



“Client Awareness, Perception and Satisfaction in Defence-Focused ITR Filing: Evidence from UdChalo.”

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Abstract

Purpose: Defence and paramilitary personnel in India face a distinctive Income Tax Return (ITR) filing environment shaped by service-related allowances, frequent postings, limited connectivity, and specialised exemptions under the Income-tax Act, 1961. This paper examines the effectiveness of a dedicated, defence-focused ITR filing service — UdChalo — and investigates the awareness, attitudes, and satisfaction of the Defence community with respect to income-tax compliance.

Design/Methodology: The study adopts a descriptive, mixed-method research design. Primary data were collected through a structured questionnaire administered to 50 serving and retired Defence personnel across the Indian Army, Navy, Air Force and other security forces, capturing demographic profile, filing behaviour, awareness of tax provisions, and 13 attitudinal statements measured on a five-point Likert scale. This primary survey is triangulated with first-hand operational data gathered during a twelve-week Summer Internship Programme (SIP) in UdChalo's ITR department, during which the author personally filed 206 Income Tax Returns and engaged with over 500 prospective clients.

Findings: The analysis reveals a moderate-to-fair overall satisfaction level (mean = 3.14 on a 5-point scale), a persistent awareness gap regarding Defence-specific exemptions (only 34% of respondents reported full awareness), and a preference for hybrid service delivery that combines digital convenience with offline, camp-based, human assistance. Clear

communication from the advisor and a niche, defence-specific service model were among the most strongly endorsed contributors to client confidence, while allowance complexity was the most widely felt pain point and document collection and Form 26AS/AIS reconciliation were experienced as moderate but highly variable frictions.

Practical Implications: The study recommends a segmented service model, a structured pre-season awareness campaign, WhatsApp-integrated document collection, and a standardised advisory playbook to reduce dependence on peak-season, high-pressure filing cycles.

Originality/Value: This paper offers an empirical case study of the intersection of niche financial services and the Defence community in India, combining quantitative survey evidence with qualitative operational insight from direct practitioner experience.

Keywords: Income Tax Return, Defence Personnel, Tax Awareness, UdChalo, Financial Services, Old vs New Tax Regime, Client Satisfaction, Section 10 Exemptions.



1. Introduction

1.1 Background of the Study

India's Defence and paramilitary forces comprise more than 1.4 million serving personnel, supplemented by a large population of veterans, drawn from geographically dispersed and often remote postings. Their income structure differs materially from that of a typical salaried civilian taxpayer: it combines basic pay, grade pay, and a wide array of service-specific allowances — many of which qualify for exemption under Section 10 of the Income-tax Act, 1961 — alongside pension income for those who have retired or transitioned out of active service. This combination of specialised allowances, remote or frequently rotating postings, limited access to in-person financial advisory services, and constrained connectivity during field postings creates a compliance environment that is materially more complex than that faced by the general taxpaying population.

UdChalo (operated by Upcurve Consumer Technologies Private Limited) is a technology platform built specifically to serve the Armed Forces community, offering travel, financial and advisory services, including a dedicated Income Tax Return (ITR) filing vertical. This research paper is built on two complementary sources of evidence: (i) a twelve-week Summer Internship Programme (SIP) undertaken in UdChalo's ITR department between 25 May 2026 and 14 August 2026, during which the author personally filed 206 Income Tax Returns and interacted with over 500 prospective clients; and (ii) a structured primary survey of 50 serving and retired Defence personnel, designed specifically for this study to statistically validate and extend the qualitative observations made during the internship.

By combining lived operational exposure with a quantitative client survey, the paper moves beyond a descriptive internship account to an evidence-based examination of tax literacy, service expectations, and satisfaction within a niche but economically significant segment of Indian taxpayers.

1.2 Statement of the Problem

Despite the existence of numerous general-purpose e-filing platforms and professional tax consultants, Defence personnel continue to report difficulty in:

- (a) Understanding which allowances and exemptions apply to their specific rank, service branch and posting.
 - (b) Reconciling employer-issued Form 16 with the pre-filled data available on the Annual Information Statement (AIS) and Form 26AS.
 - (c) Completing document collection and filing within the statutory deadline while posted to remote or field locations.
- Anecdotal evidence gathered during the internship suggested that many clients defaulted to whichever regime or advisor was most convenient, rather than the option that minimised their tax liability.

The problem this study addresses is therefore twofold:

- (a) To quantify the extent and nature of the awareness gap and the service-delivery friction experienced by Defence personnel.
- (b) To evaluate whether a defence-specific, hybrid (digital plus on-ground) filing model — as operated by UdChalo — measurably improves client confidence, trust and satisfaction relative to generic filing channels.

1.3 Objectives of the Study

- To examine the end-to-end process of ITR filing for Defence Personnel, with particular attention to Forms ITR-1 and ITR-2, and the operational workflow adopted by UdChalo.
- To assess the level of awareness among Defence Personnel regarding the Old and New Tax Regimes, available deductions, and Defence-specific exemptions under Section 10 of the Income-tax Act, 1961.
- To statistically analyse client perceptions of ease-of-filing, documentation difficulty, and reconciliation issues with Form 16, AIS and Form 26AS.
- To evaluate the comparative effectiveness of digital, WhatsApp-based, and offline/camp-based service delivery channels.
- To measure overall client satisfaction, trust, and willingness to recommend a defence-specific ITR filing service, and to identify the key drivers of these outcomes.
- To translate the empirical findings into actionable recommendations for improving the ITR filing workflow and client experience at UdChalo and similar service providers.

1.4 Scope of the Study

The study is confined to individual taxpayers drawn from the Defence and security forces community — including the Indian Army, Indian Navy, Indian Air Force, and other security/paramilitary personnel such as the Border Security Force — who file, or are eligible to file, ITR-1 (Sahaj) or ITR-2, although the survey also captured respondents who



reported filing ITR-3 or ITR-4. It draws on operational data from more than 200 ITRs personally filed during the internship and a dedicated primary survey of 50 respondents collected specifically for this research. The study does not extend to corporate or business tax filings (ITR-3/ITR-4 are referenced only for contextual completeness) and does not attempt to audit the accuracy of any individual tax computation; rather, it focuses on process, awareness, perception and satisfaction.

1.5 Significance of the Study

The study is significant for three groups of stakeholders. For UdChalo and similar Defence-focused financial service providers, it offers an evidence base to refine service design, resource allocation, and communication strategy. For the Defence community itself, it highlights specific gaps in tax literacy that, if addressed, could result in materially better tax outcomes and reduced compliance stress. For academic and policy audiences, it contributes an empirical case study of financial-service delivery to an under-researched, geographically dispersed occupational group, and demonstrates how internship-based operational learning can be extended into a structured, statistically grounded research inquiry.

2. Literature Review and Theoretical Framework

2.1 The Concept of Income Tax and Return Filing in India

Income tax in India is levied under the Income-tax Act, 1961 (Income Tax Department, Government of India, 1961), and administered by the Central Board of Direct Taxes (CBDT) through the Income Tax Department. Every individual whose total income exceeds the basic exemption limit is statutorily required to file an annual return of income, disclosing income earned under one or more of the five heads of income recognised under the Act: Salaries, Income from House Property, Profits and Gains of Business or Profession, Capital Gains, and Income from Other Sources. For salaried individuals — the category to which the vast majority of Defence personnel belong — ITR-1 (Sahaj) and ITR-2 are the most commonly applicable forms, with ITR-2 required where the taxpayer has income from more than one house property, capital gains, or certain other specified income streams.

2.2 Old Regime versus New Tax Regime

The Finance Act, 2020 introduced an alternative, concessional tax regime (the "New Regime") under Section 115BAC (made the default regime by the Finance Act, 2023, unless a taxpayer opts out), characterised by lower slab rates but the forfeiture of most exemptions and deductions (such as HRA, Section 80C, and Section 80D) that are available under the traditional ("Old") regime. Taxpayers with salary income can elect between the two regimes each year, making the choice a recurring, non-trivial financial decision. For Defence personnel, who often have a disciplined savings habit through instruments such as the Army Group Insurance Fund (AGIF), Provident Fund contributions, and life-insurance premiums, the Old Regime can yield a lower net tax liability despite its higher headline slab rates, although this depends on the individual's allowance and deduction profile (see Table 4) — underscoring the importance of a side-by-side, case-by-case comparison rather than a default, one-size-fits-all recommendation.

