

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-PIL-92-2026

Reserved on : 10.04.2026

Pronounced on : 07.05.2026

Uploaded on : 07.05.2026

*Whether any operative part of the judgment is
pronounced or the full judgment is pronounced : full judgment*

Public Action Committee and others

.....Petitioners

Versus

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present: Mr. Baltej Singh Sidhu, Senior Advocate (arguing counsel) with
Mr. Shehbaz Thind, Advocate,
Ms. Smile, Advocate,
Ms. Shruti, Advocate, and
Mr. Sultan Singh, Advocate,
for the petitioners.

Mr. Maninderjit Singh Bedi, Advocate General, Punjab
(arguing counsel), with
Mr. Vipin Pal Yadav, Addl. Advocate General, Punjab,
for respondents No.1 and 2.

Mr. Rajiv Atma Ram, Senior Advocate (arguing counsel), with
Ms. Shrya Kaushik, Advocate, and
Mr. Sumbhav Parmar, Advocate,
for respondents No.3 and 4.

Mr. Chanchal K. Singla, Addl. Advocate General, Punjab
(arguing counsel) with
Ms. Kavita Joshi, Advocate, and
Mr. Sangam Garg, Advocate,
for respondents/PUDA and GLADA.



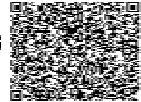
SHEEL NAGU, CHIEF JUSTICE

1. This PIL has been filed by Public Action Committee through one of its authorized representatives and six others, who claim themselves to be members of the said Committee.

2. The prayer made in this petition is to the following extent :-

“a. *issue an appropriate writ, order or direction, particularly in the nature of certiorari, quashing and setting aside the impugned letter/communication bearing No. 145813 dated 01.04.2026 PUDA/296/2026-ACC.(HQ)-PUDA (Annexure P-3), issued by Respondent No.3, whereby all Development Authorities in the State of Punjab have been directed to transfer a total sum of Rs. 2,500 crore to Respondent No.4 (GMADA), being wholly without authority of law, arbitrary and ultra vires the Punjab Regional and Town Planning and Development Act, 1995;*

b. *In the event this Hon’ble Court finds that any part of the amount pursuant to the impugned letter/communication bearing No. 145813 dated 01.04.2026 (Annexure P-3) has already been transferred, issue an appropriate writ, order or direction directing the respondents to forthwith restore/return the said amounts to the respective Development Authorities from whose funds such transfers have been made, along with appropriate interest, and to reverse and nullify the impugned transaction in its entirety;*

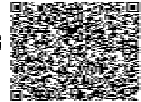


- c. *Pass such order or further orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case, in the interest of justice and protection of public funds;*
- d. *Exempt the Petitioner from filing certified/typed/legible copies of annexures and documents relied upon in the present petition at this stage, in the interest of justice;*
- e. *Award costs of the present petition."*

3. This PIL allegedly raises the public cause by seeking quashment of letter/communication dated 01.04.2026 issued by Punjab Urban Planning and Development Authority (for brevity, 'the Authority') (respondent No.3 herein), by which the Chief Administrators of PUDA, GMADA, GLADA, ADA, BDA, JDA and PDA have been directed to provide an amount of Rs. 2500 crore as loan to GMADA on certain terms and conditions contained therein. The said decision was conveyed with approval of the Chief Secretary to Government of Punjab.

4. The primary concern of the petitioners in this PIL is that without any authority of law under the Punjab Regional and Town Planning and Development Act, 1995 (for brevity, 'Act of 1995') of doing so, the State Government has exercised its extra ordinary powers to issue the direction vide impugned letter dated 01.04.2026 (Annexure P-3).

4.1 The preliminary objection raised by learned Advocate General of the State of Punjab is that petitioner No.1 is an unregistered body, which, in view of law laid down by a Division Bench of the Kerala High Court in the case of **Kalpuzha Samrakshana Samithi Vs. State of Kerala and others,** decided on 27.07.2021, is not authorized to file a PIL.



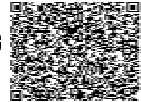
5. The aforesaid objection, at the very outset, is rejected, since it is not only petitioner No.1 Committee but also six individual persons (petitioners No.2 to 7), who have also approached this Court. Therefore, this petition in context of petitioners No.2 to 7 is maintainable.

6. To adjudicate the cause raised herein, re-production of a few relevant provisions of the Act of 1995 is essential :-

*“28. **Objects and functions of the Authority** – (1) The objects of the Authority shall be to promote and secure better planning and development of any area of the State and for that purpose the Authority shall have the powers to acquire by way of purchase, transfer, exchange or gift or to hold, manage, plan, develop and mortgage or otherwise dispose of land or other property or to carry out itself or in collaboration with any other agency or through any other agency on its behalf, building, engineering, mining and other operations to executive works in connection with supply of water, disposal of sewerage, control of pollution and other services and amenities and generally to do anything with the prior approval or on direction of the State Government, for carrying out the purposes of this Act.*

(2) In particular and without prejudice to the generality of the foregoing provisions, the Authority itself or in collaboration with any other agency or through any other agency on its behalf, -

