

## Value of fringe benefits.

**115WC.** (1) For the purposes of this Chapter, the value of fringe benefits shall be the aggregate of the following, namely:—

- (a) cost at which the benefits referred to in clause (b) of sub-section (1) of section 115WB, is provided by the employer to the general public as reduced by the amount, if any, paid by, or recovered from, his employee or employees:

**Provided** that in a case where the expenses of the nature referred to in clause (b) of sub-section (1) of section 115WB are included in any other clause of sub-section (2) of the said section, the total expenses included under such other clause shall be reduced by the amount of expenditure referred to in the said clause (b) for computing the value of fringe benefits;

- (b) the amount of contribution, referred to in clause (c) of sub-section (1) of section 115WB, which exceeds one lakh rupees in respect of each employee;
- (ba) the fair market value of the specified security or sweat equity shares referred to in clause (d) of sub-section (1) of section 115WB, 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;
- (c) twenty per cent of the expenses referred to in clauses (A) to (L) of sub-section (2) of section 115WB;
- (d) fifty per cent of the expenses referred to in clauses (M) to (P) of sub-section (2) of section 115WB;
- (e) five per cent of the expenses referred to in clause (Q) of sub-section (2) of section 115WB.

(2) Notwithstanding anything contained in sub-section (1),—

- (a) in the case of an employer engaged in the business of hotel, the value of fringe benefits for the purposes referred to in clause (B) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (aa) in the case of an employer engaged in the business of carriage of passengers or goods by aircraft, the value of fringe benefits for the purposes referred to in clause (B) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (ab) in the case of an employer engaged in the business of carriage of passengers or goods by ship, the value of fringe benefits for the purposes referred to in clause (B) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (b) in the case of an employer engaged in the business of construction, the value of fringe benefits for the purposes referred to in clause (F) of sub-section (2) of section

115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);

- (c) in the case of an employer engaged in the business of manufacture or production of pharmaceuticals, the value of fringe benefits for the purposes referred to in clauses (F) and (G) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (d) in the case of an employer engaged in the business of manufacture or production of computer software, the value of fringe benefits for the purposes referred to in clauses (F) and (G) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (da) in the case of an employer engaged in the business of carriage of passengers or goods by aircraft, the value of fringe benefits for the purposes referred to in clause (G) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (db) in the case of an employer engaged in the business of carriage of passengers or goods by ship, the value of fringe benefits for the purposes referred to in clause (G) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (e) in the case of an employer engaged in the business of carriage of passengers or goods by motor car, the value of fringe benefits for the purposes referred to in clause (H) of sub-section (2) of section 115WB shall be “five per cent” instead of “twenty per cent” referred to in clause (c) of sub-section (1);
- (f) in the case of an employer engaged in the business of carriage of passengers or goods by aircraft, the value of fringe benefits for the purposes referred to in clause (I) of sub-section (2) of section 115WB shall be taken as *Nil*.