2.3 Tax Exemptions and Deductions Relevant to Defence Personnel

Section 10 of the Income-tax Act, 1961 exempts a range of service-specific allowances from tax, including but not limited to field area allowance, high-altitude allowance, Siachen allowance, counter-insurgency allowance, and allowances linked to service on United Nations peacekeeping missions. Disability pension for specified categories of Defence personnel has also been clarified as exempt through official pronouncements of the Central Board of Direct Taxes and the Press Information Bureau (Central Board of Direct Taxes, 2026; Press Information Bureau, Government of India, 2019). In addition to these Defence-specific exemptions, personnel — like any other taxpayer under the Old Regime — remain eligible for standard deductions such as Section 80C (up to ₹1.5 lakh for eligible investments and insurance premiums), Section 80D (health insurance premiums), and Section 80TTA (interest on savings bank accounts). The correct and complete application of this layered structure of exemptions and deductions is central to accurate tax computation for this segment and forms the theoretical backbone against which the survey's awareness-related questions were designed.

2.4 Review of Related Services and Literature

The Income Tax Department's own e-filing portal (Income Tax Department, Government of India, 2026) provides the base infrastructure for self-filing and has progressively improved pre-filled data through integration with AIS and Form 26AS. Independent of the government portal, a competitive market of Chartered Accountants, tax consultants, and digital platforms such as ClearTax (Clear, 2026) has emerged to simplify computation and filing for individual taxpayers. Within this landscape, niche players such as UdChalo (Upcurve Consumer Technologies Pvt. Ltd., 2026) and Hum Fauji Initiatives (2026) have positioned themselves specifically around the Defence community, combining domain-specific tax knowledge with trust built through military-community engagement (camp visits, unit-level outreach, and veteran networks). Prior secondary sources — including CBDT circulars, Finance Act commentary, and



trade publications such as the Economic Times' coverage of Budget tax-slab changes (The Economic Times, 2025) — document the frequent changes to slabs and exemptions, a churn that plausibly contributes to a literacy gap between the theoretical availability of exemptions and their actual, correctly documented claim by eligible taxpayers, a gap this study measures directly through primary survey data in Section 4.2.

Beyond these regulatory and market sources, academic research supports the constructs examined here. Research on tax compliance emphasises that compliance reflects social norms, perceived fairness and trust in addition to enforcement (Alm, 2019), and Eriksen and Fallan (1996) examined how exposure to tax knowledge relates to attitudes toward taxation, which motivates the awareness items in this study. In services research, satisfaction is commonly modelled as a function of expectations and their disconfirmation, and as an influence on subsequent attitudes and intentions (Oliver, 1980); service quality is typically assessed along dimensions such as reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988), which parallel this study's attention to filing accuracy, timeliness and advisor communication; and trust and commitment are treated as central to durable provider–client relationships, with communication positioned as one of the antecedents of trust (Morgan & Hunt, 1994). Together these strands support treating awareness, process friction, service delivery and outcome perceptions as an interrelated set of constructs, as in the framework in Section 2.5. To the author's knowledge, however, these studies do not focus on Defence personnel or on niche tax-advisory services, which is the gap this paper addresses.

2.5 Conceptual/Research Framework of the Study

Building on the above literature, this study conceptualises client outcomes in the Defence ITR-filing context as a function of four interacting constructs:

- (i) Awareness (of tax regimes, deductions and Defence-specific exemptions).
- (ii) Process Friction (difficulty in document collection, reconciliation with Form 16/AIS/26AS, and time pressure from remote postings).
- (iii) Service Delivery Channel (digital, WhatsApp-based, or offline/camp-based).
- (iv) Outcome Perceptions (confidence, trust, satisfaction, and willingness to recommend). The survey instrument used in this study — described in Section 3 — was designed to capture each of these four constructs, allowing the findings in Section 4.2 to be interpreted within a coherent conceptual structure rather than as a set of disconnected observations.

2.6 Industry and Organisational Context

2.6.1 Overview of the Taxation Services Industry in India

The taxation services industry in India spans government infrastructure (the Income Tax Department's e-filing ecosystem), professional intermediaries (Chartered Accountants and tax consultants registered under the Institute of Chartered Accountants of India, 2026), digital-first platforms (such as ClearTax; Clear, 2026) that automate computation and filing, and specialised service providers that target specific customer segments. This layered structure has grown increasingly digital, driven by e-filing mandates, pre-filled AIS/Form 26AS data, and rising smartphone penetration, even as a meaningful share of taxpayers — particularly those with limited digital literacy or connectivity, such as Defence personnel in remote postings — continue to value human, advisory-led support.

2.6.2 Porter's Five Forces Analysis

Threat of New Entrants — Low to Moderate

Entry requires an e-Return Intermediary (ERI) licence, specialised knowledge of Defence-specific taxation, and credibility within a tightly knit military community. Online platforms face low technical setup costs, but building the trust that UdChalo has cultivated through camp visits is a much slower, relationship-based barrier.

Bargaining Power of Buyers — Moderate to High

Defence personnel can choose between UdChalo, independent CAs, or self-filing, giving them moderate leverage. Price sensitivity and a strong demand for accuracy are high, though UdChalo's niche expertise and offline support reduce switching incentives.

Bargaining Power of Suppliers — Low to Moderate

Key inputs — tax-filing software, e-filing utilities, and professional expertise — are available from multiple sources, which limits supplier power, though reliance on a small pool of niche Defence-tax experts slightly elevates this force.



Threat of Substitutes — Moderate

Self-filing, local CAs, and general-purpose platforms are all viable substitutes. UdChalo's defence-specific advisory and camp-based servicing meaningfully differentiate its offering and reduce substitution risk.

Rivalry Among Existing Competitors — High

Competition among CAs, digital platforms and niche providers such as Hum Fauji Initiatives (2026) is intense, particularly during the peak filing season, and drives continuous innovation in service delivery and pricing.

2.6.3 PESTEL Analysis

Table 1

PESTEL Analysis of the Taxation Services Environment for Defence Personnel

Dimension	Implication
Political	The Income-tax Act, 1961 and successive Finance Acts shape compliance requirements; government digitisation initiatives benefit UdChalo's e-filing model, but frequent legislative amendments require continuous process updates.
Economic	Rising incomes broaden the taxable base and increase demand for advisory services; India's defence budget (₹7.85 lakh crore for FY 2026–27, up from ₹6.81 lakh crore in FY 2025–26; Business Today, 2026) underscores the economic scale of the Armed Forces segment that UdChalo serves.
Social	Growing digital literacy and convenience-seeking behaviour support e-filing adoption, while the remote and mobile nature of Defence postings sustains demand for tailored, human-assisted service models.
Technological	E-filing portals, AIS/26AS integration, and WhatsApp-based document collection materially improve operational efficiency, though a residual digital-literacy gap persists among some client segments.
Environmental	Paperless, digital-first filing aligns with sustainability goals and reduces the environmental footprint associated with physical document handling at camps.
Legal	Compliance obligations span the Income-tax Act, the Digital Personal Data Protection Act, 2023 (Ministry of Electronics and Information Technology, 2023), and ERI regulatory requirements, all of which are critical to UdChalo's licensed operations.

2.6.4 Organisational Profile: UdChalo

UdChalo, operated by Upcurve Consumer Technologies Private Limited, is a technology-enabled platform built to serve India's Armed Forces community across travel, financial and advisory services. Its ITR filing vertical is designed specifically around the income and documentation patterns of Defence and paramilitary personnel, combining a digital filing workflow with WhatsApp-based document collection and on-ground, camp-based support for clients in remote or low-connectivity postings. This hybrid model — digital efficiency layered with human, trust-based advisory — is central to the research questions examined in this paper and is empirically tested against client perception data in Section 4.2.



Figure 1

UdChalo's brand positioning — "Making Life Simpler for Our Soldiers"



3. Methodology

3.1 Research Design

This study follows a descriptive, mixed-method research design that combines quantitative primary survey data with qualitative operational insight gained through direct practitioner involvement. The descriptive design is appropriate because the study seeks to characterise existing awareness levels, attitudes, and satisfaction within a defined population, rather than to establish causal relationships through experimental manipulation.

3.2 Sources of Data

Primary Data

Primary data were collected through

- (i) a structured questionnaire administered to 50 serving and retired Defence personnel, and
- (ii) first-hand operational records maintained during the internship, covering 206 personally filed ITRs and outreach to more than 500 prospective clients.

Secondary Data

Secondary data were drawn from the Income-tax Act, 1961 (Income Tax Department, Government of India, 1961); the Income-tax Rules, 1962, and CBDT circulars and press releases (Central Board of Direct Taxes, 1962, 2026; Press Information Bureau, Government of India, 2019); Finance Act commentary (Singhania & Singhania, 2025); and published material from the Income Tax Department's e-filing portal (Income Tax Department, Government of India, 2026), ClearTax, Hum Fauji Initiatives, and UdChalo's own corporate communications (Clear, 2026; Hum Fauji Initiatives, 2026; Upcurve Consumer Technologies Pvt. Ltd., 2026).

