

# Authorized and Unauthorized Private Sector Development in Punjab: an Overview

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## Abstract

**Objective:** Present paper is an attempt to analyse the level of planned and unplanned development with suggestive measures in the State of Punjab. **Methods/Analysis:** The research work is based on primary as well as secondary data. Primary data is collected through the some site visits i.e. Palm Enclave. And, the secondary data is collected in the form of interviews with Punjab Urban Planning and Development Authority Officials. Existing scenario of residential projects is analysed with the comparison of norms and standards given by competent authorities. **Findings:** The beautiful slogan of Indian Government, “*Sustainable Urban Development*” has become a distant reality at grass-root level, which is far from satisfaction. Increasing urbanization and growth of the urban areas are major causes for deterioration of sustainability in urban areas. So Punjab Government has promoted the private as well as public agencies to promote the planned development in the cities, at spatial level. But it has been found that number of unauthorised and unplanned colonies have mushroomed up. Overall, the unplanned development makes the mockery of standard planning practices. **Novelty/Improvement:** The External Development Charges (EDCs), License Fee and other charges charged under PAPR Act, 1995 must be reduced especially in High Potential Zones and the private developers are required to make minimum 5% housing for the LIG/EWS people.

**Keywords:** Cities, Development, Private Developers, PUDA, Unauthorized

## 1. Introduction

The rapid growth rate of cities and towns and the consequent pressure on the urban land and massive housing shortage has become a major issue in Punjab. The pace of physical development of cities of Punjab can be reflected from its urbanisation rate. The percentage of urban population in Punjab has been rising continuously from 33.95 % in 2001 to 37.49 % in 2011 (Table 1). This rapid growth rate of urbanisation can be attributed to a number of factors such as industrialisation, commercialisation and specially, migration from rural to urban areas. Hence, development of tertiary sector-commerce, trade, transport, construction and services are worthy of mentioning as far as urbanisation is concerned. So, due to a whole range of reasons Punjab

stands out amongst the most urbanised states of India followed by Tamil Naidu, Maharashtra, Karnataka etc.

**Table 1.** Growth of Urban Population of the Punjab

Census year	Total Number of UAs/ Towns	Total Pop.	Urban Pop. (in millions)	% of Urban Population
1951	110	9160500	1.98	21.72
1961	106	11135069	2.56	23.06
1971	106	13551060	3.21	23.73
1981	134	16788915	4.64	27.68
1991	120	20281969	5.99	29.55
2001	157	24289296	8.24	33.95
2011	216	27704236	10.38	37.49

Source: Census of India, 2011

Government can't handle this rapid growth of urbanisation alone. Hence, it has promoted private developers who play an important role along with the government and its agencies in the physical development of Punjab. Without an iota of doubt private players have shouldered the planned physical development in Punjab but the other side of the coin clearly indicates the poor state of private player's role in urban development. Because these private players have also caused unplanned and unauthorized development. Though, for it, cumbersome government policies of the state are responsible. Among these cumbersome policies, rigid planning legislation can be pointed out.

Presently in Punjab there are broadly two types of private developers-Authorised and Unauthorised. It is the Punjab Apartment Property Regulation Act, 1995 under which private developers get legal rights to plan housing townships and get it passed by the competent authority i.e. Punjab Urban Planning and Development Authority (PUDA) and its allied agencies. Many private developers get the plans prepared as per PUDA guidelines and its norms and standards which lead to the planned development but on the other hand; many unauthorized and unplanned colonies have mushroomed up in many cities of Punjab like Amritsar, Ludhiana, Bathinda etc. These colonies violate the norms and standards laid down by PUDA and create poor environment, ignore safety and security standards. Overall, the unplanned development makes the mockery of standard planning practices. Yet this sort of development is rapidly increasing day by day as it is cheap and caters to the needs of the urban poor.

## 2. Role of Private Developers in Planned Residential Townships

PUDA is an apex institution established in 1995, in order to achieve the objective of the planned and balanced physical development of towns and cities under the Punjab Regional and Town Planning and Development Act<sup>1</sup>. PUDA is committed to planned residential, commercial and industrial spaces incorporating the state of art technology and town planning norms. While keeping pace with the current economic practices PUDA has taken initiatives to encourage private sector in urban development. PUDA issues licenses on certain terms and conditions to private developers under the Punjab

Apartment Property Regulation Act, 1995 for planning and development of housing townships. Private individuals or group of individuals or companies who are interested in the physical development are required to have a license. PUDA has done significant work for the planned physical development in different cities of Punjab through approval of 188 colonies which covers 3798 acres of land development<sup>2</sup> (Table 2).

