Respected Sir,

I am writing this in connection with the setting up Land Banks comprising of lands resumed by the Govt. to prevent alienation of the land in cases of mortgage default by the Scheduled Tribes and consequent sale by Banks of their land to non-tribals.

2. You are aware that land is the only asset tribals are having and is also the source of their livelihood. Notwithstanding this, in order to cope the financial requirements to meet their special needs like marriages, educational needs, housing etc., tribals are taking loans from the public financial institutions by mortgaging their land. However, default in payment of loans by STs in such cases also leads to alienation of their land. Instances of such cases have also been brought to the notice of the Commission.

3. In order to ensure that public financial institutions do not lose their money and the STs also do not lose their ownership over land, the Commission has been suggesting that, on the lines of the Credit Guarantee Fund set up for the comfort of the lenders under the scheme of Ministry of Micro, Small and Medium Enterprises, a scheme may also be considered for the benefit of the tribals. To safeguard the livelihood of tribal farmers, the Govt. could consider setting up Land Banks comprising lands resumed by the Govt. in cases of mortgage default; and such lands may be leased to the previous ST owners with the opportunity/right to repurchase the same at any subsequent stage of time. Further, in the event of the acquisition of land, compensation for such cases need to be governed in accordance with the relevant Land Acquisition, Rehabilitation and Resettlement Act. Thus, the Government should step in as a purchaser of the last resort in these cases.

4. I would request you to take up the proposal with the Ministry of Finance and also to have the Commission advised of the action taken by the MTA in the matter at the earliest.

With regards,

Yours sincerely,

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