

L. A. BILL No. XCIV OF 2025.

A BILL

*further to amend the Maharashtra Prevention of Fragmentation and
Consolidation of Holdings Act.*

5 WHEREAS both Houses of the State Legislature were not in session ;

AND WHEREAS the Governor of Maharashtra was satisfied that
circumstances existed which rendered it necessary for him to take immediate
LXII of action further to amend the Maharashtra Prevention of Fragmentation and
1947. Consolidation of Holdings Act, for the purposes hereinafter appearing; and,
Mah. 10 therefore, promulgated the Maharashtra Prevention of Fragmentation and
Ord. X Consolidation of Holdings (Amendment) Ordinance, 2025 on the 3rd November
of 2025. 2025 ;

AND WHEREAS it is expedient to replace the said Ordinance, by an Act of the State Legislature ; it is hereby enacted in the Seventy-sixth Year of the Republic of India as follows :—

Short title and commencement.

1. (1) This Act may be called the Maharashtra Prevention of Fragmentation and Consolidation of Holdings (Amendment) Act, 2025. 5

(2) It shall be deemed to have come into force on the 3rd November 2025.

Amendment of section 8B of LXII of 1947.

2. In section 8B of the Maharashtra Prevention of Fragmentation and Consolidation of Holdings Act (hereinafter referred to as “the principal Act”), the proviso shall be deleted. LXII of 1947.

Amendment of section 9 of LXII of 1947.

3. In section 9 of the principal Act,- 10

(a) in sub-section (3), the provisos and the *Explanation* shall be deleted;

(b) after sub-section (3), the following sub-section shall be added, namely :—

“(4) Notwithstanding anything contained in this Act, a transfer 15 or partition of a land contrary to the provisions of this Act made on or after the 15th November 1965 and on or before the 15th October 2024, if such land is used or intended to be used for any *bona fide* non-agricultural user and the same is,—

(a) in the area within the limits of Municipal Corporations, 20 Municipal Councils and *Nagar Panchayats*; or

(b) in the areas designated for residential, commercial, industrial or any other non-agricultural use under the jurisdiction of the Mumbai Metropolitan Region Development Authority established under the Mumbai Metropolitan Region Development 25 Mah. IV of 1975. Authority Act, 1974, the Metropolitan Region Development Authorities established under the Maharashtra Metropolitan Region Development Authority Act, 2016 and Special Planning Authorities notified under the Maharashtra Regional and Town Planning Act, 1966; or 30 Mah. XXXVII of 1966.

(c) in the area for which a Cantonment is constituted under 41 of 2006. the Cantonment Act, 2006 ; or

(d) in the areas designated for residential, commercial, industrial or any other non-agricultural use and the areas included in the Growth Centres specified in a draft or final 35 Mah. XXXVII of 1966. Regional Plan prepared under the Maharashtra Regional and Town Planning Act, 1966, or any other law for the time being in force ; or

(e) in the ‘Peripheral Area’ of boundaries of any village, city, or town, designated for residential, commercial, industrial or 40 any other non-agricultural use in the draft or final Regional Plan and to which the Unified Development Control and Promotion Regulations applies,

then such transfer or partition of land shall be deemed to have been regularized without charging any premium therefor.”. 45

Mah.
Ord. X
of 2025.

4. (1) The Maharashtra Prevention of Fragmentation and Consolidation of Holdings (Amendment) Ordinance, 2025, is hereby repealed.

Repeal of
Mah. Ord. X
of 2025 and
saving.

5 (2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or, as the case may be, issued under the corresponding provisions of the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Maharashtra Prevention of Fragmentation and Consolidation of Holdings Act (LXII of 1947) has been enacted to prevent the fragmentation of agricultural holdings and to provide for the consolidation of agricultural holdings in the State for the purpose of better cultivation thereof. The Government under the said Act has notified the minimum area that can be cultivated profitably as a separate plot for each class of land in such local areas known as the standard area. The said Act also provides for restrictions on transfer, partition or lease of fragments *viz.* plot of land of less than standard area.

2. Over the period of time, agricultural lands adjacent to the cities and other developed municipal areas came under residential, commercial or industrial zone specified in any draft or final Regional Plan where non-agricultural use of such lands became permissible. Various transfers or partitions of land contrary to the said Act, have taken place in these areas which has resulted in fragments. However due to restrictions under the said Act, such land transactions could not be recorded in land records. Therefore, the occupants of such fragments could not start intended non-agricultural use of such fragments and get requisite permissions therefor from the authorities, for want of clear title.

3. In order to resolve the said issue, section 8B was incorporated in the said Act in the year 2016 to provide that, the provisions of sections 7, 8 and 8AA are not applicable to land situated within the limits of a Municipal Corporation or a Municipal Council, or a Special Planning Authority or a New Town Development Authority, and also to any land allocated to residential, commercial, industrial or any other non-agricultural use in the draft or final Regional plan prepared under the Maharashtra Regional and Town Planning Act, 1966 (Mah. XXXVII of 1966) or any other law for the time being in force. Proviso to section 8B provides that, no person shall transfer such parcel of land unless it is created as a result of sub-division or layout approved by the Planning Authority or the Collector, as the case may be, under the provisions of the Maharashtra Regional and Town Planning Act, 1966 or any other law for the time being in force. However, due to the conditions of approved layout or sub-division, many such fragments could not be covered under the said section 8B.

4. In view of this, the Government has amended section 9 of the said Act to regularise such transactions till the date of commencement of the Maharashtra Act No. LVIII of 2017, on payment of regularisation premium of upto 25 per cent. of the current market value of such land. The Government further reduced this regularisation premium to 5 per cent. of the current market value of such land, by amending the said Act by Maharashtra Act No. V of 2025. However, it was noticed that even after reduction in premium, large number of occupants of such fragments were not coming forward for the regularization.

Therefore, in order to update the record of rights, the Government considered it expedient to suitably amend the said Act to provide for deemed regularisation of such fragments without charging any premium therefor.

5. As both Houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Prevention of Fragmentation and Consolidation of Holdings Act, for the purposes aforesaid, the Maharashtra Prevention of Fragmentation and Consolidation of Holdings (Amendment) Ordinance, 2025 (Mah. Ord. X of 2025), was promulgated by the Governor of Maharashtra on the 3rd November 2025.

6. The Bill is intended to replace the said Ordinance by an Act of the State Legislature.

Mumbai,

Dated the 20th November, 2025.

CHANDRASHEKHAR BAWANKULE,

Minister for Revenue.

*ANNEXURE TO THE L. A. BILL No. XCIV OF 2025 -
THE MAHARASHTRA PREVENTION OF FRAGMENTATION AND
CONSOLIDATION OF HOLDINGS (AMENDMENT) BILL, 2025.*

**(Extracts from the Maharashtra Prevention of Fragmentation and
Consolidation of holdings Act, 1947)**

(MAH. LXII of 1947)

1. to 8.	*	*	*	
8AA. to 8A.	*	*	*	

8B. Nothing in sections 7, 8 and 8AA shall apply to the land situated within the limits of a Municipal Corporation or a Municipal Council, or to the land situated within the jurisdiction of a Special Planning Authority or a New Town Development Authority appointed or constituted under the provisions of the Maharashtra Regional and Town Planning Act, 1966 (Mah. XXXVII of 1966) or any other law for the time being in force, and also to any land allocated to residential, commercial, industrial or any other non-agricultural use in the draft or final Regional plan prepared under the Maharashtra Regional and Town Planning Act, 1966 (Mah. XXXVII of 1966) or any other law for the time being in force:

Sections 7, 8 and 8A not to apply to land situated in certain areas.

Provided that, no person shall transfer any parcel of land situated in the areas specified above, which has area less than the standard area notified before the date of coming into force of the Maharashtra Prevention of Fragmentation and Consolidation of Holdings (Amendment) Act, 2015 (Mah. II of 2016), unless such parcel is created as a result of sub-division or layout approved by the Planning Authority or the Collector, as the case may be under the provisions of the Maharashtra Regional and Town Planning Act, 1966 (Mah. XXXVII of 1966) or any other law for the time being in force.

9. (1) and (2)	*	*	*	
----------------	---	---	---	--

(3) Any person unauthorizedly occupying or wrongfully in possession of, any land, the transfer or partition of which, either by the act of parties or by the operation of law, is void under the provisions of this Act, may be summarily evicted by the Collector.

Penalty for transfer or partition contrary to provisions of Act.

Provided that, save as otherwise provided in section 31, the Collector may, upon an application made in this regard, regularise a transfer or partition of a land contrary to the provisions of this Act made on or after 15th day of November 1965 and before the date of commencement of the Maharashtra Prevention of Fragmentation and Consolidation of Holdings (Amendment) Act, 2024 (Mah. V of 2025), if such land is allocated to residential, commercial, industrial, public or semi-public or any non-agricultural use, in the prevailing draft or final Regional Plan; or is intended to be used for any *bona fide* non-agricultural user, subject to payment of regularisation premium of five per cent. of the market value of such land as per the Annual Statement of Rates:

Provided further that, save as otherwise provided in section 31, if a transaction of transfer or partition of land contrary to the provisions of this Act is regularised on the ground that the land would be used for any *bona fide*

non-agricultural use, then failure to start such *bona fide* non-agricultural use within 5 years from the date of regularisation shall result in forfeiture of such land by the collector. Such land thereafter shall be first offered to the holder or occupant of a neighbouring contiguous survey number or recognised subdivision of a survey number on payment of 50 per cent. of the market value of such land as per the prevailing Annual Statement of Rates and three-fourth of the amount so collected shall be paid to the defaulting person from whom such land was forfeited to the Government and the remaining one-fourth of the amount so collected shall be credited into the Government account. Where occupant of such neighbouring contiguous survey number or recognised subdivision refuses to purchase the fragment, the fragment shall be auctioned by the State Government and the proceeds thereof shall be divided between the defaulting person and the Government in the ratio of 3:1.

Explanation.— For the purpose of this sub-section, the term “Annual Statement of Rates” shall mean the Annual Statement of Rates published under the provisions of the Bombay Stamp (Determination of True Market Value of Property) Rules, 1995 or any other Rules for the time being in force in this regard, prevalent in respect of the year in which the order of regularisation is issued by the Collector or the year in which such premium is paid, whichever is later.

10. to 38.

*

*

*

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. XCIV OF 2025.]

**[A Bill further to amend the
Maharashtra Prevention of Fragmentation
and Consolidation of Holdings Act.]**

**[SHRI CHANDRASHEKHAR BAWANKULE,
Minister for Revenue.]**

JITENDRA BHOLE,
Secretary-1,
Maharashtra Legislative Assembly.