**Table 2.** Number of PUDA approved colonies in Punjab

Name of City	No. of Colonies	% Colonies	Area (in Acres)	% Area
Ludhiana	70	37.23	1081.744	28.48
Amritsar	19	10.11	570.5082	15.02
Kharar	20	10.64	310.7075	8.18
Ropar	7	3.72	297.462	7.83
Jalandhar	11	5.85	293.907	7.74
Bathinda	5	2.66	238.359	6.28
Patiala	9	4.79	189.1441	4.98
Hoshiarpur	5	2.66	121.187	3.19
Rajpura	5	2.66	116.158	3.06
Jirakpur	7	3.72	92.0475	2.42
Dera bassi	3	1.60	68.5289	1.80
Khanna	3	1.60	65.745	1.73
Sangrur	2	1.06	59.162	1.56
Faridkot	2	1.06	58.366	1.54
Moga	2	1.06	44.86	1.18
Mansa	2	1.06	31.85	0.84
Abohar	1	0.53	24.35	0.64
Batala	2	1.06	23.73725	0.63
Ferozepur	1	0.53	23.333	0.59
Phagwara	3	1.60	13.28	0.35
Nawanshahar	1	0.53	13	0.34
Jaito	1	0.53	12.95	0.34
Anandpur Sahib	1	0.53	11.6	0.31
Phillaur	1	0.53	11.36	0.30
Kapurthla	3	1.60	9.437	0.25
Malerkotla	1	0.53	9.32	0.25
Dasuya	1	0.53	6.675	0.18
Total	188	100.00	3797.7787	100.00

Source: Ashwani Luthra (2008), *Developmental issues in peri-urban areas of Punjab*, Local Government Quarterly, All India institute of local self Government, Mumbai Volume-7 No.2 April-June.

The table clearly shows that due to rapid growth rate of urbanisation, two metro cities of Punjab i.e. Ludhiana and Amritsar have attracted the attention of private developers. Surely, while seeing the immense economic potentials in these two metro cities the private developers have developed 43.50 % out of the total authorised developed land in all cities of Punjab. Till 2008, private developers developed 28.48% and 15.02% of authorised developed land in Ludhiana and Amritsar respectively which covers 47% of total approved colonies whereas in the smaller cities like Dasuya, Phillaur, Jaito, Nawanshahar etc. authorised developed area by PUDA is too small.

Along with it PUDA has also given permission to some Mega Housing Projects for which it has given some special guidelines. Under these guidelines 24 mega housing projects have been given a green signal by the government of Punjab. These mega projects' layouts are approved by the competent authority (Table 3).

### 3. Unauthorized Housing Sector Projects/Townships

Though, PUDA has caused planned development but Punjab is still not immune to unauthorised development

**Table 3.** List of PUDA approved Mega Housing Projects in Punjab

S.No.	Name of the Company	Broadly indicated location of the proposed project	Area of land (in Acres)
1.	Country Colonisers** (P) Ltd.	Sector 85, SAS Nagar (Mohali)	114.13
2.	PACL India Ltd.**	Sector 104, SAS Nagar ( Mohali )	150.62
3.	Ansal Mittal Township Project	Village Jassi Payu wali, Bhatinda-Mansa road, Bhatinda	121.1457
4.	Ansal Township and Project Ltd.	Sector 114, SAS Nagar (Mohali)	168.09 + 43.816
5.	M/s EMAAR MGF Land Pvt. Ltd.	a) Sector 105, SAS Nagar (Mohali) b) Sector 108 & 109, SAS Nagar (Mohali) c) Sector 98, 99, 104, 106 S.A.S Nagar.	a)106.66 b)390.71 c)145.38
6.	M/s Bajwa Developers Pvt. Ltd.	Chandigarh- KHARAR Road, Mohali	150
7.	M/s AKME Projects AKME POLIS Model Township	Village Jandiali near Kohara (Chd.-Ludh. Road) Distt.Ludhiana	77.1687
8.	M/s Tiwari Gangahar Infrastructure Pvt.Ltd.	Village Vallah, Teh. & Distt. Amritsar on NH-1	120
9.	M/s Satish Estates	Vill. Sultanwind & Doburji, Tehsil & Distt. Amritsar within the limits of Amritsar	67.05
10.	Malhotra Land Developers and Colonizers Pvt. Ltd.	Village Sahnewal Khurd, Bilga & Majra on Ludhiana - Ambala G.T Road, Ludhiana	165.08
11.	M/s IREO Ltd. (Puma Realtors Pvt. Ltd.)	Sector - 98, Mohali	107.45
12.	M/s ELDCO Infrastructure and Properties Ltd.	Village Hussainpura, Rajpura and Bhatian, Distt, Ludhiana	49.01
13.	M/s Taneja Developers Infrastructure Ltd.	Village Ballo Majra, Daon, Chandigarh - Kharar Road, Mohali	106.13+23.22=129.35
14.	Omaxe Buildhome Pvt. Ltd. 10 Local Shopping Centre, Kalkaji New Delhi.	Village Amargarh Bokhra & Nahiwala Bhatinda	71.81
15.	M/s AIPL Ambuja Housing and Urban Infrastructure Ltd.	Village Manawala and Jeetan Kalan, Distt- Amritsar	104.11