3.3 Sample Design

Table 2

Sample Design of the Primary Survey

Parameter	Description
Population	Serving and retired personnel of the Indian Army, Indian Navy, Indian Air Force, and other Defence/security forces who have filed or are eligible to file an Income Tax Return
Sample Size	50 respondents
Sampling Technique	Convenience and snowball sampling, drawn from UdChalo's client base and outreach network built during the internship
Data Collection Instrument	Structured, self-administered questionnaire (Google Forms), comprising 25 items across demographic, behavioural, awareness and 5-point Likert-scaled attitudinal sections
Data Collection Period	September 2026



Parameter	Description
Analysis Tools	Descriptive statistics (frequencies, means, standard deviations), cross-tabulation, and correlation analysis

3.4 Research Instrument

The questionnaire was organised into three sections.

- i. Section A captured demographic and service-related profile (age group, service category, current status, and years of ITR-filing experience).
- ii. Section B captured filing behaviour and awareness (preferred filing channel, self-reported confidence, ITR form used, and three awareness items on tax regimes, deductions, and Defence-specific exemptions).
- iii. Section C comprised thirteen attitudinal statements measured on a five-point Likert scale (Likert, 1932; 1 = Strongly Disagree to 5 = Strongly Agree), covering perceived ease of filing, documentation difficulty, reconciliation issues, channel preferences, and outcome perceptions (confidence, trust, satisfaction and recommendation intent). The complete instrument is reproduced in the Appendix.

3.5 Data Analysis Technique

Categorical responses (demographic and awareness items) were analysed using frequency distributions and percentages, visualised through bar and pie charts. The thirteen Likert-scaled items were analysed using means and standard deviations to rank the relative strength of agreement across statements, supplemented by cross-tabulation (e.g., satisfaction by filing channel, awareness by service category) and a bivariate correlation between advisor communication and client trust. All charts and statistical summaries presented in Section 4.2 were generated directly from the raw survey dataset.

3.6 Limitations of the Methodology

- The sample size ($n = 50$) and use of convenience/snowball sampling limit statistical generalisability to the wider Defence taxpayer population.
- Self-reported Likert responses are subject to social-desirability and recall bias, particularly for retrospective questions about past filing experience.
- The survey was administered predominantly to UdChalo's existing client network, which may introduce a degree of favourable bias relative to the general Defence taxpayer population.
- The study is cross-sectional (single point in time) and does not capture changes in awareness or satisfaction across multiple tax-filing seasons.

4. Results

4.1 Operational Analysis: Practitioner Evidence from the Internship

4.1.1 Role and Operational Scope

As a Tax Advisor within UdChalo's ITR department, the author's responsibilities evolved from initial client outreach — outbound calls to a database of approximately 500 potential customers — to leading a team that jointly filed over 2,000 returns during the peak season, of which 206 were personally filed by the author across ITR-1 and ITR-2, with additional foundational exposure to ITR-3 and ITR-4. This first-hand operational role provides the practitioner-level evidence that grounds and contextualises the survey-based findings presented in Section 4.2.



Figure 2

End-to-End ITR Filing Process Flow at UdChalo



4.1.2 Sequencing of Activities

Table 3

Phased Sequencing of Internship Activities

Phase	Timeline	Key Activities
Phase 1 — Foundation Building	Weeks 1–4 (25 May – 20 Jun 2026)	Onboarding to internal systems and the e-filing portal; outbound outreach to 500 prospective clients.
Phase 2 — High-Volume Execution & Field Experience	Weeks 5–8 (21 Jun – 18 Jul 2026)	Team leadership of ITR filing; on-ground camp visits (Lullanagar, Bombay Sappers, Ahmednagar).
Phase 3 — Peak Season Management	Weeks 9–11 (19 Jul – 7 Aug 2026)	Intensified workload around the 31 July deadline; efficiency optimisation and query resolution.
Phase 4 — Project Conclusion	Week 12 (8 – 14 Aug 2026)	Completion of pending filings and e-verification; consolidation of personal filing count.

4.1.3 Case-Based Evidence: Regime Comparison Across Client Profiles

During the internship, every client case required a side-by-side computation of tax liability under the Old and New Tax Regimes before a filing recommendation was made. Five representative, anonymised cases — spanning a Field Area-posted Lieutenant to a retired Colonel drawing pension — illustrate that the financially optimal regime varies materially by rank, allowance structure, and deduction profile, reinforcing that a uniform, one-size-fits-all regime recommendation would be financially sub-optimal for a meaningful share of clients.



Table 4

Illustrative Old Regime versus New Regime Comparison Across Client Profiles

Case	Client Profile	Tax — Old Regime	Tax — New Regime	Advised Regime
1	Lieutenant, Field Area (ITR-1)	₹54,517	₹27,648	New Regime
2	Captain, High-Altitude Area (ITR-2)	₹1,01,603	₹78,000	New Regime
3	Major, Siachen (ITR-1)	₹1,73,472	₹1,05,402	New Regime
4	Lt. Colonel, Composite Hill Area (ITR-2)	₹3,63,834	₹2,21,480	New Regime
5	Retired Colonel, Pensioner (ITR-2)	₹47,970	₹52,530	Old Regime

Four of the five illustrative cases showed a lower liability under the New Regime, largely because high-value, high-altitude and field allowances have historically been only partially exempt relative to the New Regime's lower slab structure and higher standard deduction; the retired-pensioner case, by contrast, benefited from the Old Regime because of its ability to claim Section 80C and 80D deductions against pension income with comparatively low allowance-related income. This case-level variability is the practical foundation for Survey Statement 21 ("a tax service specifically designed for Defence Personnel provides better assistance than a general tax-filing service"), examined quantitatively in Section 4.2.3 (mean = 3.32).

4.1.4 Internal Operational Metrics

Table 5

Internal Operational Metrics from the Internship

Operational Metric	Value
Total Clients Contacted (Outreach)	500+
Total ITRs Personally Filed	206
Total Team Filings (Peak Season)	2,000+
ITR Forms Handled	ITR-1, ITR-2 (with exposure to ITR-3 & ITR-4)
Team Size Led	15–20 members (peak season); 7 members (core team)
ITR-1 Share of Personal Filings	68%
ITR-2 Share of Personal Filings	32%

In the author's personal caseload, 68% of filings were ITR-1 and 32% were ITR-2, indicating that a substantial minority of Defence clients carry income complexity — typically arising from a let-out house property or capital gains — beyond a simple salary-only return. In the survey sample, 68% of respondents (34 of 50) reported filing ITR-2 or a more complex form (Section 4.2.2), which points to a similar or greater degree of complexity; the two figures are not directly comparable, however, because the caseload contained only ITR-1 and ITR-2 returns whereas the survey also included ITR-3 and ITR-4 filers.

4.2 Data Analysis and Interpretation

This section presents a systematic analysis of the primary survey of 50 Defence and security-forces respondents, structured around the four constructs introduced in Section 2.5: demographic profile, filing behaviour and awareness,



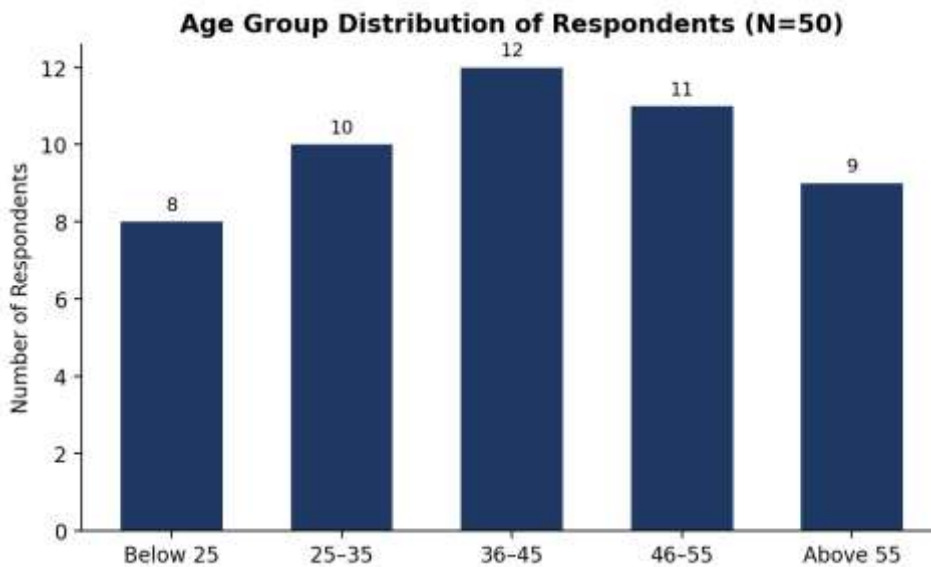
attitudinal perception, and service outcomes. Each sub-section presents the underlying frequency or mean-score data, a supporting chart, and a brief interpretive discussion connecting the statistical pattern to the operational evidence presented in Section 4.1.

