

[Deduction in respect of employment of new workmen.]

80JJAA. [(1) Where the gross total income of an assessee, ¹[being an Indian company], includes any profits and gains derived from the manufacture of goods in a factory, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent 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.]

(2) No deduction under sub-section (1) shall be allowed—

²[(a) if the factory is acquired by the assessee by way of transfer from any other person or as a result of any business reorganization]

(b) unless the assessee furnishes along with the return of income the report of the accountant, as defined in the *Explanation* below sub-section (2) of section 288 giving such particulars in the report as may be prescribed.

Explanation.—For the purposes of this section, the expressions,—

(i) “additional wages” means the wages paid to the new regular workmen in excess of ³[fifty workmen] employed during the previous year :

Provided that in the case of an existing [factory], the additional wages shall be *nil* if the increase in the number of regular workmen employed during the year is less than ten per cent of existing number of workmen employed in such [factory] as on the last day of the preceding year;

(ii) “regular workman”, does not include—

(a) a casual workman; or

(b) a workman employed through contract labour; or

(c) any other workman employed for a period of less than three hundred days during the previous year;

(iii) “workman” shall have the meaning assigned to it in clause (s) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947);]

[(iv) “factory” shall have the same meaning as assigned to it in clause (m) of section 2 of the Factories Act, 1948 (63 of 1948).]

¹ Omitted with effect from April 1, 2016

² Substituted with effect from April 1, 2016

³ Substituted with effect from April 1, 2016