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Town planning schemes

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1 Town planning schemes: concept, land pooling, joint schemes and stages

A town planning scheme (TPS) pools the irregular plots of an area, takes out land for roads and amenities, and returns reshaped "final plots" to the owners, paying for the works out of a share of the rise in land value; in Maharashtra it is made under Chapter V (ss.59–112) of the MRTP Act, 1966.

Core facts

- **Law:** MRTP Act, 1966, **Chapter V** "Town Planning Schemes", **ss.59–112**.
- **First law in the State** to allow TP schemes: the **Bombay Town Planning Act, 1915**. Then the **Bombay Town Planning Act, 1954**, then the **MRTP Act, 1966**.
- **Who makes it:** the **Planning Authority** (s.59). The State Government can direct it to make one (s.63).
- **Purpose:** to implement the proposals of the **final Development Plan** in detail, or for land **likely to be in the course of development** or **already built upon** (s.59(1)(a); the second limb added by Mah. 35 of 2014).
- **Technique:** **land readjustment / land pooling**. Land is not wholly acquired. Owners get back a smaller but serviced, regular plot.
- **Key terms:**
 - **Original plot (OP):** the plot as it stood before the scheme.
 - **Final plot (FP):** the plot allotted after **reconstitution** (s.65).
 - **Increment:** the rise in value due to the scheme (s.98).
 - **Contribution:** the levy on each FP, **not more than half the increment** (s.99).
- **Quasi-judicial officer:** the **Arbitrator** (s.72). Appeals on valuation matters go to the **Tribunal of Appeal** (President + two Assessors, s.75).
- **Joint scheme** (s.96): for contiguous areas of two or more Planning Authorities, the State constitutes a **Special Planning Authority** (as in **s.40**).

Explained

Why a TPS instead of acquisition

- Owners stay on their land. Only a part is taken for roads, open spaces and amenities.
- The cost is recovered from the owners who benefit (betterment), not from the general budget.
- Owners whose plots shrink are credited for the land lost; this is set off against the contribution (s.100).

Stages under the current (amended) Act

Stage	Section	Who
Declaration of intention (by resolution)	s.60	Planning Authority

Stage	Section	Who
Town Planning Officer appointed at declaration	s.60A (2025)	Planning Authority
Draft scheme made; notice published; objections	ss.61, 67	Planning Authority
Draft scheme sanctioned	s.68	State Government
Arbitrator appointed	s.72(1)	State Government
Preliminary scheme, then final scheme	s.72	Arbitrator
Appeals on valuation matters	ss.74–82	Tribunal of Appeal
Preliminary and final schemes sanctioned (deemed sanctioned if not decided in time, 2025)	s.86	State Government

- The **1966 text (to 2011)** had only one post-draft stage, the **final scheme** drawn up by the Arbitrator. **Mah. 35 of 2014** (w.e.f. 24-12-2014) split it into a **preliminary scheme** (physical layout: roads, reservations, final plots, allottees) and a **final scheme** (money: values, increment, contribution, compensation).
- When the **preliminary scheme** comes into force, land needed by the Planning Authority vests in it (s.88). Land for **roads, drainage, street lighting and water supply** vests even earlier, in the Appropriate Authority, on sanction of the **draft** scheme (s.68A).

Physical part and financial part

- **Physical planning**: road network, reservations, reconstitution of plots (s.65).
- **Valuation**: original value, semi-final value, final value, increment, contribution, net demand (ss.97–100).
- A draft scheme therefore contains **both** physical proposals and valuation particulars (s.64).

Joint town planning schemes (s.96)

- The State Government, or two or more Planning Authorities, may decide that contiguous areas are best served by a **joint DP** or **joint TPS**.
- The State Government, after inquiry, constitutes a **Special Planning Authority** as provided in s.40.
- That authority declares its intention as under **s.23** (for a DP) or **s.60** (for a TPS) and has all the powers of a Planning Authority.
- On sanction (s.31 for a DP; s.86 for a TPS), each part works in its area **as if it were a separate** plan or scheme. The authorities may also execute it jointly.

TPS and UDCPR

- UDCPR applies in TPS areas too, but permission can still be given wholly under the scheme's own regulations (Reg. 11(ii)).
- In the **agricultural zone**, UDCPR allows a TPS under Chapter V for a **minimum 20 ha**, with a proper road network and the **entire cost borne by the owners**. After the **preliminary scheme is sanctioned**

under s.86, residential-zone uses and FSI apply.

- As an alternative, owners may pool land themselves on the same concept: a **12 m** approach road and **40%** of the land earmarked for roads, parks, social infrastructure and sale by the Authority (at least **10%** parks and playgrounds, **15%** social infrastructure and sale, roads counted up to **15%**).

Common traps

✗ "TP schemes are in Chapter III of the MRTP Act." ✓ **Chapter V** (ss.59–112). Chapter III is the Development Plan.

✗ "The first Act to allow TP schemes in Maharashtra was the 1954 Act." ✓ The **Bombay Town Planning Act, 1915**.

✗ "A TPS is a land acquisition technique." ✓ It is **land pooling / readjustment**; owners get final plots back.

✗ "For a joint scheme, each Planning Authority makes its own scheme." ✓ The State constitutes a **Special Planning Authority** (s.96, as in s.40).

✗ "TDR is a land assembly technique." ✓ TDR is a **compensation** tool, not land assembly.

✗ "UDCPR does not apply in TPS areas." ✓ It applies (Reg. 11(ii)), but permission may be given wholly under the TPS regulations.

Quick revision

- TPS: Chapter V, ss.59–112, MRTP Act 1966.
- First TPS law: Bombay TP Act 1915; then 1954; then MRTP 1966.
- Made by the Planning Authority to implement the final DP, or for developing/built-up land (s.59).
- OP → reconstitution (s.65) → FP.
- Increment (s.98); contribution ≤ half increment (s.99).
- Arbitrator (s.72); Tribunal of Appeal: President + 2 Assessors (s.75).
- Stages: declaration (+ TPO, s.60A) → draft → sanction → Arbitrator → preliminary → final → sanction (s.86).
- Joint TPS: Special Planning Authority (s.96 with s.40).
- UDCPR agri-zone TPS: minimum 20 ha, cost borne by owners.