

Case name: State of Punjab v. Span Motels Pvt. Ltd

Case Type: Writ Petition (Civil) No. 112 of 2019

Arguments by Plaintiff (State of Punjab):

- The State of Punjab argued that Span Motels Pvt. Ltd. had committed a patent breach of public trust by leasing ecologically fragile land to the motel.
- The State contended that the "polluter pays" principle as interpreted by the Supreme Court was applicable to this case.

Arguments by Defendant (Span Motels Pvt. Ltd):

- Span Motels Pvt. Ltd. argued that it had already spent considerable sums of its own money for protective and relief measures undertaken by it and it would be unjust and harsh to levy any further liability on it in the shape of exemplary damages.
- The defendant contended that it had already undertaken the responsibility of bearing a fair share of the project costs of ecological restoration.

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.

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.

Court Decisions:

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.

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."

Judgement:

The Supreme Court's judgment held that Span Motels Pvt. Ltd. was liable to pay exemplary damages and compensation for having committed a patent breach of public trust by leasing ecologically fragile land to the motel.

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.