4.2.1 Demographic Profile of Respondents

The sample of 50 respondents was reasonably well distributed across age groups, with the largest cohorts in the 36–45 (24%) and 46–55 (22%) age bands, reflecting a modest tilt toward mid-career and senior personnel who typically carry more complex allowance and deduction profiles.

Figure 3

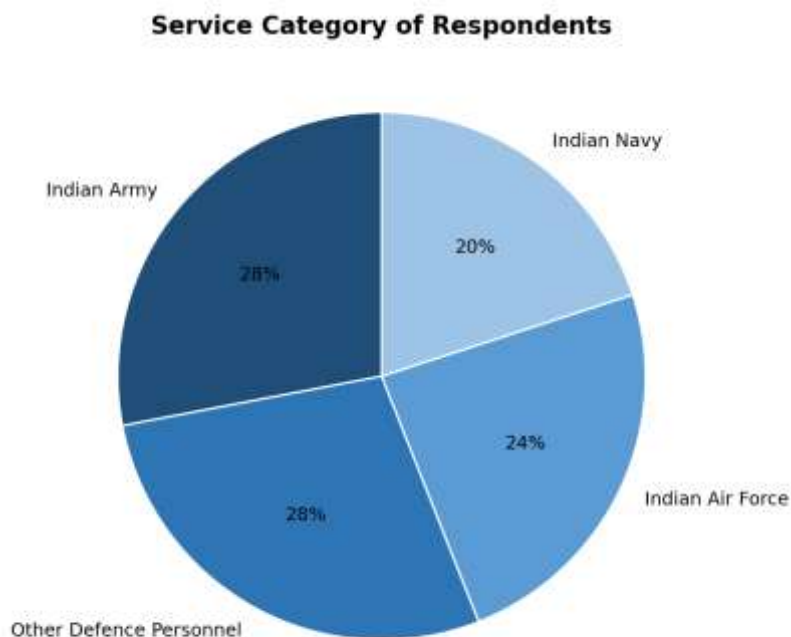
Age Group Distribution of Respondents (N = 50)



Respondents were drawn across all three armed services and other security forces in broadly comparable proportions (Indian Army 28%, Other Defence/Security Personnel 28%, Indian Air Force 24%, Indian Navy 20%), ensuring that the findings are not skewed toward any single service branch.

Figure 4

Service Category of Respondents



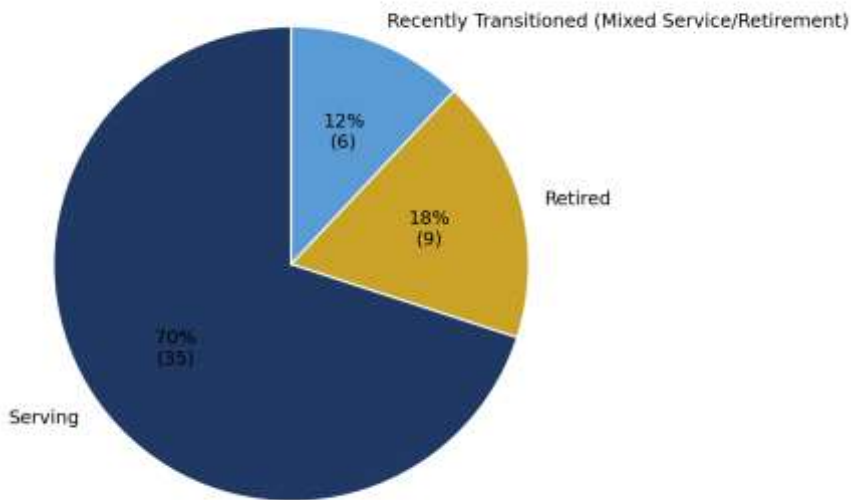
The majority of respondents (70%) were currently serving, while 18% were fully retired and the remaining 12% were in active transition between service and retirement at the time of the survey — a category particularly relevant to tax planning, since income composition (salary versus pension) and applicable exemptions change materially around the point of transition.



Figure 5

Current Service Status of Respondents

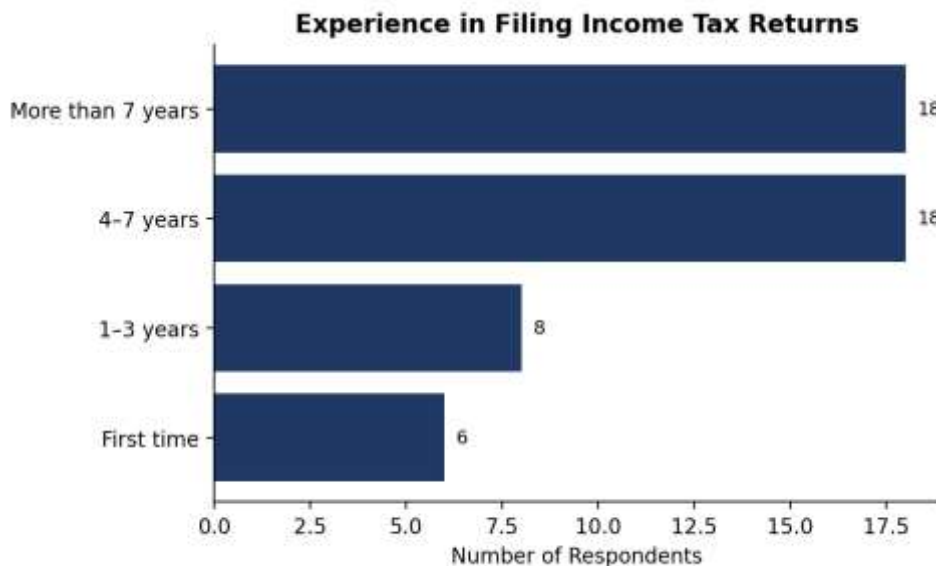
Current Service Status of Respondents



A large majority of respondents (72%) had been filing ITRs for four years or more, indicating a sample with substantial first-hand filing experience; only 12% were filing for the first time. This experience profile strengthens the reliability of the attitudinal responses analysed later in this section, since respondents are drawing on repeated, rather than one-off, filing experiences.

Figure 6

Experience in Filing Income Tax Returns



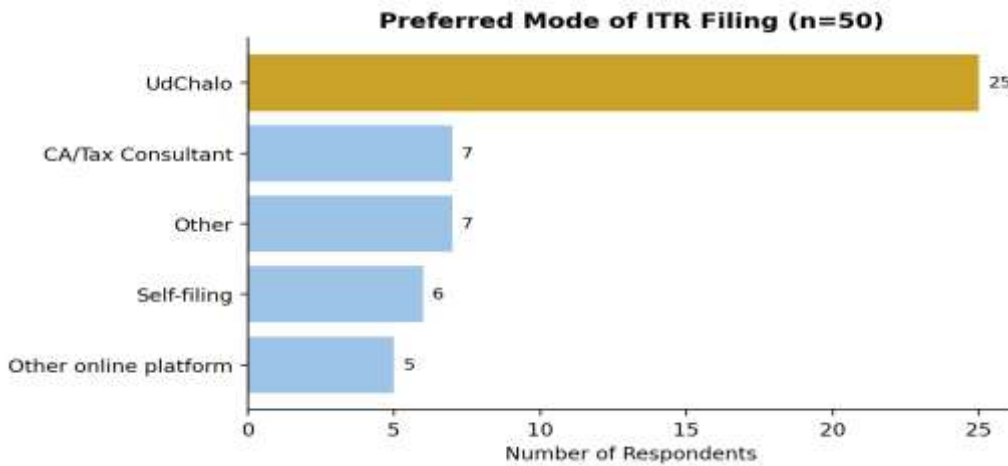
4.2.2 Filing Behaviour and Awareness

UdChalo was the most commonly used filing channel, used by exactly half of the sample (25 of 50 respondents), followed by CA/Tax Consultants and "Other" channels (7 each), self-filing (6), and other online platforms (5). This distribution mirrors the internship-based observation that a dedicated, defence-focused service captures a plurality — though not the entirety — of the target market, with a meaningful share of clients still relying on generalist channels or informal self-filing.



