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"Behind the Filed Return: Document Reconciliation, RSU Taxation and Foreign Tax Credit at Taxblock Professional Services Private Limited"

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Abstract

Filing an income tax return in India looks like a form-filling exercise, but for salaried people with stock compensation or foreign income it is closer to a small financial investigation. This paper draws on an eleven-week on-the-job training (25 May to 8 August 2026) at Taxblock Professional Services Pvt. Ltd., Pune, during which I handled 54 cases for 38 unique clients. I describe how the firm moves a return from onboarding to e-verification, and I look closely at three areas where mistakes are most likely: reconciling the documents a client provides against what the tax department already holds, taxing restricted stock units (RSUs), and claiming credit for tax paid abroad. The main observation is that the arithmetic was rarely the hard part. Most of the time went into finding out whether the inputs were complete and could be traced to a document. The caseload came mostly from employees of multinational technology companies and is not a sample of Indian taxpayers in general, so the findings are best read as observations from one firm.

Keywords: direct tax advisory, income tax compliance, RSU taxation, foreign tax credit, AIS reconciliation, India

1. Introduction

Most people think of a tax return as something you fill in once a year. The Income-tax Act, 1961 treats it as a declaration that must agree with what employers, banks, brokers and other third parties have already reported about you. Since the introduction of the Annual Information Statement (AIS), the Taxpayer Information Summary (TIS) and pre-filled returns, the department can see a good deal of a taxpayer's financial life before the taxpayer does anything. That has shifted some of the burden onto the person filing. If the return and the portal disagree, the person has to be able to explain why.

The number of returns filed by the 31 July due date went from 5.83 crore in assessment year 2022-23 to 7.28 crore in 2024-25, according to figures published by the Income Tax Department and reported in the press (Income Tax Department, 2022–2024). Many of these filers are simple salaried cases. A growing group is not. Employees of global technology companies are paid partly in shares of a foreign parent, hold overseas brokerage accounts and pay tax in more than one country. Firms such as Taxblock exist largely for this group.

This paper asks a practical question: where does the effort actually go when a return is prepared properly for such a client, and what does that say about how the work should be organised? It is based on my own work as a Tax Advisor Intern, supported by the firm's workflow records, and it links the day-to-day tasks to what I had studied in the MBA Finance programme.



1.1 Aim and research questions

The aim is to describe how a working advisory firm turns a client's scattered financial records into a filed and verified return, and to see which steps carry the most risk. Three questions guide the paper. First, what does the workflow look like from onboarding to closure, and what is checked at each stage? Second, how were income from salary, house property and capital gains computed, and what extra work did RSUs and foreign income create? Third, which difficulties came up often enough to suggest a change in how the firm works?

1.2 Scope and structure

The study covers return preparation and filing for resident individuals, senior citizens, eligible professionals and eligible non-residents. It deals with the heads of salary, house property, capital gains and other sources, with employee equity pay (RSUs, employee stock purchase plans and stock options), and with the reporting of foreign income and assets in Schedule FA. Business income appeared only in a few referral cases and is left outside the discussion.

Section 2 reviews the existing literature and sets out the sector and the rules that matter. Section 3 explains the methodology, including how the training was organised and how the data were kept. Section 4 reports the results, Section 5 discusses them and turns the difficulties into recommendations, and also states the limitations of the study. Section 6 concludes.

2. Literature Review and Background

2.1 Existing literature and the gap this paper addresses

Indian direct tax literature rests mainly on two kinds of source. The first is the statute itself, with the rules, circulars and portal guidance that accompany it (Central Board of Direct Taxes, 2025a, 2025b; Income Tax Department, n.d.). The second is the standard commentary, such as Singhania and Singhania (2025) and Prasad (2025), which explains each provision with its conditions and exceptions and works through computational illustrations.

Both kinds of source are organised around provisions. A reader learns what Section 17(2) or Section 90 says, but not how a practitioner meets those provisions when a client arrives with an incomplete file. Equity compensation shows the gap. Its tax treatment is spread across the rules on salary, capital gains and foreign asset reporting, and a commentary naturally deals with each in its own chapter, whereas the client experiences them as one set of records.

Three themes from these sources frame the rest of the paper. First, the data-matching system built around the AIS, the TIS and Form 26AS makes a return a declaration that must agree with third-party records. Second, equity pay and foreign income require rules from several parts of the law to be applied together. Third, the quality of a return depends on the process around it as well as on the computation. This paper does not test these themes. It offers a practitioner's account of how they appeared in one firm, and its contribution is descriptive. Research on tax compliance and advisory practice would sit alongside this account, and the absence of such a review is noted as a limitation in Section 5.5.

2.2 The firm and the sector

Taxblock is a private advisory firm in Pune that works mainly with individuals. Its core services are assisted return filing, capital gains computation, foreign income reporting and Foreign Tax Credit (FTC) claims. It competes with independent Chartered Accountants, small boutique firms and online filing platforms. The difference I saw was one of depth. A platform will file a return from the figures it is given, while the firm reviews the client's whole income and investment picture first and charges according to a plan tier.

Computation is done in Winman, a CA practice software. Microsoft Excel is used for reconciliations and for work that Winman cannot do, such as matching mutual fund redemptions to purchase lots on a first-in-first-out basis. The firm has also built an internal platform, DeepTax, which has modules for foreign-stock RSUs, capital gains and AIS/TIS reconciliation. Every case sits in a CRM where its status is updated as it moves from document collection through review to filing.

2.3 The tax rules that mattered most

Three sets of rules came up again and again. The first is the treatment of listed equity. Long-term gains on shares and equity mutual funds sold on a recognised exchange are taxed under Section 112A at 12.5 per cent on the amount above ₹1,25,000 in a year, and for units bought before 31 January 2018 the cost is stepped up under the grandfathering formula. This does not apply to foreign shares.

The second is equity compensation. RSUs, employee stock purchase plans and stock options are taxed twice, in two different ways. When RSUs vest, the market value of the shares on that date is a perquisite under Section 17(2) and is



added to salary. When the shares are later sold, the capital gain is the sale value minus the value already taxed as salary. For foreign shares a holding period of more than 24 months is needed for the gain to be long-term.

The third is relief for foreign tax. Under Section 90 and the relevant tax treaty, a resident can claim credit for tax already paid abroad on the same income. The credit is the lower of the foreign tax paid and the Indian tax on that income, and it has to be supported by Form 67. Section 234B and 234C add interest of 1 per cent a month where advance tax is short, which matters because RSU income often escapes normal payroll deduction.

2.4 A more digital and more transparent system

Direct tax administration in India has moved from manual records before 2010, through wider electronic filing in the early 2010s, to a system in which third-party data flows straight to the department. Since 2021 the AIS, the TIS, faceless assessments and pre-filled returns have been part of the routine. The Central Board of Direct Taxes (CBDT) issues the circulars and clarifications under the Act, the Income Tax Department runs the e-filing portal, and the Ministry of Finance sets policy each year through the Finance Act.

From the advisor's side, five trends followed from this. Filing is nearly all digital, yet the portal data still need a professional's check. Cross-border income is more common because more people work or invest abroad. Equity pay needs careful cost and gain calculations. Most returns now depend on reconciling several official sources before they are final. And software plays a larger part in advisory work. The government's new simpler tax regime and the faceless schemes have also changed what an advisor does. The job is less about completing forms and more about reading data, matching it and explaining it.

2.5 Competitive structure of retail tax advisory

The firm sits in the individual tax advisory segment, and the competition is a mixed one. There are independent Chartered Accountants, small boutique firms, online filing platforms and large consulting organisations. New entrants face a moderate barrier, since professional credentials and technical skill are needed. Clients have considerable bargaining power because they can move between providers, and rivalry among providers is high. Suppliers matter little, as the firms depend on trained people and software, not on a few concentrated sellers. Self-service filing is a substitute, but a large group of taxpayers with equity pay or foreign assets will not find it adequate. Market share figures for private firms in this segment are not public, so I could judge the firm's position only qualitatively, by its high share of returning clients and by its advice-led plan structure.

