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Title: Need to take steps to exempt District Mineral Foundations (DMF) Trust Fund from the purview of the provision of Income Tax Act, 1961 in Odisha State.

SHRI ANUBHAV MOHANTY (KENDRAPARA): Sir, the District Mineral Foundations (DMF) established in each district of Odisha has received substantial amount of contribution. Many projects and activities are undertaken in the mining-affected villages and for the affected people as per the rules and guidelines. Presently, income tax has been deducted from the interest on the fund accrued on the ground that it is interest income.

This being a sensitive issue, the hon. Chief Minister of Odisha, Shri Naveen Patnaik, drew the attention of the Minister of Finance and Corporate Affairs, Government of India *vide* his letter dated 03.10.2019 requesting exemption of the District Mineral Foundation funds from the incidence of income tax with retrospective effect in the interest of the area and people affected by mining activities.

A total sum of Rs. 8,474.42 crore has been collected under DMF till 30.09.2019 by all the 30 districts, and the likely annual accrual to the fund is around Rs.1,800 crore to Rs. 2,000 crore every year. Rs. 39 crore has already been deducted towards income tax on interest income of DMF's of some of the districts till September, 2019.

Unless the DMF Trust fund is exempted from the purview of the provisions of Income Tax Act, 1961, the DMF Trust fund will attract huge tax liability from inception, and a substantial amount of DMF

funds will be spent to clear the income tax liability, which will have adverse bearing on these resources and will defeat the very objective of the scheme for upliftment of socio-economic conditions of the people in mining-affected areas.

Sir, through you, I would like to request the hon. Minister to kindly address this issue very seriously and as quickly as possible. Thank you so much, Sir.

माननीय अध्यक्ष:

श्री सप्तगिरी उलाका एवं

श्री कुलदीप राय शर्मा को श्री अनुभव मोहंती द्वारा उठाए गए विषय के साथ संबद्ध करने की अनुमति प्रदान की जाती है ।

श्री मुकेश राजपूत ।