- (i) if so required by the State Government or the Board, take up the works in connection with the preparation and implementation of Regional Plans, Master Plans and New Township Plans, and town improvement schemes;*
- (ii) undertake the work relating to the amenities and services to be provided in the urban areas, urban*



estates, promotion of urban development as well as construction of houses;

- (iii) promote research, development of new techniques of planning, land development and house construction and manufacture of building material;*
- (iv) promote companies, associations and other bodies for carrying out the purposes of the Act; and*
- (v) perform any other functions which are supplemental, incidental or consequential to any of the functions referred to in this sub-section or which may be prescribed.*

29. to 39. xxx xxx xxx

40. Control by State Government – *(1) The Authority shall carry out such directions as may be issued to it, from time to time, by the State Government for the efficient administration of this Act.*

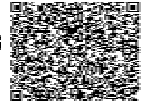
(2) The State may depute any officer to inspect or examine the office of the Authority, or its development works and to report thereon and the officer so deputed may, for the purposes of such inspection or examination call for,

- (a) any extract from any proceedings of the Authority or any committee constituted under this Act, record, correspondence, plan or other documents;*
 - (b) any return, estimates, statement of accounts or statistics;*
 - (c) any report,*
- and the Authority shall furnish the same.*

41. to 48. xxx xxx xxx

49. Fund of the Authority – *(1) The Authority shall have and maintain its own fund to which shall be credited –*

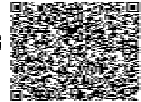
- (a) all moneys received by the Authority from the State Government and the Central Government by way of grants, loans, advances or otherwise;*



- (b) *all moneys received by the Authority from sources other than the State Government or the Central Government, by way of loans or debentures;*
 - (c) *all fees received by the Authority under this Act;*
 - (d) *all moneys received by the Authority from the disposal of lands, buildings and other properties, movable and immovable;*
 - (e) *all moneys received by the Authority by way of the rent and profits or in any other manner or from any other source; and*
 - (f) *all moneys received by the Authority in connection with the execution of any town development scheme.*
- (2) *The funds of the Authority shall be applied towards meeting –*
- (a) *the expenditure incurred in the administration, implementation and carrying out the provisions of this Act;*
 - (b) *the cost of acquisition of land for the purposes of this Act;*
 - (c) *the expenditure for development of land and construction of houses; and*
 - (d) *the expenditure for such other purposes as the State Government may direct or permit.*
- (3) *The Authority shall keep its fund in any Scheduled Bank or in any Apex Co-operative Bank or a Central Co-operative Bank.*
- (4) *The Authority may invest any portion of its fund in such securities or in such other manner as it may determine from time to time.*
- (5) *The income resulting from investments mentioned in sub-section (4) and proceeds of the sale of the same shall be credited to the fund of the Authority.*

50. xxx xxx xxx

51. Power of the Authority to borrow or advance money –



(1) The Authority may, from time to time, borrow money by way of loans or debentures or bonds or such other financial instruments from such sources, other than the State Government, and on such terms and conditions as it may determine from time to time.

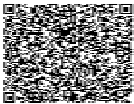
(2) The Authority may advance money for constructing buildings for residential, industrial or commercial purposes on such terms and conditions, as it may determine from time to time.”

7. Section 28 of the Act of 1995 lays down the objects and functions of the Authority, while Section 40 prescribes the control exercised by the State Government over the Authority. Section 49 envisages sources of creation of fund by the Authority for carrying out the objective of the Act of 1995. Lastly, Section 51 stipulates power of the Authority to borrow or advance money from the State Government and also from other sources.

8. A bare perusal of Section 49 (1) (e) of the Act of 1995 reveals that all moneys received by the Authority by way of rent and profits or in any other manner or from any other source is one of the heads by which fund of the Authority is created.

8.1 From a conjoint reading of Sections 49 and 51 of the Act of 1995, it is obvious that the Authority has the power to borrow money from such sources, other than the State Government, and while stipulating this power, the expression “such other sources” has been used, which is of widest import. Meaning thereby that all the legitimate sources available with the Authority can be source for borrowing money.

8.2 This view of this Court is emboldened by the provision of Section 41 (1) (e) of the Act of 1995, which enables the Authority to create fund *inter alia* from any other source.



9. When the impugned communication is tested on the anvil of the aforesaid statutory provisions of Sections 49 and 51 of the Act of 1995, it is seen that the letter/communication dated 01.04.2026 (Annexure P-3) is an approval by the Government of Punjab, enabling the Authority to borrow a sum of Rs. 2500 crore from different sources, as mentioned in tabular form.
10. We do not find any transgression of any statutory provision u/s 49 or 51 of the Act of 1995, provided, of course, that the terms and conditions contained in Section 49 (3), (4) and (5), including other mandatory provisions of the Act of 1995, are complied with.
11. With the aforesaid observations, we see no reason to interfere in the present petition.
12. Accordingly, this PIL stands dismissed.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

May 07, 2026
narotam

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No