



Cooperative Education Report

Analyzing Business Expenses Deduction Available to Surya Nepal Pvt. Ltd

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**This Report Submitted in Partial Fulfillment of the Requirements for
Cooperative Education, Faculty of Business Administration**

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Title: Analyzing Business Expenses Deduction Available to Surya Nepal Pvt. Ltd

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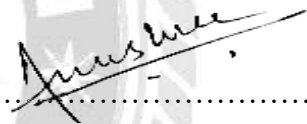
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We have approved this cooperative report as a partial fulfillment of the cooperative education program semester 1/2020.

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Abstract

This Cooperative report entitled “Analyzing business expenses deduction available to Surya Nepal Pvt. Ltd” has the goal to examine the operational system and financial strategies used by a multinational company. Objectives of the study include: (1) to understand the Income tax act of Nepal. (2) to implement the knowledge gained and understanding about the deductible expenses of Income tax act. (3) to gain the knowledge and help execute strategies, operations smoothly for the tax department. The company Surya Nepal Private Limited which is an Indo-Nepal-UK joint venture, now the largest private sector enterprise in Nepal and a subsidiary of ITC limited India, I was assigned to work as Researcher and was responsible for working in the department of tax and legal during the period 17 September, 2020 to 17 January, 2020. The main responsibilities included duties like understanding the business expenses and deductible expenses, getting an idea for claiming business expenses, knowing the Income act law of Nepal from the Inland Revenue Department, Cases analysis of different countries, doing comparison with Indian tax regime and many more. Various issues arose throughout the internship, but excellent advice and supervision from the supervisor made this experience great and educational. As a person, I've learnt a lot more about work ethics and have been able to improve my communication and interpersonal skills, which are crucial for job advancement and profession.

Keywords: Deductible expenses, Income tax act, learning, knowledge.

Acknowledgement

I would like to take this opportunity to acknowledge all the people for the successful completion of this report. I wish to extend my sincere thanks and gratitude to Surya Nepal, Head Office, Kathmandu, for providing with this internship opportunity at their prestigious premises. This internship was an incredible learning experience for me and I am forever thankful.

Similarly, I want to express my deep sense of gratitude to Miss. Anushree Pande, my supervisor, for her constant support and guidance throughout my internship tenure. I would also take this chance to appreciate Mr. Ravi kc for permitted me to undergo the internship in their esteemed organization and giving me the opportunity for the successful completion of the internship.

I am very thankful towards Siam University and Kathmandu College of Management for giving me such a wonderful opportunity to realize my capabilities via this internship program. I would like to express my sincere gratitude to our Principal, Mr. Bishnu Raj Adhikari and Assistant Coordinator of Co-operative Education program, Dr. Duminda Jayaranjan for providing their assistance for the successful coordination and supervision of the whole co-operative program. I would also want to extend my appreciation to Aj. Somsak Nontaganok for helping me with necessary guidelines and supervision in completion of this report. Furthermore, I also wish to express my deepest gratitude to my academic supervisor Dr. Maria Shrestha, for guiding and advising me in the development of my internship report.

Thus, I humbly extend my deepest gratitude to everyone who was directly and indirectly involved in helping me to successfully complete this internship and co-operative program. I am short of words to express my gratitude. I hope I can build upon the knowledge and experience I have gained and utilize them to the best of my potential in future endeavor. Combined support of all the above- mentioned led me to complete this research report and I am very grateful to all of them.

Palak Singh Rathour
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Important Note

COVID-19 Pandemic effect at Surya Nepal

Covid-19 is a wild spread global pandemic which have affected millions of people globally. The spread of COVID-19 heavily interfered in my internship searching process as Nepal government announced lockdown during the fourth week of March as a precautionary measure. Due to this many company has applied the concept of 'work from home'. In the third week of September I got a job at Surya Nepal. My supervisor asked me to work from home from as the company was following the strict precaution and has been working from home since the September, Beginning of the pandemic.