Figure 7

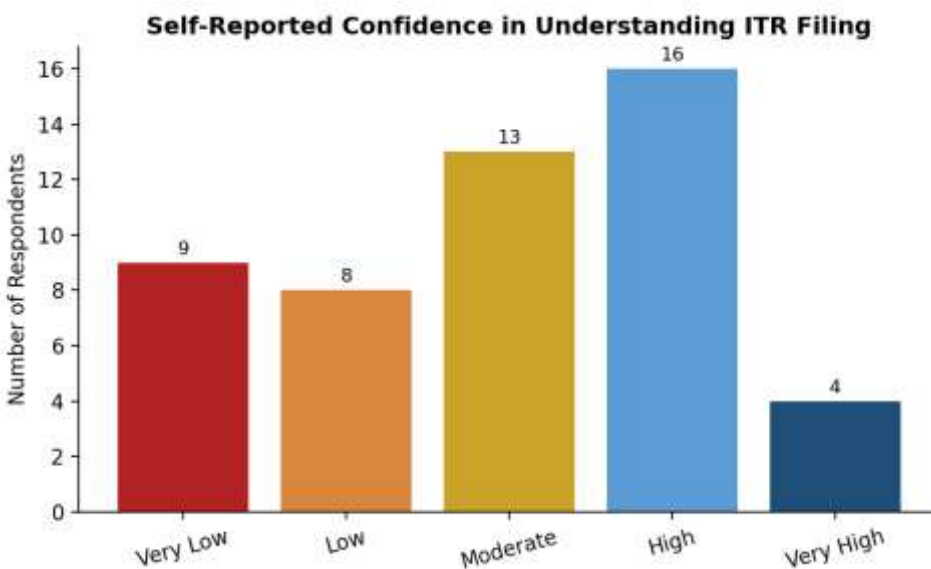
Preferred Mode of ITR Filing (n = 50)



Self-reported confidence in understanding the ITR filing process was mixed: while 40% of respondents rated their confidence as High or Very High, a combined 34% rated it Low or Very Low, and the remaining 26% were Moderate. This near-even split between confident and under-confident filers is a central motivation for the study, and is consistent with the tax-literacy gap identified qualitatively during the internship (Section 4.1).

Figure 8

Self-Reported Confidence in Understanding the ITR Filing Process

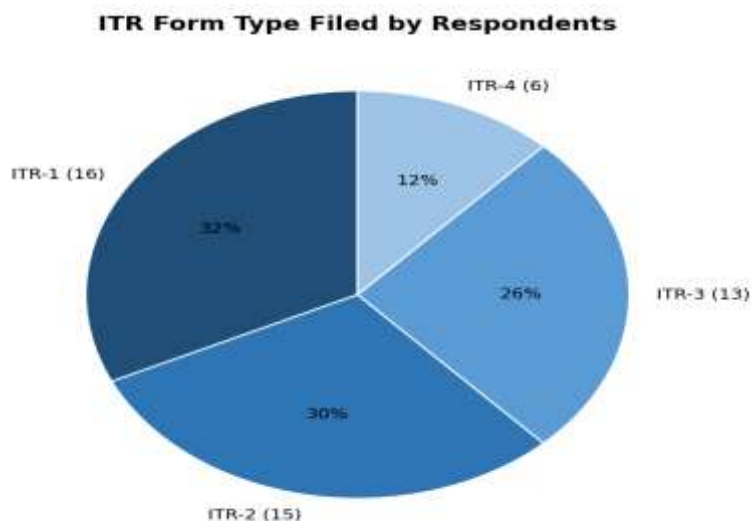


In the survey sample, 32% of respondents filed ITR-1 and 30% filed ITR-2, while 26% filed ITR-3 and 12% filed ITR-4 — indicating that a substantial share (38%) of respondents have business or professional income in addition to service pay, and that a majority (68%) file a return more complex than ITR-1.



Figure 9

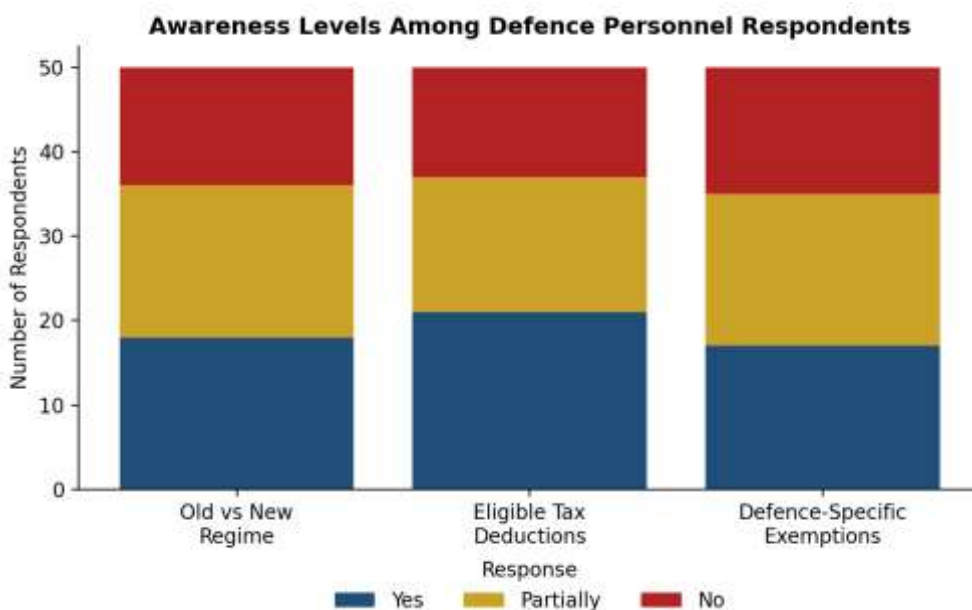
ITR Form Type Filed by Respondents



Awareness levels across the three core knowledge areas tested — the Old versus New Tax Regime, general tax deductions, and Defence-specific exemptions — reveal a consistent pattern: only 34–42% of respondents reported full ("Yes") awareness in any single area, with a substantial share reporting only partial awareness or no awareness at all. Awareness of Defence-specific exemptions was the weakest of the three (34% fully aware, 36% partially aware, 30% not aware at all), directly confirming the "knowledge gap" finding reported qualitatively in the internship (Section 4.1).

Figure 10

Awareness Levels Among Defence Personnel Respondents



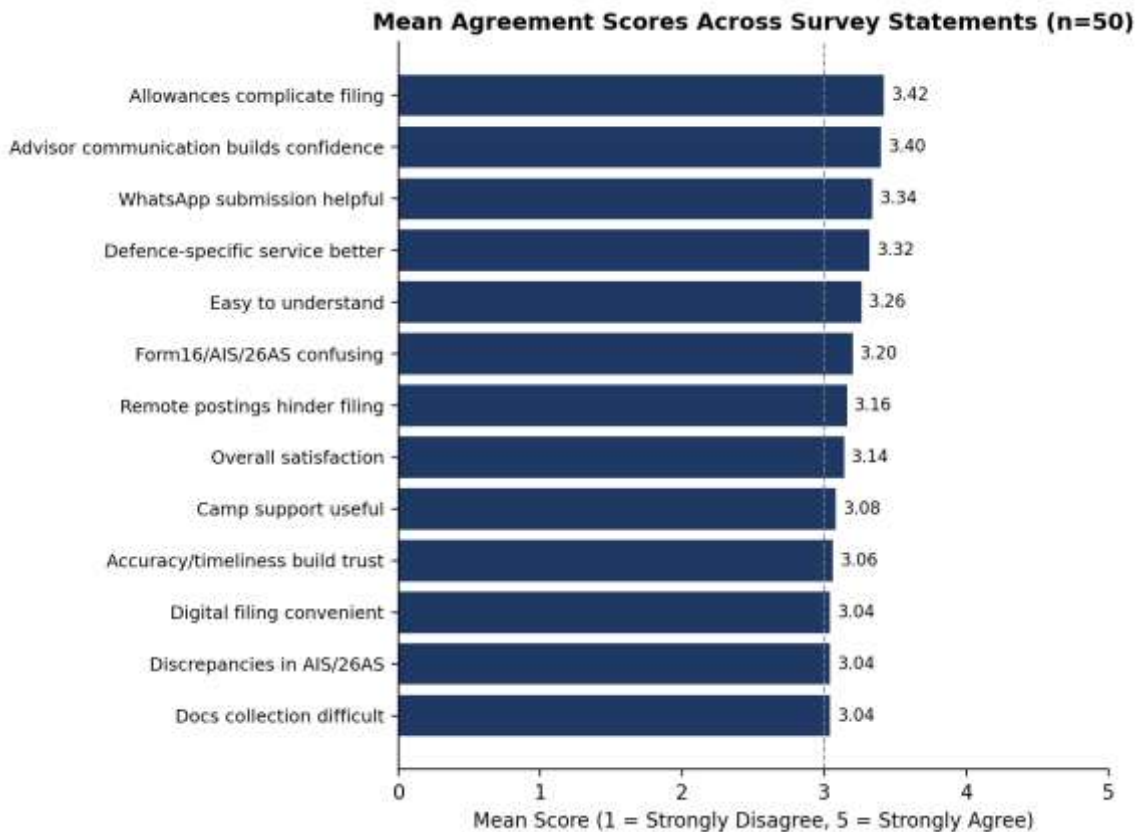
4.2.3 Attitudinal Perception Analysis (Likert-Scale Statements)

Thirteen statements were measured on a five-point Likert scale, where 3.0 represents a neutral midpoint. Figure 11 ranks all thirteen statements by mean score. The highest-rated statement — "Defence-specific allowances and exemptions make ITR filing more complicated" (mean = 3.42) — confirms that allowance complexity remains the single most widely felt pain point in the filing process. This is followed closely by "Clear communication from the tax advisor improves my confidence in the filing process" (mean = 3.40) and "WhatsApp-based document submission makes ITR filing easier" (mean = 3.34), with the statement that a defence-specific service provides better assistance than a general one close behind (mean = 3.32). These results suggest that advisor-mediated, informally-channelled communication is valued, plausibly because the underlying tax rules are perceived as complicated.