2.6 Heads of income

Under the Act an individual's income is divided into five heads: salary, house property, profits and gains of business or profession, capital gains, and other sources. Each head has its own rules for deductions and exemptions, and a mistake in classification carries through the whole computation. For salary I checked Form 16 against pay slips, the standard deduction, HRA and the choice of regime. For house property the documents were loan certificates, rent agreements and municipal tax receipts. Capital gains required the holding period, cost and sale value of every transaction. Other sources meant mainly interest, dividends and family pension, all of which had to agree with the AIS.

3. Methodology

This is a practitioner's account, not a controlled study. The training ran in three stages. For the first three weeks I studied the law and the firm's procedures. In the following week I re-computed closed cases from the previous year in Winman and compared my results with what had been filed. For the remaining weeks I worked on live client files from allocation to e-verification, with every return checked by a senior reviewer before filing.

The data are the 54 cases I handled for 38 unique clients, which I logged in aggregate form during the training. Client names, PAN numbers, contact details and case dates are left out, and the counts reported here are rounded figures from my own case log. The worked examples further below use made-up numbers to show the method and do not come from any client file.

3.1 How the training was staged

The first three weeks were theory. I covered heads of income, slab rates under the old and new regimes, Chapter VI-A deductions, residential status, advance tax, grandfathering under Section 112A, TDS, the ITR forms, and a first look at RSU taxation, Schedule FA and Form 67. The week after that was supervised practice on closed cases. Because the filed figures were already known, I could see where my working differed and why. Only then did I get live files. The firm did not want a new intern making errors on a client's return in the first week, and I now think that was the right call.



3.2 The client lifecycle

Every case followed the same path, shown in Table 1, and each stage left behind a defined output such as a document checklist, a validated document set, a working paper or an acknowledged return. The CRM carried the current status of each case, from documents pending through in progress, pending review, QC approved and proceed to file, to e-verified.

Table 1

Client lifecycle and the intern's part in it

Stage	Activity	My involvement
Allocation	Case assigned to an advisor	Reading the client profile
Onboarding	Initial document request	Sending the checklist, following up
Verification	Review of financial documents	Checking completeness and consistency
Computation	Preparing the tax working	Winman computation, Excel workings
Review	Senior verification	Answering review comments
Client discussion	Clarifications and confirmation	Calls and messages to the client
Filing	Return preparation and submission	Helping finalise
Closure	E-verification, record completion	Updating status and file

3.3 Internal control

Before filing, each return went through preparation, self-review, senior review, corrections, final validation and then the filing itself. The risks these steps were meant to catch were fairly predictable. Missing documents led to under-reporting. A mismatch between the AIS and the client's records could mean income was left out or counted twice. Wrong capital gains created a risk of later demand. Incomplete foreign income reporting and a faulty FTC claim meant non-compliance or reduced relief, and late filing carried interest and penalties. The firm's answer to each was the same sort of thing: a standard checklist, transaction-level verification, comparison against source documents and a structured follow-up routine.

3.4 Data, confidentiality and ethics

No client name, PAN, address or contact detail appears in this paper, and case dates are omitted. All portfolio figures are counts and shares. I worked only on authorised systems and did not copy client information to personal files. The worked examples are illustrations built for this paper, and I say so wherever they appear.

4. Results

4.1 Who the clients were

Table 2 summarises the portfolio. Assisted ITR filing made up 38 of the 54 cases and FTC filings another 11. Of the 38 clients, 25 had filed with the firm before and 13 were new. Twenty-two worked for global technology multinationals, eleven for large Indian companies, and five were individual or referral clients without a corporate employer.