The company operations are at halt that is why the major portion of my work was associated with tax research. I was assigned to work on a research paper from home to support operational work to the tax department due to which there was a lot of research to do during this lockdown. However, due to the work from home culture, it enable more agility and flexibility in my working arrangements. The internet has made it possible for me to be continually connected to the supervisor. Tools such as Zoom have made communication much easier and at times can lead to more efficient and effective meetings.

Covid not only has consequences at Surya Nepal, all of society is affected, affected millions of people globally, which has led to dramatic changes in how businesses act and consumers behave. At the point when we get to work in a similar office, it can cooperate with one another with no restrictions. I know I would have learned so much more if it wasn't for this pandemic, if it wasn't for work from home culture but now I have come to accept this new culture.

List of Abbreviations

BBA- Bachelors in Business Administration

EHS- Environment, Health & Safety

ITC- Indian Tobacco Company

ISO- International Organization for Standardization

KCM- Kathmandu College of Management

PMD- Primary Manufacturing Department

QUAS- Quality Assurance

SD- Standard Deviation

SNPL- Surya Nepal Private Limited

WFH- Work from Home



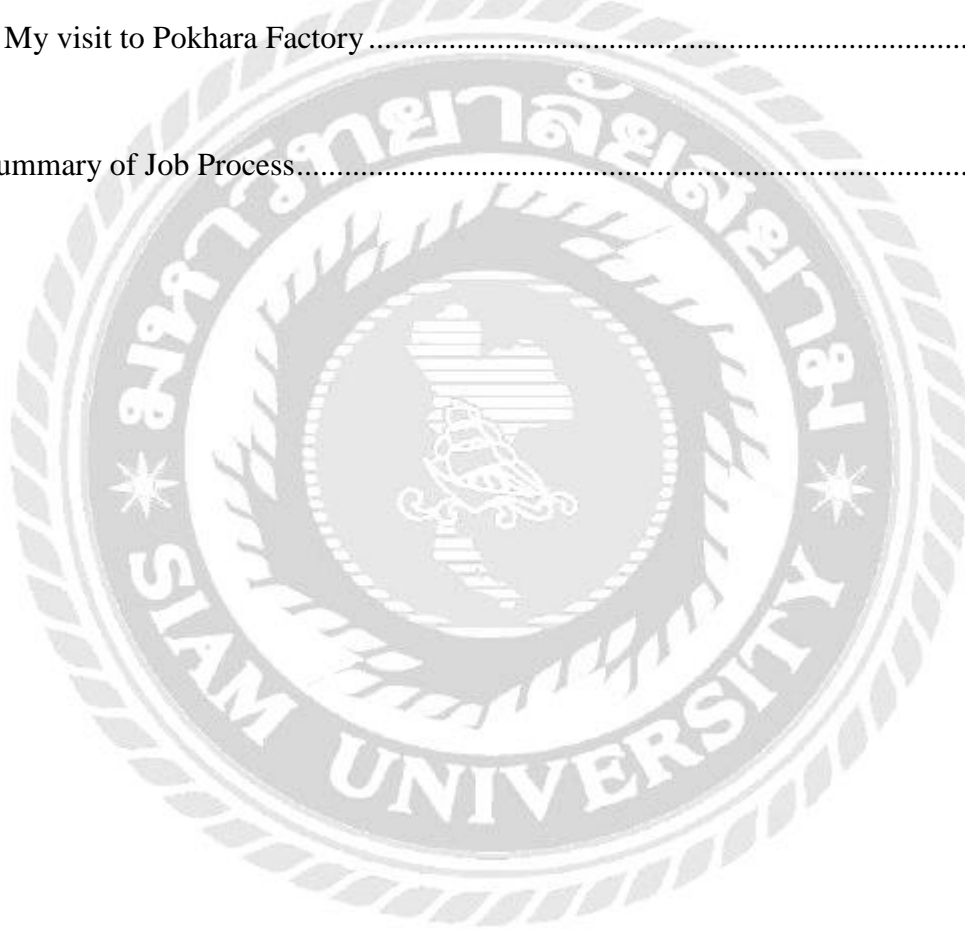
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Chapter 1: Introduction

