Statutes Cited

The case cited the Supreme Court's earlier judgment in 2000, which directed the motel to show cause as to why it should not be asked to pay exemplary damages. The case also cited the Himachal Pradesh High Court's judgment in 2009, which directed the motel to pay compensation by way of cost for restitution of the environment and the ecology of the area.

Quotations from the court

"The object and purpose of the levy of exemplary damages was to serve as a deterrent to others from causing pollution in any manner."

Present Court's Verdict

The Supreme Court held that the "polluter pays" principle was applicable to this case. The Court also fixed the quantum of exemplary damages at Rs. 10 lakhs.

Conclusion

The case was a significant one in the context of environmental law and the "polluter pays" principle. The Supreme Court's judgment held that the "polluter pays" principle was applicable to this case and that exemplary damages were to be awarded to deter others from causing pollution.