Table 2

Case and client profile

Measure	Category	Count	Share
Cases (n = 54)	Assisted ITR filing	38	70%
	FTC filing	11	20%
	Other advisory or referral	5	9%
Clients (n = 38)	Returning	25	66%
	New	13	34%



Measure	Category	Count	Share
Employer type (n = 38)	Global technology MNCs	22	58%
	Indian MNCs	11	29%
	Individual or referral	5	13%

This explains why equity pay and foreign income take up so much of the paper. They are common in this client group, and I would not expect to find the same proportions among taxpayers generally.

4.2 Reconciliation came before computation

The most useful habit I developed was refusing to start a computation until the sources had been compared. For each case I checked Form 16 against salary slips, AIS and TIS against bank and investment records, and Form 26AS against the TDS certificates the client held.

A short illustration shows why. In a made-up example a client hands over Form 16 and one bank interest certificate showing ₹18,000. The AIS shows ₹30,000 of interest. There are two readings: the AIS has a duplicate entry, or a bank account is missing from the documents. Copying either figure would be a guess. The right step is to ask the client about every other account, and in the example a second certificate for ₹12,000 closes the gap exactly. The TDS follows the same pattern, with ₹1,800 and ₹1,200 adding up to the ₹3,000 on Form 26AS. What matters is less the answer than the record, since the senior reviewer can trace every figure to a document before approving.

In real cases the pattern was familiar. Missing documents caused more delay than difficult law did, and the standard checklist, which lists identity, employment, banking, investment, property, capital market and foreign income documents, was the most effective way to cut follow-ups.

4.3 RSUs: one cost base, two taxable events

Clients who held RSUs asked the same question almost every time: is this not being taxed twice? It is not, and a numerical example is the easiest way to show it. Suppose 100 RSUs vest at USD 120 when the exchange rate is ₹84. The perquisite is 100 × 120 × 84, or ₹10,08,000, and it is added to salary with tax deducted by the employer. Five months later the shares are sold at USD 145 when the rate is ₹85.50, giving sale proceeds of ₹12,39,750. The cost of acquisition is the ₹10,08,000 already taxed, so the capital gain is ₹2,31,750. Because foreign shares do not qualify for the concessional short-term rate under Section 111A, a gain on shares held for five months is taxed at the client's slab rate.

The practical difficulty was usually in the records. Vesting values come from a foreign broker or a stock plan administrator, not from payroll, and exchange rates have to be taken for the right dates. One case involved shares that vested and were bought back at once by an overseas group company, with no broker and no market price. Confirming the valuation meant working with the client's equity administrators and then checking it against the figure on Form 16.

4.4 Foreign tax credit and advance tax

The FTC claim is easy to describe and easy to get wrong. In an illustrative case a client with taxable income of ₹42,00,000 and Indian tax of ₹10,92,000 has an average rate of 26 per cent. ₹3,00,000 of that income is foreign dividend, on which about ₹76,500 was withheld abroad. Indian tax on the dividend is 26 per cent of ₹3,00,000, which is ₹78,000. The credit is the lower of the two figures, so ₹76,500 is allowed, claimed through Form 67 and shown in Schedule TR. The weak point is nearly always the evidence. The foreign tax statement has to match the income being declared before any credit is worked out.

Advance tax was the other recurring problem. RSU income arrives late and in lumps, and payroll deduction often looks sufficient to the employee. In another made-up example, assessed tax is ₹6,00,000 and TDS is ₹3,80,000, with nothing paid in advance. The shortfall is above the 10 per cent threshold, so Section 234B applies, and three months of interest on ₹2,20,000 comes to ₹6,600, before the Section 234C instalment interest is worked out. Clients reacted much better when this was explained before the deadline than when it appeared at filing.