In this chapter, the background of SNPL is presented to provide the readers information. The company profile, the organizational structure of the company, my motivation to choose this company as my workplace for training, and company strategic analysis are included as follows:

1. Company Profile

An Indo-Nepal-UK joint challenge, Surya Nepal Private Limited (SNPL) which commenced operations in Nepal in 1986 is now the biggest non-public zone corporation in Nepal and a subsidiary of ITC Limited, India. Their companies encompass production, sale and distribution of cigarettes, matches, agarbatti and confectionery. Surya Nepal unfolds its enterprise operations into garment zones with the motive of diversification. They commenced production of clothes with leased capacities below the John Players label, for ITC Limited, India, in January 2004. They released the emblem for high-satisfaction and style in apparels inside an affordable price. Surya Nepal Private Ltd was established with the Vision of “Growth through Quality and Excellent”. It is officially referred to as Surya Tobacco Company. It is a joint challenge among British American Tobacco (BAT) protecting 2%, ITC Limited 59% and Nepalese marketers protecting 39% shares. It has its manufacturing facilities in Simara, Seratar and Biratnagar, with the head office in Kathmandu. SNPL has given a brand new form to the domestic cigarette market. The organization first of all began out its manufacturing with manufacturers of cigarette, Naulo and Bijuli every of which has their own brand extensions. Surya is the very best promoting brand in Nepal on the top rate section in which Khukuri is a popular brand. SNPL has over 70% to 75% of the overall marketplace proportion of the cigarette enterprise in Nepal in terms of value. In the top rate section it commands approximately 95% of the overall market share. In terms of brands and income, its brands are the most sellable manufacturers in Nepal.



SNPL has the biggest and most powerful 2 distribution network coverage among all of the FMCG companies in Nepal, covering throughout Nepal. 75000 retailers are served through 6000 secondary wholesalers and 60 entire distributors. SNPL brand stands for corporation ethos and the ideals it holds true as a company. It reflects the company's passion for quality and excellence and compelling vision to create enduring value for all its stakeholders. The mountain stands for SNPL deep roots in Nepal, and connotes an experience of solidity and permanence, symbolic of its position as the nation's foremost professionally controlled corporation. The rising sun stands for leadership as well as corporate passion for excellence. It encapsulates the pioneering spirit that inspires corporations to create and innovate products that adhere to the very best global

requirements as well as create enduring value for its stakeholders. The sun additionally represents the optimism that it feels for the future, and its deep conviction that, through generating employment, earning foreign exchange and through diverse CSR efforts, help create a better, brighter tomorrow for everyone

1.1 Mission

To provide a superior sourcing solution to customers in order to build a long-term competitive advantage. And to give all smokers of our brands, as well as consumers of other tobacco products, a better smoking experience.

1.2 Vision and values

- To be a globally recognized multi-business organization in Nepal, satisfying global and local consumers with a proud “Made in Nepal” logo and accounting for 2% of the country's GDP.
- To be a partner in national development and to provide long-term benefit for all stakeholders

1.3 Strategies of company

Surya Nepal is a professional corporation governed by a board of directors that is dedicated to create long-term value for the nation and its shareholders. It has a strong organizational culture that is based on its basic principles of respect for individuals and belief in empowerment. Its overall value generation concept is supported by excellent corporate governance policies and systems. Its strategies are to foster competent and focused top management teams for each of the companies in order to create distributed leadership inside the organization. Continuously enhance and develop Corporate Governance processes and systems in order to accelerate management's entrepreneurial energies by achieving a golden balance between executive freedom and the requirement for effective control and accountability

1.4 Location

SNPL is located at Kantipath, Kathmandu. It is situated in Bagmati Province, Kathmandu Metropolitan City.