16.	M/s Unitech	Sector - 97, 106, 107, S.A.S Nagar.	218.00+54.97=272.97
17.	M/s OMAXE Ltd.	Village Thakarwal, Ludhiana	36.00
18.	M/s OMAXE Ltd.	V.Gholumajra	30.554
19.	M/s OMAXE Ltd.	V.Mehmadpur,Distt. Patiala	35.879
20.	M/s IREO Ltd. (VAR Relators.	V.Dakha,Devatwal,Gahaur and Eisewal Distt. Ludhiana.	150.81
21.	M/s Vipul Ltd.	V. Banohar & Dakha Distt. Ludhiana Phase-I	40.39
22.	M/s TDI	Sec. 110-11 Mohali Phase-I	74.44
23.	M/S Golden peak Township Pvt. Ltd.	V.kansala,Parol,Kartarpur,Rani Majra,Takipur,Boothgarh,D hodemajra Rasoolpur & Bhagatmajra in Mullanpur LPA Of GMADA.	113.513
24.	M/S SPARK Builcon Pvt. Ltd	Vill. Mullanpur & Talwandi Khurd, Ldh-Fzr Road, Ludhiana,	90.13

Source- Official Website of PUDA i.e. <http://puda.nic.in/>

which is a universal problem all over the world due to rapid pace of urbanisation, increasing industrialisation and migration. For Example an unauthorised colony i.e. Panchsheel Enclave in Zirakpur speaks volumes of the violations of norms and standards recommended by the competent authority in Punjab i.e. PUDA (Table 4).

**Table 4.** Land use of Panchsheel Enclave, Zirakpur

Land use	Area ( in Acres)	Percentage	Standards as per PUDA
Residential	8.67	76.1	55%
Commercial	0.68	5.9	5%
Circulation	2.1	11.8	32%
Parks & Open Spaces	Nil	Nil	5%
Public-Semi Public	0.02	0.02	3%

Source: Anu Sikka (2005), Planning and Development of Private Colonies, Unpublished Thesis, G.R.D School of Planning

The table of an unauthorised colony i.e. Panchsheel Enclave in Zirakpur, Mohali gives an analysis of violations in land use distribution as against PUDA Guidelines. In this colony, total area left for residential purpose is 76% which clearly out grows standard of PUDA i.e. 55%. Circulation has been given far lesser area i.e. 11.8% of the total site as compared with a standard of 32%. Whereas, parks and open spaces have totally been neglected which shows the height of violations. Lesser area has been given to parks & open

spaces and circulation to increase its saleable area which is 55% as per norms and standards. Moreover, no sewer line has been laid down within the colony. Every plot has its own individual septic tank.

In another case, Palm Enclave (167 Acres Colony) which is an authorised colony in Ludhiana city, while following all norms and standards of land use distribution, provided 5% of its total area meant to be developed for EWS housing, initially before getting their plan approved by the competent authority. But on the other hand once the plan was approved and due to lack of monitoring by authorities the same area was developed for income groups other than the EWS people. Moreover, no parks and open spaces were given at all simply to increase saleable area. Here, it must be mentioned that when the plan was approved it had a provision of parks and open spaces as per standards. The basic civic amenity i.e. water supply has not been provided and residents of the colony use personal pumping motors.

Such violations of norms and standards due to lack of monitoring reflect poor planning practices in the cities of Punjab. As a result, unauthorised developments have cropped up at an alarming rate. Here it must be mentioned that on the one hand monitoring of such colonies is very poor due to which violations of norms and standards have increased throughout Punjab. On the other hand, increased EDC's are also responsible for such violation indirectly. It is worth mentioning that here 68% of the total class I cities population is residing in only four cities of Punjab namely

Ludhiana, Amritsar, Jalandhar, Patiala. This fact itself indicates that maximum urbanization is taking place in these cities of state. And the government of Punjab increased the EDC's in 2007 for all cities of Punjab but these charges have been increased to maximum extent in the cities like Ludhiana, Amritsar, Jalandhar which is under the High potential Zone Table 5.

Though, unplanned growth is on the rise as EDCs have been increased a lot in a last couple of years. With this, the prices of land in the Government approved colonies are touching the sky and the property tax soaring, there has been spurt in the number of unplanned colonies which is coming up in a haphazard manner. As a result, in last four years, the number of unauthorised colonies has increased at an alarming rate. According to annual reports of Punjab Urban Planning and Development Authority, in whole State 1337 unauthorised colonies have been detected in 2009. But on ground, actual number of such colonies is much more.

