Finance Act, 1981

Section 42 - Insertion of New Section 24aa

In the Companies (Profits) Surtax Act, after section 24A, the following section shall be inserted, namely :-

'24AA. Power to make exemption, etc., in relation to participation in the business of prospecting for, extraction, etc., of mineral oils. (1) If the Central Government is satisfied that it is necessary or expedient so to do in the public interest, it may, by notification in the Official Gazette, make an exemption, reduction in rate or other modification in respect of surtax in favour of any class of foreign companies specified in sub-section (2) or in regard to the whole or any part of the chargeable profits of such class of companies.

Explanation : For the purposes of this sub-section, "foreign company" shall have the meaning assigned to it in clause (4) of section 80B of the Income-tax Act.

(2) The foreign companies referred to in sub-section (1) are the following, namely :-

(a) foreign companies with whom the Central Government has entered into agreements for the association or participation of that Government or any person authorised by that Government in any business consisting of the prospecting for or extraction or production of mineral oils; and

(b) foreign companies providing any services of facilities or supplying any ship, aircraft, machinery or plant (whether by way or sale or hire) in connection with any business consisting of the prospecting for or extraction or production of mineral oils carried on by that Government or any person specified by that Government in this behalf by notification in the Official Gazette.

(3) Every notification issued under this section shall be laid before each House of Parliament

Explanation : For the purposes of this section, "mineral oil" includes petroleum and natural gas.'.
