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| **Client Name:** Cosmopolitan Industries Pvt. Ltd. (CIPL) | | |
| **Accounting period:** 01 July 2020 to 30 June 2021 | | |
| **Prepared by:** Tanvir Ahamed | | **Date:** 07 June 2021 |
| **Final reviewed by:** Humaun Ahamed |  | **Date:** 09 June 2021 |
| **Final Reviewed by:** Faruk Uddin Ahammed, FCA, CISA |  | **Date:** 09 June 2021 |
| **Subject:** Tax process | | |

**Tax process**

**Objective:** The objective of this memo is to document **Tax process** of the Cosmopolitan Industries Pvt. Ltd. (CIPL)

**Process performed:** Following process is noted from the discussion with Md. Golam Mowla, Deputy General Manager-Finance & Accounts, Epic BD

**Step by step process is described below:**

1. When money is received from EPIC Designers Limited (EDL) and DWC, Dubai for sales at that time Bank deducted Advance Income Tax and Central Finance team record this transaction with following journal entry:

Advance Income Tax………………….Dr

Bank………………………………………..Cr

1. It is adjusted with Income Tax-On Net Profit-Current Year when sales are realized and Central Finance team record the transaction on the basis of sales with the following journal entry

Income Tax-On Net Profit-Current Year………………Dr

Advance Income Tax………………………………………….Cr

1. At the yearend bank certify the amount of Advance Income Tax that was deducted during the year.
2. Central Finance team calculate Corporate Income Tax according to Income Tax Ordinance, 1984 and it is approved by CFO.

**What could go wrong? :**

Tax expenses may not be computed in accordance with ITO 1984.

**Control applied:**

Income tax is calculated by Deputy General Manager (Financial control-Taxation) and approved by CFO.