4.5 Salary, house property and capital gains

Salary was the main income for nearly all clients, and computing it took more than copying Form 16. I looked at basic pay, HRA, leave travel allowance, bonus, perquisites, employer contributions to retirement funds, professional tax and TDS, and for most clients I ran the old and new regimes side by side to see which gave the lower tax. House property work was mostly checking: loan interest against the lender's certificate, rent against the agreement, municipal tax against receipts, and then working out any loss on a let-out property.



Capital gains took the most time per case. For each sale I needed the purchase date, sale date, holding period, cost and proceeds before I could say whether a gain was short or long term. A regular task was building first-in-first-out lots from clients' consolidated mutual fund statements and matching redemptions to them, scheme by scheme.

The grandfathering rule shows why the detail matters. In an invented example a client bought 500 shares in 2015 at ₹200, so the actual cost was ₹1,00,000. The market value on 31 January 2018 was ₹350 a share, or ₹1,75,000 in all. The shares were sold in December 2025 at ₹480 for ₹2,40,000. The cost of acquisition is the higher of ₹1,00,000 and the lower of ₹1,75,000 and ₹2,40,000, which is ₹1,75,000. The long-term gain is therefore ₹65,000, which is below the ₹1,25,000 annual exemption, so no tax is due. Using the actual cost by mistake would have shown a gain of ₹1,40,000 and an avoidable tax liability.

4.6 What the software did and did not do

Winman was the main working tool. I created client files in it, entered income, compared regimes, prepared schedules and generated computation reports. Excel covered what Winman could not do directly, such as lot matching, currency conversion and reconciliations across several schemes. DeepTax was used mostly for clients with foreign shares as RSU pay. Its tabs for foreign dividend, capital gains, FTC, Schedule FA disclosure and peak value gave consistent output quickly, and the firm clearly gains in speed and standardisation from it.

I still checked its output against documents each time. A platform that calculates correctly from wrong inputs gives a wrong answer that looks tidy, and that is harder to catch than an obviously broken spreadsheet.

4.7 Difficulties that kept coming back

Table 3 lists the problems I met most often. Almost none of them were about the law itself. They were about documents, time and communication. July to September, the peak filing season, made every one of them worse.

Table 3

Recurring difficulties and how they were handled

Difficulty	Effect	How it was handled
Incomplete documents	Computation delayed	Structured follow-up with the checklist
Several income sources	More complex analysis	Transaction-level verification
Foreign brokerage statements	Slow review	Manual reconciliation with supporting documents
Tight statutory deadlines	Heavier workload	Prioritising tasks, planning review time
Last-minute client changes	Computation revised	Version control, final review
AIS mismatches	Compliance risk	Cross-checking against source documents
RSU perquisite versus capital gain	Same question asked again and again	Written explainer given to the client
Advance tax shortfall on RSU income	Lump sum plus interest at filing	Mid-year estimate raised with the client

5. Discussion

5.1 Key observations

Three things stand out from the cases. The first is that the software does what it is told. Winman and DeepTax both produced clean computations, but only from the classification and inputs I supplied, and a wrongly read document gave a wrong answer with full confidence. Every tool in the firm’s workflow was useful, and none of them replaced checking the source.

The second is that the quality of the process mattered as much as individual skill. The layers of preparation, self-review, senior review, correction and final validation caught errors that I had not noticed myself. When a senior changed my working, asking why turned out to be more valuable than the correction itself.



The third is that client communication is part of the technical work. Explaining the perquisite-then-capital-gain sequence, or warning a client about advance tax interest in September instead of in July of the following year, did more to prevent disputes than any extra computation.

5.2 Links to the MBA Finance programme

Much of this work lines up with what is taught in the finance programme, though not always in the places one would expect. Checking salary, interest and investment documents is financial statement analysis on a small scale. Capital gains and RSU workings are investment analysis. The regime comparison and deduction planning belong to personal financial planning. Reconciling the AIS, TIS and Form 26AS is risk management, since each mismatch is an exposure until it is explained. FTC is international finance in a very plain form, with exchange rates, two tax systems and one income. Winman, DeepTax and Excel stand for financial technology, and the whole exercise is regulatory compliance. What the classroom did not give me was the volume. A single concept in a textbook becomes forty files with forty different sets of missing papers.

