



INTRODUCTION 1.1 In last few decades, there continues to be a large influx of foreign investments/business opportunities in India. The Indian corporates have also ventured outside India to expand their presence across the globe. In a bid to seamlessly integrate their operations, the companies continue to send a large number of their employees to foreign associated entities. These employees are rewarded with stock options in their home country as well as in the foreign country. \* P Shivanand Nayak is a partner in H C Khincha & Associates, Bangalore. Shivanand is a chartered accountant having experience of over 19 years in corporate and international tax consultancy. He is commerce graduate from the University of Bangalore and holds a Bachelor's degree in Law. Shivanand is a revision team member which edited the 13th edition of commentary on income-tax by Sampath Iye.....