Figure 11

Mean Agreement Scores Across the 13 Survey Statements (n = 50)



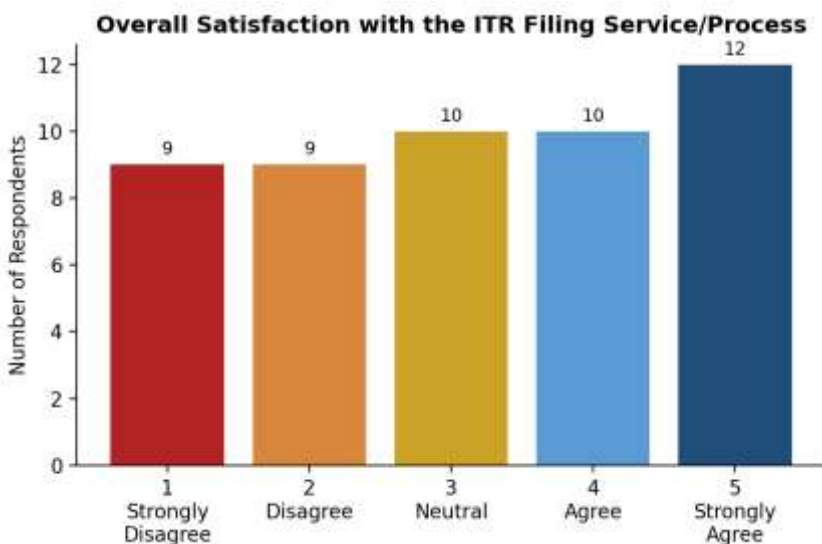
At the lower end of the ranking, "Digital filing convenience", "discrepancies in AIS/26AS" and "document-collection difficulty" cluster around the neutral midpoint (mean ≈ 3.04), indicating that these are experienced as moderate, rather than severe, frictions by the average respondent — though the standard deviations for these items (1.21–1.35) indicate considerable variation in individual experience, consistent with the internship observation that difficulty is highly dependent on posting location and access to connectivity.

4.2.4 Service Satisfaction, Trust and Recommendation Intent

Overall satisfaction with the ITR filing service/process produced a broadly centred, slightly favourable distribution: 44% of respondents rated their satisfaction as 4 or 5 (Agree/Strongly Agree), while 28% rated it 1 or 2 (Disagree/Strongly Disagree), and the remaining 28% were neutral. The mean satisfaction score across the full sample was 3.14 (SD = 1.44), indicating a moderately positive but far from uniformly excellent client experience.

Figure 12

Distribution of Overall Satisfaction Scores

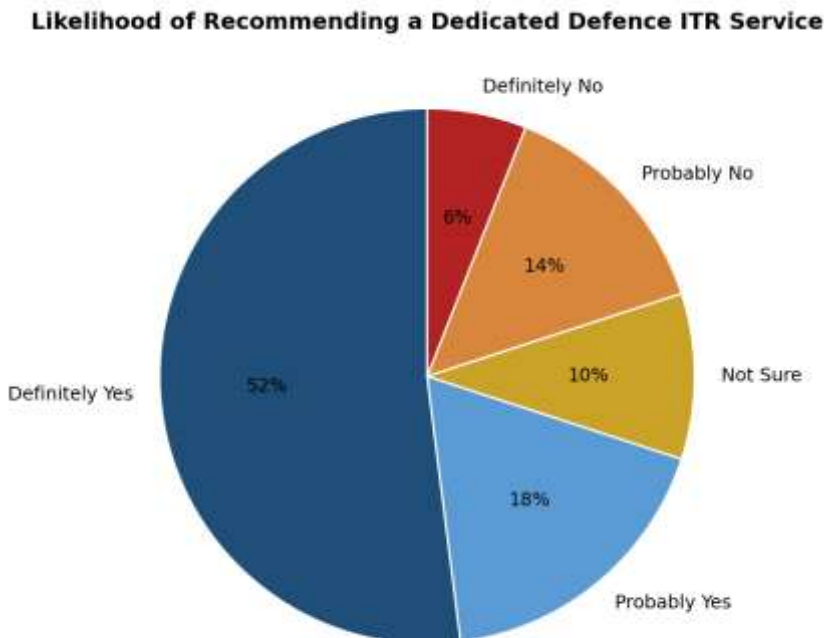




Despite the moderate average satisfaction score, willingness to recommend a reliable, dedicated ITR filing service to fellow Defence personnel was considerably more positive: 70% of respondents selected "Definitely Yes" or "Probably Yes", against only 20% who selected "Probably No" or "Definitely No". This gap between moderate present-tense satisfaction and strong forward-looking recommendation intent suggests that respondents distinguish between their own, sometimes imperfect, filing experience and their broader belief in the value proposition of a defence-specific service model.

Figure 13

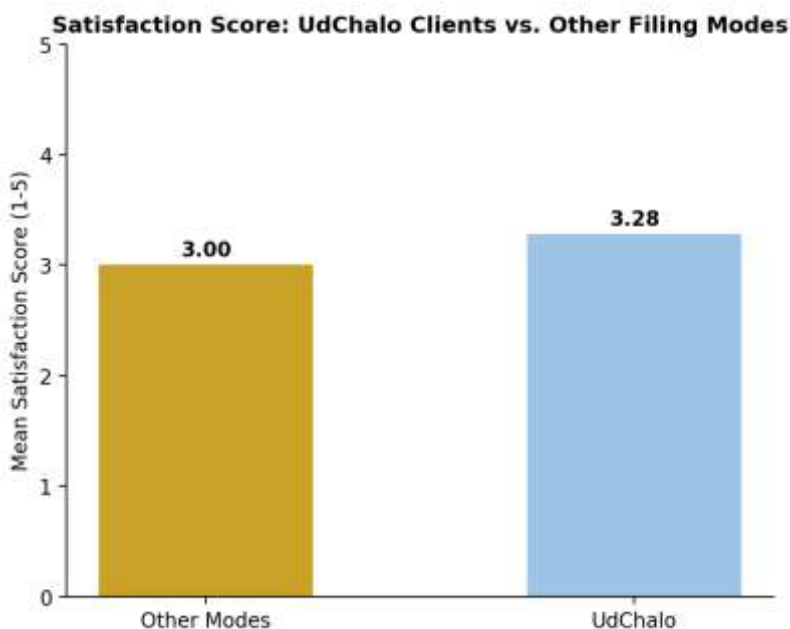
Likelihood of Recommending a Dedicated Defence ITR Service



A direct comparison of mean satisfaction scores between respondents who used UdChalo and those who used any other filing channel shows a modest but directionally favourable gap: UdChalo clients reported a mean satisfaction of 3.28, compared to 3.00 among users of all other channels combined — a difference of 0.28 points on the five-point scale. While this gap is not large enough to be conclusive given the sample size, it is directionally consistent with the internship-based finding that a niche, defence-focused service model builds stronger client relationships than generalist alternatives (Section 8.2 of the underlying SIP report).

