Finance Act, 2007

Section 39 - Amendment of section 115 WC: In section 115WC of the Income-tax Act, in sub-section

1), after clause (b), the following shall be inserted with effect from the 1st day of April, 2008, namely- '(ba) the fair market value of the specified security or sweat equity shares referred to in clause (d) of sub-section (1) of section 115 WB, on the date on which the option vests with the employee as reduced by the amount actually paid by, or recovered from, the employee in respect of such security or shares. Explanation.--For the purposes of this clause,-- (i) "fair market value" means the value determined in accordance with the method as may be prescribed by the Board; (ii) "option" means a right but not an obligation granted to an employee to apply for the specified security or sweat equity shares at a predetermined price.'.

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