Recd. 23-8-65

From: Seth Pusalal Mansinghka Pr. Ltd.,
Bhilwara (Raj).

August 18th, 1965.

To : Shree M. R. Masani,
Member of Parliament,
New Delhi.

1884

Dear Sir,

With reference to our long correspondence on the subject of allowability of deadrent and royalty as the revenue expenditure in computing taxable income of the Mining Industry, we have sent the following telegram to-day:-

"Incometax amendment bill number 29 regarding allowing mining deadrent and royalty as revenue expenditure moved by Dr. Singhvi coming up for consideration stop request kindly support effectively on grounds of industrial foreign exchange and employment expediencies also may refer to item fifty list second schedule seventh article 246 of Constitution for pressing support

- Pusalal Mansinghka Private Limited".

We learn that the bill of Dr. Singhvi is coming up for consideration by to-morrow. As you will observe from the above text we have added another point of arguement. We think that the deadrent and royalty are being collected by State Government under item 50 of the second list of Schedule Seventh which runs as under:-

"50. Taxes on mineral rights subject to any limitations imposed by Parliament by law relating to mineral development."

We think there is no other clause under which the State Government can collect the above levies. And if these are taxes, they should be allowed as revenue expenditure.

We do not know as to how you would feel about this new arguement and we also do not know whether this arguement is dependable but we have said what we feel.

We hope that there will be some better outcome of the recent amendment bill and await your news with interest.

Thanking you for taking trouble,

Yours faithfully,
For Seth Pusalal Mansinghka Pr. Ltd.,

Shyamsunder

(Shyamsunder Mansinghka)
General Manager.