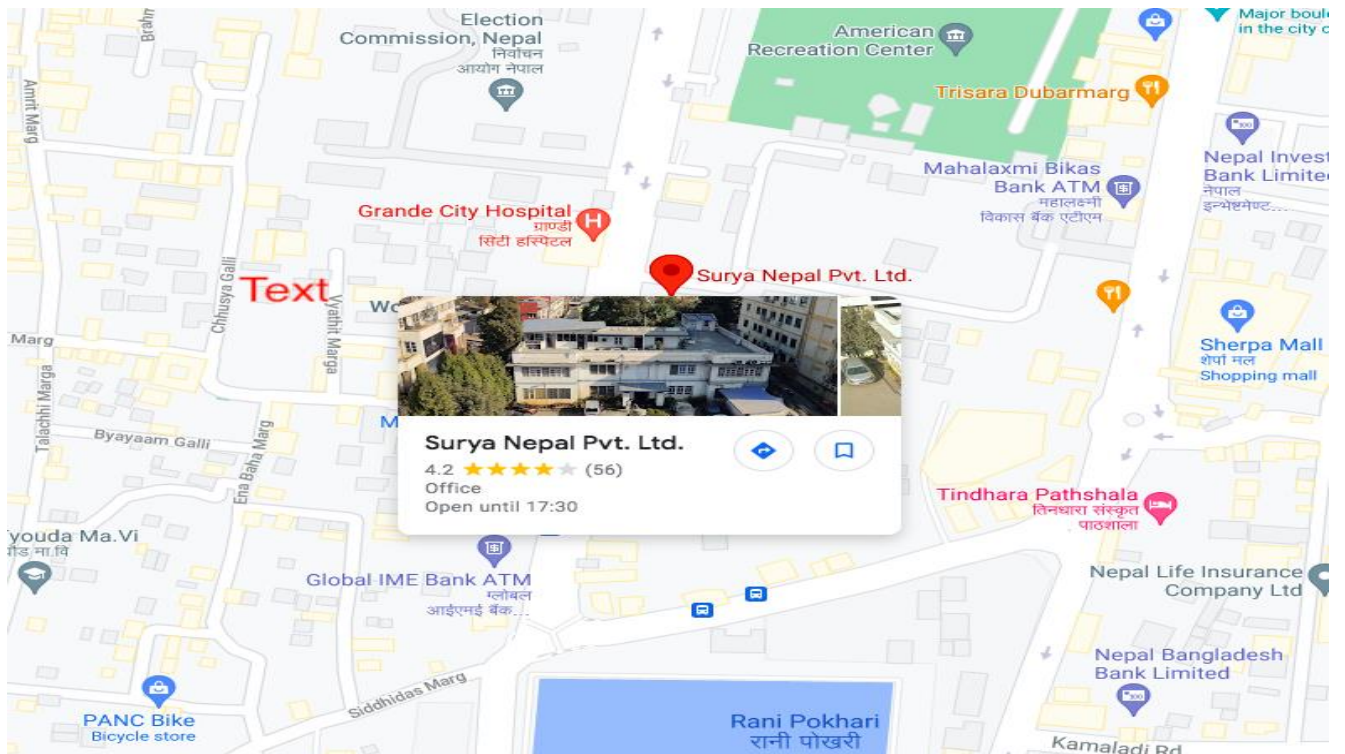


Figure 1: SNPL Location

1.5 Major Products of the company

Portfolio of Business

SNPL's business includes the manufacture of cigarettes, matches and agarbatti in Nepal and the main manufacturing company in paying taxes. The total number of permanent employees working in the tobacco department of the Simara factory of SNPL consists of 47 managers and 353 non-managers. Its business comprises manufacture, sale and distribution of cigarettes, matches, agarbatti and confectionery.

1.5.1 Cigarettes

Surya Nepal Pvt. Ltd. (SNPL) has been in the cigarette manufacturing business for over 25 years and has created successful brands such as Surya Legend, Surya 24 Carat, Surya Luxury Kings, Shikhar Filter Kings, Khukuri Filter, Pilot, Bijuli, and Chautari to cater to a wide range of consumer tastes and preferences.

