

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6124  
ANSWERED ON:03.05.2013  
CONCESSION ON INVESTMENT  
Roy Shri Arjun;Singh Shri Rajiv Ranjan (Lalan)

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to provide 15 per cent concession on investment of more than Rs.100 crore on project and automation in manufacturing sector of the country from 1 April, 2013 to 31 March, 2015;
- (b) if so, the details thereof;
- (c) whether any scheme for providing economic assistance to organisations setting up industries based on labour intensive technology has been implemented in the country in the recent past; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI NAMO NARAIN MEENA)

(a) & (b) Yes Madam. In order to encourage substantial investment in plant or machinery, the Finance Bill, 2013 proposes to insert a new section 32AC in the Income-tax Act to provide that where an assessee, being a company-

(a) is engaged in the business of manufacture of an article or thing; and

(b) invests a sum of more than Rs. 100 crore in new assets (plant or machinery) during the period beginning from 1st April, 2013 and ending on 31st March, 2015, then, the assessee shall be allowed-

(i) for assessment year 2014-15, a deduction of 15% of aggregate amount of actual cost of new assets acquired and installed during the financial year 2013-14, if the cost of such assets exceeds Rs. 100 crore;

(ii) for assessment year 2015-16, a deduction of 15% of aggregate amount of actual cost of new assets, acquired and installed during the period beginning on 1st April, 2013 and ending on 31st March, 2015, as reduced by the deduction allowed, if any, for assessment year 2014-15.

(c)&(d) Under section 80JJAA of the Income-tax Act, 1961, tax incentive has been provided to companies in respect of employment of new workmen. Under the existing provisions of section 80JJAA, a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed in any previous year by an Indian company in its industrial undertaking engaged in manufacture or production of article or thing is allowed. The deduction is available for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Vide Finance Bill, 2013, it is proposed to amend the provisions of section 80JJAA so as to provide that the deduction shall be available to an Indian Company deriving profits from manufacture of goods in its factory. The deduction shall be of an amount equal to thirty percent of additional wages paid to the new regular workmen employed by the assessee in such factory, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided