

PUNJAB VIDHAN SABHA

BILL NO. 24-PLA-2025

THE PUNJAB APARTMENT AND PROPERTY REGULATION  
(AMENDMENT) BILL, 2025

A

BILL

further to amend the Punjab Apartment and Property Regulation Act, 1995.

BE it enacted by the Legislature of the State of Punjab in the Seventy-sixth year of the Republic of India, as follows:-

Short title and commencement.

1. (1) This Act may be called the Punjab Apartment and Property Regulation (Amendment) Act, 2025.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

Amendment in section 5 of Punjab Act 14 of 1995.

2. In the Punjab Apartment and Property Regulation Act, 1995, in section 5,-

(a) for sub-section (1), the following sub-section shall be substituted, namely:-

"(1) Any promoter, who desires to develop a land into a colony having the prescribed qualifications, shall make an application in the prescribed form alongwith his title of minimum land, as may be notified by the Government, but not less than twenty-five percent of project land and irrevocable consent alongwith any registered agreement duly recorded in revenue record for the rest of land, if it is owned by other persons; permission for conversion of land use from the competent authority; and the prescribed information, with the prescribed fee and charges, to the competent authority for grant of permission for the same and separate permission shall be necessary for each colony.";

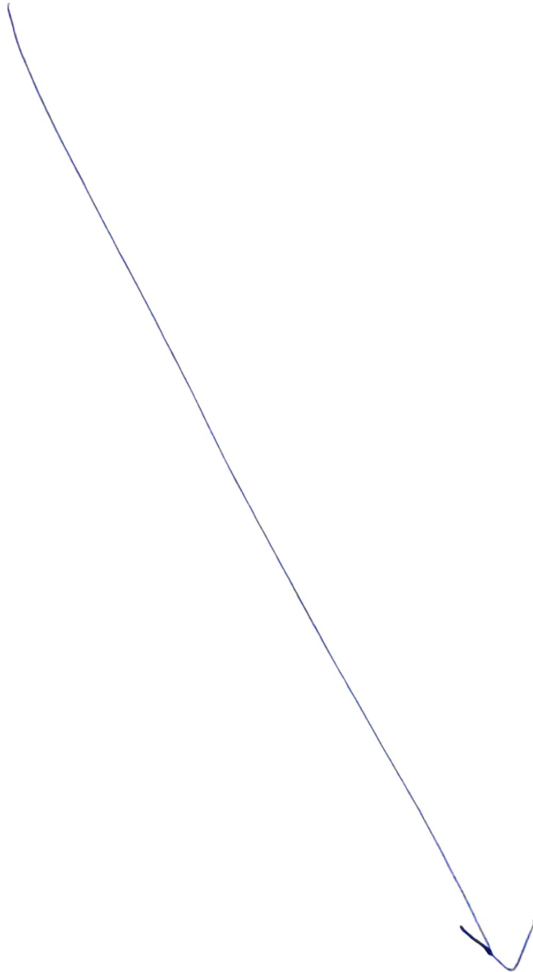
(b) in sub-section (3), for clause (ii), the following clause shall be substituted, namely:-

"(ii) furnish a bank guarantee equal to thirty-five percent of the estimated cost of the development works certified by the competent authority or any other guarantees, as may be notified by the Government, to secure payment of Internal Development Works and the promoter shall submit an undertaking with regard to entering into an agreement in the prescribed

form for carrying out the completion of development works in accordance with the conditions of the license so granted;"; and

(c) for sub-section (8), the following sub-section shall be substituted, namely:-

"(8) The Government may allow the payment of external development charges and other charges mentioned in such instalments, as may be notified by it, from time to time. In such case, the first instalment shall be deposited before the grant of license and the promoter shall furnish bank guarantee and give an undertaking to pay the balance amount as per notified schedule of instalments supported by such bank guarantee or any other additional guarantees, as may be notified by the Government, to secure payment of the balance instalments."



- 3 -

## STATEMENT OF OBJECTS AND REASONS

The Punjab Apartment and Property Regulation Act, 1995 (Punjab Act No. 14 of 1995) "in short PAPR Act, 1995", provides for establishment for new colonies, granting license for same and for regulation of construction therein.

Section 5(1) of the PAPR Act provides for the development of a colony in the State of Punjab, requiring the promoter to own at least 25% of the area and have consents/agreements for the remaining 75% of the area. During the course of project development, land prices increase which leads to conflicts among the Promoter and land owners/ farmers, and the developer is not able to acquire the balance land timely due to which the development of the colony and the area concerned is not carried out in a planned manner. So, there is a need to regulate the minimum ownership required for setting up of a colony.

In addition, as per Section 5(3)(ii) and Section 5(8) of the Act, there is a provision for the promoters to furnish a bank guarantee or mortgage of land equivalent to 35% of the estimated cost of the development works and external development charges, respectively. It has been observed that once the promoters take license after depositing the mandatory upfront charges but fail to deposit the subsequent installments, thereby become defaulters.

Further, the procedure for sale of mortgaged property by the promoter/developer is a very lengthy and tedious process due to which recovery of dues from the defaulting promoters/developers is not possible. This causes undue hardship to the other stakeholders as well. Therefore, there is a need to strengthen the process of recovering the dues from the promoters. Hence, in order to overcome the problem being faced, amendments in The Punjab Apartment and Property Regulation Act, 1995 have been proposed. Hence, the Punjab Apartment and Property Regulation (Amendment) Bill, 2025.

HARDIP SINGH MUNDIAN,  
Housing and Urban Development Minister,  
Punjab.

**CHANDIGARH:**  
**THE 26<sup>TH</sup> SEPTEMBER, 2025**

**R. L. KHATANA,**  
**SECRETARY.**

**N.B. – The above Bill published in the Punjab Government Gazette (Extraordinary), dated the 26<sup>th</sup> September, 2025 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).**