As one of Nepal's largest FMCG companies, SNPL has a vast distribution network in the nation for its products, which reach over 5000 whole sellers and over 100,000 retailers.



Figure 2: Different cigarette products of SNPL

1.5.2 Safety Matches

SNPL sells Safety matches purchased from third-party sellers. The Safety Matches business combines SNPL's core capabilities in sales and distribution, brand creation, and supply chain management to provide high-quality safety matches to Nepalese customers. The "Tir" Safety matches effectively answer the requirement for a quality product in this business and have successfully built a reputation for themselves.



Figure 3: Safety Match "Tir"

1.5.3 Agarbatti

The goal of the company's strategy to enter the agarbatti sector is to provide job opportunities in Nepal for the poorer sections of society. It is envisaged that SNPL's strong distribution network would help in market penetration and enable the company to grab a respectable share of the market. Access to ITC's Mangaldeep brand, product portfolio, and technical understanding will provide SNPL with a competitive advantage. Mangaldeep agarbatti's core proposition is to give people with a superb scent experience at cheap pricing. Mangaldeep's portfolio includes products that are either floral, herb, or wood (Sandal) based fragrances, as well as others that are fine scent.



Figure 4: Mangaldeep Agarbatti

1.6 Capital structure

The capital structure of SNPL is as follows:

1. Authorized capital 18,00,00,00,000
2. Issued capital, subscribed and paid-in capital 2,01,60,00,000

The share capital of the shareholders can be summarized as:

1. British American Tobacco (BAT) 2%
2. ITC 59%
3. Nepalese shareholders 39%

1.7 Awards for the company

MILESTONE MATRIX	
<i>Year</i>	<i>Awards / Accolades</i>
1999/00	British Safety Council Award
2000/01	First National Safety Award
2001/02	ISO9001:1994, QMS
2002/03	FNCCI excellence award
2003/04	ISO 9001:2000, QMS
2004/05	ISO 14001:2004 EMS
2005/06	SA 8000:2001
	FNCCI excellence award-2 nd time
2006/07	OHSAS 18001:1999
2007/08	OHSAS 18001:2007 ,newer version
2008/09	ISO 9001:2008 QMS
2009/10	SA 8000:2008 (Social accountability)
2010/11	FNCCI People excellence Award
2011/12	QMS, EMS & OHSAS for Leaf Operation
2015/16	EnMS 50001:2011 (Energy Management System)
2016/17	ISO 17025:2005 for Integrated ab
2017/18	QMS, EMS, SA version escalation
	Environment Friendly Industry Award (1st Prize)
	Letter of Appreciation by Labor Office (Compliance on revised Labor Act & OHS)
2018/19	Letter of Appreciation by Department Environment after EIA Audit for the first time

Figure 5: Awards

2. Organizational structure

An organization is a group of individuals who work together in a systematic and coordinated manner to achieve one or more goals. A good organization is thus required to decrease industrial complexity, cope with expanding competition, optimize resource usage, decrease labor difficulties, fix authority and responsibility, ease administration, and inspire innovation. Any organization's objectives must be clearly specified for the entire company, each department, and even each job in the organizational hierarchy. There must be uniformity of aims so that all efforts may be focused on accomplishing the established goals at the lowest possible cost. The organization structure of SNPL is of functional type. The entire organizational activities are divided into specific functions such as commercial, production, quality assurance, safety and

security etc. Each functional area is assigned to a functional expert, who has the power to make all decisions about the function anytime it is performed throughout the organization. Specialization, effective control, efficiency, economy and facility of expansion are some of the advantages of this type of organizational structure that led SNPL to adopt functional structure of the organization.

