Finance Act 2007

Section 38 - Amendment of Section 115 Wb

In section 115WB of the Income-tax Act, with effect from the 1st day of April, 2008--

(A) in sub-section (1),--

(i) in clause (b), the word "and" occurring at the end shall be omitted;

(ii) in clause (c), for the word "employees", the words "employees; and" shall be substituted;

(iii) after clause (c), the following clause shall be inserted, namely: --

'(d) any specified security or sweat equity shares allotted or transferred, directly or indirectly, by the employer free of Cost or at concessional rate to his employees (including former employee or employees).

Explanation.--For the purposes of this clause,--

(i) "specified security" means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956(42 of 1956) and includes employees' stock option;

(ii) "sweat equity shares" means equity shares issued by a company to its employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.';

(B) in sub-section (2), in the proviso,--

(a) in clause (v), for the words "bill boards", the words "bill boards, display of products" shall be substituted;

(b) for clause (vii), the following clause shall be substituted, namely:--

"(vii) being the expenditure on distribution of samples either free of cost or at concessional rate; and".