Figure 14

Satisfaction Score — UdChalo Clients vs. Other Filing Modes

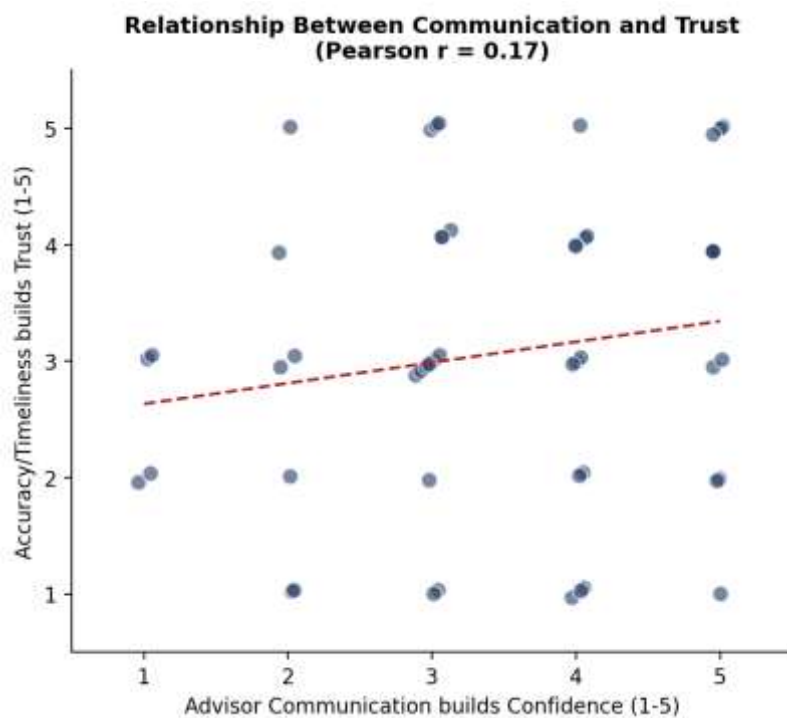




To examine whether advisor communication and client trust move together, a bivariate correlation was computed between the statements "Clear communication from the tax advisor improves my confidence" and "Accuracy and timely filing increase my trust in the tax service provider." The resulting Pearson correlation coefficient ($r = 0.17$) indicates only a weak positive association in this sample that is not statistically significant at $n = 50$ (the two-tailed 5% critical value is approximately 0.28). Because the two statements measure related but distinct constructs (confidence in the process and trust in the provider), the result tentatively suggests that perceived communication quality and perceived accuracy/timeliness are largely separate considerations rather than interchangeable ones, and that a service seeking to maximise client trust should invest in both dimensions rather than assuming one will substitute for the other.

Figure 15

Relationship between Advisor Communication and Client Trust



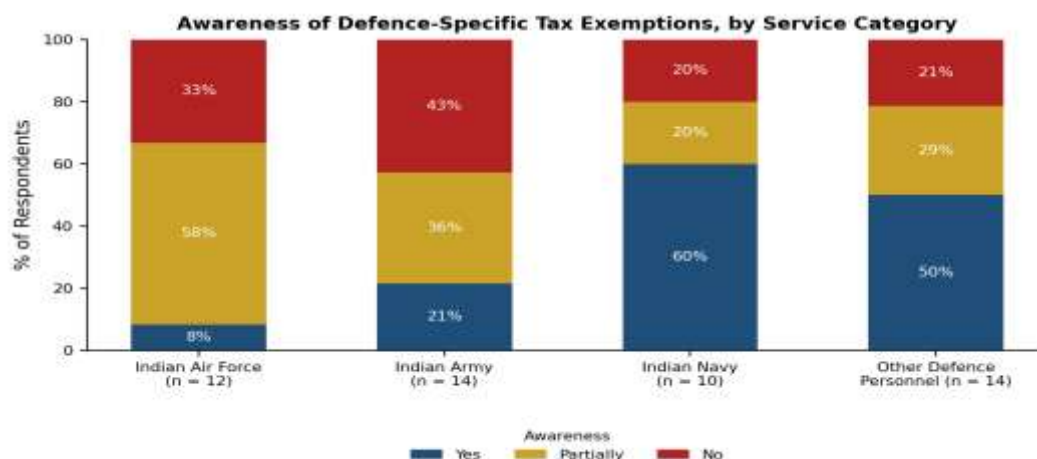
4.2.5 Cross-Tabulation: Awareness by Service Category

Awareness of Defence-specific exemptions was cross-tabulated against service category to test whether knowledge levels differ systematically across the Army, Navy, Air Force and other security forces. Full awareness was highest in the Indian Navy sub-sample (60%, 6 of 10 respondents) and among Other Defence Personnel, a category that includes paramilitary and border-security respondents (50%, 7 of 14), and lowest in the Indian Army (about 21%, 3 of 14) and Indian Air Force (about 8%, 1 of 12) sub-samples. The Indian Army also reported the highest share of "No" responses (about 43%). Possible explanations, such as differences in access to unit-level financial-literacy briefings, cannot be tested with the present data, and because each sub-sample contains only 10–14 respondents, these differences should be treated as indicative rather than conclusive.



Figure 16

Awareness of Defence-Specific Exemptions, by Service Category



4.2.6 Summary of Key Statistical Findings

Table 6

Summary of Key Statistical Findings

Metric	Result
Overall satisfaction (mean, 1–5)	3.14 (SD 1.44)
Full awareness of Defence-specific exemptions	34% of respondents
Respondents confident (High/Very High) in the filing process	40%
Respondents using UdChalo as their filing channel	50%
Mean satisfaction — UdChalo clients vs. other channels	3.28 vs. 3.00
Willing to recommend a dedicated Defence ITR service	70%
Highest-rated Likert statement	"Defence allowances make filing more complicated" (mean 3.42)
Correlation: advisor communication vs. client trust	$r = 0.17$ (weak positive; not significant)

4.3 Key Findings

A Persistent Defence-Specific Awareness Gap

Only about one in three respondents (34%) reported full awareness of Defence-specific tax exemptions, the weakest of the three awareness dimensions tested, and corroborating the internship's qualitative finding that a substantial share of clients require active advisory support to identify applicable allowances rather than claiming them independently.

Allowance Complexity as the Dominant Pain Point

"Defence-specific allowances and exemptions make ITR filing more complicated" was the single highest-rated statement in the survey (mean 3.42), directly reflecting the case-by-case, regime-dependent variability documented in the five illustrative internship cases (Section 4.1.3).

Hybrid Channel Preference

WhatsApp-based document submission (mean 3.34) and offline/camp-based support (mean 3.08) both scored above the sample mean for operational statements, indicating that Defence clients value a blended digital-plus-human service model over a purely self-service digital platform.

Moderate Satisfaction, Strong Advocacy Intent

Overall satisfaction (mean 3.14) was more muted than the 70% willingness to recommend a dedicated Defence ITR service, suggesting that belief in the underlying value proposition of niche service providers outpaces individual respondents' day-to-day filing experience.



A Directional, Not Yet Conclusive, UdChalo Advantage

UdChalo clients reported higher mean satisfaction (3.28) than users of other channels (3.00); the gap is consistent with, but not statistically overwhelming evidence for, the niche-service advantage claimed in the internship's operational findings.

Communication and Trust Appear to Be Distinct Levers

The weak and statistically non-significant correlation ($r = 0.17$) between advisor communication and client trust suggests, tentatively, that these may be two separate levers that management should address individually, rather than assuming strong communication alone will secure client trust.

Service-Category Disparities in Awareness

Full awareness of Defence-specific exemptions varied widely by service category, from about 8% in the Indian Air Force and 21% in the Indian Army sub-samples to 60% in the Indian Navy and 50% among Other Defence Personnel (sub-samples of 10–14 respondents each, so indicative only), pointing to a segment-specific outreach opportunity.

Income Complexity Beyond Salary-Only Returns

A substantial share of clients carry income complexity beyond a simple salary-only return: 32% of the author's 206 personal filings were ITR-2, and 68% of surveyed respondents reported filing ITR-2 or a more complex form. The two figures are not directly comparable, since the caseload contained only ITR-1 and ITR-2 returns whereas the survey also included ITR-3 and ITR-4 filers, but both indicate that a simple, ITR-1-only service model would not meet the needs of much of this segment.

5. Discussion

The findings of this study collectively suggest that the core value proposition of a defence-specific ITR filing service does not lie primarily in digital convenience — since generic e-filing and digital platforms are now widely accessible — but rather in the reduction of allowance-related complexity through advisory expertise, and in the trust built through sustained, human-mediated engagement (WhatsApp communication, camp visits, and clear advisor explanation). This interpretation is consistent with both strands of evidence gathered in this study: the survey data show that allowance complexity is the most strongly felt operational pain point, while the internship's case-level evidence (Section 4.1.3) demonstrates that the financially optimal tax regime genuinely varies from case to case in ways that a generic, self-service platform is unlikely to surface without dedicated review.

At the same time, the relatively modest gap in mean satisfaction between UdChalo clients and users of other channels (3.28 vs. 3.00), combined with an overall satisfaction score that remains close to the scale's neutral midpoint (3.14), indicates that a defence-specific positioning alone is not sufficient to guarantee superior client outcomes. The weak correlation between communication and trust ($r = 0.17$) is consistent with this point, although it is not statistically significant: clients may evaluate the accuracy and timeliness of the filing outcome somewhat independently of how well the process was explained to them, which would imply that operational excellence (correct, on-time filing, and accurate reconciliation with Form 26AS/AIS) cannot be substituted by good communication alone, and vice versa.

The service-category differences in awareness — with full awareness of Defence-specific exemptions ranging from about 8% in the Indian Air Force and 21% in the Indian Army sub-samples to 50–60% among the Indian Navy and Other Defence Personnel — suggest that knowledge gaps are not evenly distributed, and that awareness-building interventions should be targeted rather than uniformly distributed across the Defence community. The reasons cannot be established from these data; possible factors include differences in access to unit-level financial-literacy briefings or to defence-focused advisory networks such as UdChalo or Hum Fauji Initiatives, and the small sub-sample sizes (10–14 respondents each) warrant caution.