2.1 Diagram of organizational structure

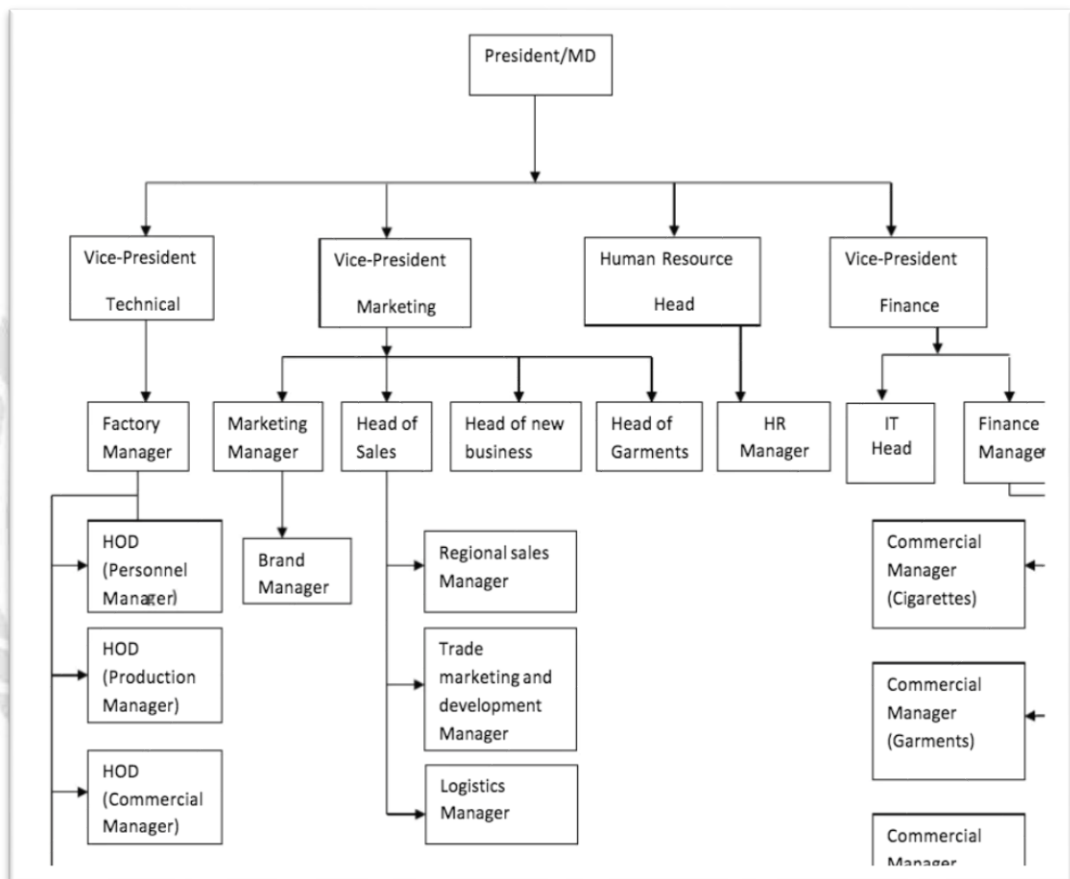


Figure 6: Organizational Structure

2.2 Job position

In 14 weeks of internship tenure at SNPL, I was assigned as Researcher Intern in Tax Department.

2.3 Job position in the company's organizational chart

Since I worked under Tax department, the picture below defines my position in the organization.

1. Vice President Finance
2. Finance Manager
3. Accountant
4. Trainee/Interns

3. Intentions to join the company

Being a BBA undergraduate in Finance & Banking, and with my experience in Bottlers Nepal Ltd & Unilever Nepal Ltd (Reputed Multinational Companies), I was equipped with the skills to gather relevant information from the financial sector, running payroll in SAP, preparing reports and performing analysis. With good communication skills, I coordinate well with my co-workers and my leadership skills assist the program in the best way possible. I always dreamt of how it looks like working in a Surya Nepal, one of the reputed multinational company. Hearing a lot of stories from my friends, I use to be fascinated about the working style, culture and corporate settings. So, having all this since the very beginning, I joined ITC- Surya Nepal.