**Table 5.** Rates of License Fee & EDC'S (Potential Zone Wise)

Use	License Fee (Lacs/Acre)	EDC'S (Lacs/Acre)
Plotted Residential (High I)	2.50	24.0
Plotted Residential (High II)	2.25	18.0
Plotted Residential (High III)	2.00	15.0
Plotted Residential (Medium I)	1.20	12.0
Plotted Residential (Medium II)	1.00	10.0
Plotted Residential (Low I)	0.30	6.0
Plotted Residential (Low II)	0.25	4.5
Plotted Residential (Low III)	0.20	3.0
Plotted Residential (Low IV)	0.15	2.5

Note: - Where a piece of land falls in more than one potential zone the proportionate rate for each category have applied.

Before the increase in EDCs, already there was a lot of unauthorised and unplanned development. The number of unauthorised colonies had already shot up from 840 in 2002 to 1560 in 2004. The increases<sup>3</sup> in EDCs have further aggravated the problem. From 2007 till 10 November 2010 only 15 licenses were issued by Greater Ludhiana Area Development Authority (GLADA) whereas 150 unauthorized colonies had mushroomed up from 2007 to 2010 in Ludhiana making it the capital of unauthorised colonies and slums.

So, this growth of unauthorised colonies in Ludhiana best displays the relationship between heavy External Development Charges, Licenses Fee under Punjab Apartment Property Regulation Act, 1995 and mushrooming up of unauthorized colonies. Though the Government tried to legalize these colonies however, it couldn't materialize.

However, it is difficult to assess the exact number of such developments but as per an estimate the fast growing cities have 500-600 unauthorised colonies. In case of hub of tourism, the second metro city of Punjab i.e. Amritsar according to a news item not only has this trend resulted in an uneven and unplanned growth in the city, but has also caused loss of more than Rs. 150 cores to the state treasury<sup>4</sup>. Demand for cheaper land has resulted in the growth of unauthorised colonies in Amritsar. But it is difficult to get such information from PUDA about a colony whose legality is under question.

While quantifying the number of unplanned colonies it is found that Bathinda, Faridkot, Muktsar and Moga districts have over 100 colonies that have cropped up in the last five years. PUDA has issued license in the last 10 years to only 12 authorized colonies-Bathinda (5), Faridkot (3), Mukatsar (1) and Moga (3), and according to records available with Bathinda Development Authority (BDA) over 90 colonies whose legal status is dubious were found which lead to unplanned development.

So, there is a poor approach and no planning in case of unauthorised colonies resulting in poor living environment for the residents. More saleable area in case of unauthorized colonies as compared to authorized colonies which lead to high density, lesser area under various facilities like parks and open spaces and circulation resulting into slum like situations which is against the principles and objectives of urban planning<sup>5</sup>.

## 4. Strategies to Promote Authorized Development

- There is no monitoring institute of PUDA which can scrutinize the development of unauthorized and unplanned colonies in Punjab. Some state planning institutions of India do have such wings. So, PUDA must have such an institute to scrutinize and curb

unauthorised development as merely filing of First information Reports (FIRs) will not solve the purpose.

- The External Development Charges (EDCs), License Fee and other charges charged under PAPR Act, 1995 must be reduced especially in High Potential Zones (Ludhiana, Amritsar, Jalandhar), as it increases the cost of development and also throws out especially the urban poor (LIG, EWS) who resort to housing in unauthorised colonies as they have no other choice. As a result petty, part-time developers exploit it and create slum like colonies. Secondly, it would also increase the quantum of Government treasury as more developers will be included in the real estate system if the fees and EDCs are lesser which would serve the cause of planning.
- AS per PAPR Act 1995, though the private developers are required to make some housing for the LIG/EWS people but the developer plays smart by just leaving some land for such a purpose and claims that LIG/EWS housing will be made later like in case of Palm Enclave in Ludhiana. Even in some cases, such housing is never made. This leads to not only delays in housing supply for the people who need it the most but also breeds speculation and inflation in the housing market.
- The private developers do not provide some basic services and facilities (parks and open spaces, dispensaries etc.) as they want to maximize their saleable area. It is also not unknown to us that the layouts passed by the competent authority and the actual plan which is implemented for the same site are altogether different from each other. So, this necessitates for alert monitoring.

## 5. Conclusion

Shortage of housing has become a major cause of concern due to rapid growth of urbanisation in Punjab. Housing supply is not caused much by public agencies. Hence private developers have played a significant role for providing housing in state through authorised and unauthorised development. But due to lack of proper monitoring mechanism and high external development charges especially in high potential zones of Punjab, number of unauthorised colonies has increased rapidly which leads to unhealthy living conditions. So the monitoring system should be strengthening to check the gaps between the approved layout and actual development. To promote the approved development in most urbanised cities of Punjab, E.D.C's should be made reasonable.

## 6. References

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