Finally, the gap between moderate satisfaction (3.14) and strong recommendation intent (70% "Definitely/Probably Yes") is a noteworthy behavioural pattern: it implies that respondents separate their evaluation of a specific past filing experience from their broader assessment of whether a dedicated, defence-aware service model is valuable in principle. For UdChalo and similar providers, this represents both an opportunity — strong latent word-of-mouth potential — and a risk, since unresolved dissatisfaction in individual cases could, over time, erode the very trust that currently sustains high recommendation intent.

6. Conclusion

This study set out to examine, through a combination of internship-based operational evidence and a structured primary survey of 50 Defence and security-forces personnel, the awareness, attitudes, and satisfaction levels associated with Income Tax Return filing within this specialised client segment. The evidence assembled across five case studies and a



thirteen-item Likert survey consistently points to a single overarching conclusion: the complexity of Defence-specific allowances and exemptions, rather than the mechanics of digital filing itself, is the dominant driver of client difficulty, and a correspondingly dominant justification for a dedicated advisory-led service model.

UdChalo's hybrid operating model — combining digital efficiency with WhatsApp-based document collection and offline camp support — captured half of the surveyed sample's filing activity and produced a directionally favourable, though not yet statistically decisive, satisfaction advantage over other filing channels. The internship's own operational record (206 personal filings, over 500 client contacts, and leadership of a team that filed more than 2,000 returns during peak season) demonstrates that this model is operationally scalable under significant time pressure, while the case-based regime comparisons illustrate the tangible financial value that correctly-applied, case-specific tax advice delivers to individual clients.

At the same time, the persistence of a meaningful awareness gap (only 34% full awareness of Defence-specific exemptions), a moderate overall satisfaction score (3.14/5), and a weak link between communication quality and trust, together indicate that there remains considerable room for UdChalo — and the broader ecosystem of defence-focused financial service providers — to strengthen both the educational and the operational-accuracy dimensions of their service, rather than relying on niche positioning alone. The recommendations in the following section translate these conclusions into specific, actionable interventions.

6.1 Recommendations and Suggestions

1. Pre-Season Awareness Campaigns

Launch structured Q1–Q2 awareness campaigns (webinars, unit-level briefings, WhatsApp broadcast content) specifically targeting Defence-specific exemptions and the Old-versus-New regime decision, prioritising the Indian Air Force and Indian Army segments identified in Section 4.2.5 as having the lowest full awareness.

2. Institutionalise Case-by-Case Regime Comparison

Formalise the side-by-side Old vs. New regime computation demonstrated in the five internship case studies (Section 4.1.3) as a mandatory step in every client engagement, supported by a simple calculator tool, rather than relying on advisor judgement alone.

3. Strengthen WhatsApp-Integrated Document Collection

Given that WhatsApp-based submission was among the three highest-rated statements (mean 3.34), invest in a structured, checklist-driven WhatsApp workflow (e.g., automated document checklists and status updates) to further reduce document-collection friction.

4. Expand Camp-Based and On-Ground Presence

Continue and expand offline camp visits, particularly to postings and unit types corresponding to the lower-awareness Indian Air Force and Indian Army segments, to replicate the trust-building effect observed in the three camps visited during the internship (Lullanagar, Bombay Sappers, Ahmednagar).

5. Separate Investment in Communication and Operational Accuracy

Because communication quality and trust were only weakly correlated ($r = 0.17$), management should track and improve both dimensions independently — for example, through advisor communication training and separate, hard operational KPIs on filing accuracy and turnaround time.

6. Introduce a Client Segmentation Model

Segment the client database by filing complexity (ITR-1 versus ITR-2/3/4) so that experienced advisors are allocated to complex cases while simpler cases are processed through a faster, more standardised track, improving both efficiency and per-case service quality.

7. Standardise an On-Ground Best-Practices Manual

Codify the client-communication, document-verification, and case-escalation practices developed during the internship into a formal manual to ensure a consistent client experience irrespective of which advisor handles a given case.

8. Explore Year-Round Advisory Services

Reduce the seasonal concentration of workload (Section 4.1.2, Phase 3) by offering off-season tax-planning workshops and post-filing support for notices, converting a single-season transactional relationship into a year-round advisory relationship.

6.2 Limitations of the Study

- The primary survey sample ($n = 50$) is modest in size and was collected predominantly through UdChalo's own client and outreach network, which may introduce a favourable response bias relative to the wider Defence taxpayer population.



- Convenience and snowball sampling, while practical given access constraints to a geographically dispersed population, limits the statistical generalisability of the findings.
- Self-reported Likert-scale responses are inherently subject to recall and social-desirability bias, particularly for questions relating to past satisfaction and trust.
- The five case studies used to illustrate regime-comparison outcomes (Section 4.1.3), while drawn from genuine filings, are illustrative rather than a random sample of the full 206 personally-filed cases and should not be read as fully representative of the entire caseload.
- The cross-sectional design captures perceptions at a single point in time and cannot establish whether awareness or satisfaction levels are improving, stable, or declining across successive filing seasons.
- The weak correlation identified between communication and trust ($r = 0.17$) is based on ordinal Likert data from a modest sample and should be treated as indicative rather than conclusive.

6.3 Scope for Future Research

Future research could extend this study in several directions. First, a larger, probability-sampled survey spanning multiple service providers (UdChalo, Hum Fauji Initiatives, independent CAs, and self-filers) would allow for statistically robust comparative testing of the satisfaction gap identified directionally in Section 4.2.4. Second, a longitudinal design tracking the same cohort of Defence taxpayers across two or three consecutive filing seasons would clarify whether awareness and satisfaction levels are structurally stable or improving in response to specific interventions such as awareness campaigns. Third, future work could develop and validate a simple, field-deployable regime-comparison calculator specifically calibrated to Defence allowance structures, building on the case-based methodology demonstrated in Section 4.1.3, and empirically test its impact on both tax outcomes and client-reported confidence. Finally, further investigation into the specific reasons behind the lower awareness levels observed among the Indian Air Force and Indian Army segments would help target future outreach more precisely.

Declarations

Conflict of interest. The author completed a Summer Internship Programme at Upcurve Consumer Technologies Private Limited (UdChalo), the organisation examined in this study, between 25 May 2026 and 14 August 2026, and the survey respondents were drawn largely from UdChalo's client and outreach network. This relationship is disclosed so that readers can take it into account; its possible effect on the results is discussed in Sections 3.6 and 6.2. The views expressed are the author's own and do not necessarily represent the views of Upcurve Consumer Technologies Private Limited.

Data collection and privacy. Survey data were collected through a self-administered online questionnaire (Google Forms). Responses are reported only in aggregate, no individual respondent is named or identifiable in this paper, and the client cases in Section 4.1.3 are anonymised.

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Appendix: Survey Questionnaire

Title: Client Awareness, Perception and Satisfaction in Defence-Focused ITR Filing: Evidence from UdChalo

Section A: Demographic and Service Profile

- 1. Name of Client/Respondent
- 2. Age Group
- 3. Service Category
- 4. Current Status
- 5. How many years have you been filing Income Tax Returns?

Section B: Filing Behaviour and Awareness

- 6. How do you usually file your ITR?
- 7. How confident are you in understanding the ITR filing process?
- 8. Which ITR form do you usually file?
- 9. Are you aware of the Old and New Tax Regimes?
- 10. Are you aware of the tax deductions available to you?
- 11. Are you aware of Defence-specific tax exemptions/allowances?

Section C: Attitudinal Statements (1 = Strongly Disagree, 5 = Strongly Agree)

- 12. I find the ITR filing process easy to understand.
- 13. Defence-specific allowances and exemptions make ITR filing more complicated.
- 14. Collecting all the required documents is difficult for me.
- 15. I face difficulties understanding Form 16, AIS or Form 26AS.
- 16. I have experienced discrepancies between my documents and information available in AIS/Form 26AS.
- 17. Remote postings or work schedules make it difficult to complete ITR filing on time.
- 18. Online/digital ITR filing makes the process more convenient.
- 19. WhatsApp-based document submission makes ITR filing easier.
- 20. Offline/camp-based ITR support is useful for Defence Personnel.
- 21. A tax service specifically designed for Defence Personnel provides better assistance than a general tax-filing service.
- 22. Clear communication from the tax advisor improves my confidence in the filing process.
- 23. I am satisfied with the overall ITR filing service/process.
- 24. Accuracy and timely filing increase my trust in the tax service provider.
- 25. Would you recommend a reliable ITR filing service to other Defence Personnel?