5.3 Recommendations

These observations point to some modest changes for firms in this position. A short client explainer on RSU and FTC treatment, shared at onboarding, would answer questions that currently take up repeated senior time. The CRM already records vesting events, so it could trigger a mid-year advance tax check-in before the September instalment. Automatic sorting of routine documents such as Form 16 and bank statements could be piloted first and extended later. None of these has been tested, and the right measure would be whether turnaround time and repeat queries fall over the next filing seasons.

The three ideas above need a little more detail, and the difficulties in Table 3 point to a fourth. The first is a short client explainer on RSU and FTC treatment, written with the senior advisors who answer these questions most often and shared at onboarding. The second is a mid-year advance tax check-in for clients with equity pay. The CRM already shows who has vesting events, so the September instalment could be flagged to them before the filing deadline instead of after it. The third is a pilot of automatic document sorting, starting with Form 16 and bank statements, which are routine and easy to verify, before broker statements and investment proofs. The fourth is an internal training session before each Finance Act takes effect and after any major CBDT circular on equity pay or foreign income.

Table 4

Suggested implementation

Recommendation	First step	Timing	Expected benefit
Client explainer on RSU and FTC	Draft with senior advisors, share at onboarding	Within 2 months	Fewer repeat queries
Mid-year advance tax check-in	Use CRM data to find vesting clients	Before the September instalment	Fewer interest surprises
Document sorting pilot	Start with Form 16 and bank statements	Before next season	Less manual checking
Law-update training	Session before each Finance Act takes effect	Yearly	Advisors kept current

5.4 Advice for future trainees

For students who take up a similar placement, the advice from my experience is simple. Read the Income-tax Act properly before you start. Get comfortable with lookup functions in Excel. Learn the difference between an RSU perquisite and a capital gain early, because clients ask about it constantly. Keep a list of sources for exchange rates and historical closing prices. Give the reconciliation the same seriousness as the calculation, since that is where the errors are found. And when a senior corrects your working, ask for the reason, not just the correction.

5.5 Limitations

The study rests on one person’s cases in one firm over eleven weeks, most of which fell in the peak filing season. The 54 cases were assigned to me, not drawn at random, so they say little about taxpayers at large. I had little exposure to business income or to assets other than shares, mutual funds and RSUs. The firm’s financial statements were not



available, so nothing is said about its revenue or profit. The portfolio counts are rounded and the gender split I made from first names is not reported here because it was only an estimate. The worked examples use invented figures throughout. The literature review is also limited. It draws on the statute and standard textbooks and does not cover peer-reviewed research on tax compliance or advisory practice.

6. Conclusion

For the clients I worked with, a good return was the end product of a chain of checks rather than a single calculation. The law on RSUs, foreign credit and advance tax is learnable in a few weeks. Applying it correctly depends on complete documents, reconciliation against official records, a review that someone other than the preparer carries out, and clear explanations to the client. For a finance student the lasting lesson is that tax work and financial analysis share the same habit, which is to trust a number only when you can say where it came from.

On the learning side, the placement gave me practical command of return preparation from start to end, of AIS reconciliation, of RSU and FTC workings, and of Winman and Excel. It also improved less measurable things, such as writing clear explanations for clients, working to statutory deadlines and keeping a record that someone else can follow. I came out of it convinced that tax advisory is a fair training ground for anyone heading into finance, because it forces attention to documents and to how a number was reached.

Declarations

Conflicts of Interest

The author completed the on-the-job training described in this paper at the firm studied and declares no other conflict of interest.

Funding

The author received no specific funding for this work.

Ethical Approval

The study draws on the author's own aggregated work records and involved no interviews or surveys of human participants. No client name, PAN, address, contact detail or case date is reported, and every worked example uses invented figures. No formal ethics committee approval was sought.

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