My secondary intention was to understand the corporate culture in such large structure and to understand the success behind such multinationals. I also intended to join this company because it's a largest tax payer to Nepal government and thought will be a great exposure working in tax department. Having said that, I thought I would get an opportunity to work with the best company of the country. The major intentions to join Surya Nepal was to know how multinational companies operate and function at Tax Department.

4. SWOT analysis of SNPL

SWOT analysis is a management activity in which managers assess organizational strengths (S), weaknesses (W), as well as environmental opportunities (O) and threats (T). Once the organization's resources have been identified, it must determine which of those resources are valuable and reflect the organization's strengths and weaknesses



Figure 7: SWOT Analysis of SNPL Pvt. Ltd

Strengths

Old Company Being the nation's one of the oldest company in this field. It is producer of the most popular brands of cigarettes in Nepal. Its popularity in the market has helped it gain the largest share in the market.

- Brand Loyalty

As earlier mentioned about its market leadership, its quality has increased its popularity is a tremendous consent which has boosted its brand loyalty to the greatest event in Nepal. Smoker of other brands may shift to its products but it's rarely seen that its consumers shift to other products. Habits die hard, like many of the consumers had said that they have health problems with switching brand too.

- Price

It is seen that generally cigarette's price rise with time and quality. Satisfied consumers can pay higher prices to the product. Surya is though gradually changing its prices but the sales is still growing as it has the products for all the segments of the market.

- Few competitors

This Company is the market leader. However some of the competitor of its brands is JCF (YAK) and NCF (MARLBORO).

- Innovation

SPNL constantly pursue newer and better processes, products, services and management practices. It will help the company to grab better and larger number of customers in the market.

Weaknesses

Distribution plays important role in the sales of products like cigarettes. Huge the distribution channel lead to higher sales. So the company must have a great distribution channel. The 20 retailers of Surya receive the products from the whole sellers or the daily sales service. Though they are doing their work properly, there are creating constraints that are affecting the distributions. These can be overcome only by using wide distribution channel as well as effective daily sales services.

Opportunities

- Launch of new brands

Surya has a great market share in the cigarette segment it can easily introduce new brands in the market according to the changing trends.

- New filter brands

Since the people are becoming more health conscious and the increasing preference of filtered cigarettes, Surya can also launch different new quality cigarettes like cigar and international brands in the market.

- Premium

Since it is the producer of the most sellable FMCG product in Nepal, it has high chance to earn premium in the products as well as other new segments against its brand images.

- Huge capital

It is a joint venture company of Nepal and India, it has huge capital capacity which can be very helpful in grabbing market opportunity.

Threats

- Monetary and Fiscal Policy

With the change in tax slabs every year, each brand is placed under different tax slabs according to the cigarettes. So the prices of the brands are liable to increase and change every year. This might result the consumers to switch into cheaper brands or even quit smoking.

- Competitors

Currently, the company enjoyed monopolistic leadership in the market, competing only

with foreign brands. But due to the government's policy of liberalization and encouragement in the private participation during the 80's new company started coming into the market.

- WHO

WHO has been working hard to raise public knowledge about the health risks linked with cigarette smoking practices. This has significantly reduced the number of smokers.

- Employee resistance

Employees' resistance and various trade unions' activities can impose severe threat to SNPL. For e.g. - the employees of SPNL stood on hunger strike after the official shut down of garment factory of SNPL.

5. Objectives of this Co-operative study

The major objective of working in Surya Nepal was to know how multinational companies operate and function at Tax Department. Some more objectives are segregated into:

1. To get an insight about the Income tax act of Nepal.
2. To help increase my knowledge, experience in General deduction.
3. To develop connections and build networks in the corporate world.
4. To learn about how big companies handle difficulties and come with solutions

Chapter 2: Co-op Studies Activities

2.1 Job Description and Responsibilities

Internship Role: Researcher (Intern)

Intern Worksite Location: Work from home, Tax Department, Kantipath, Kathmandu

Length of Internship: 14weeks

Internship Start Date: 15th September

Internship End Date: 10th January, 2021

Internship Description

I was assigned to work on a research paper to support operational work to the tax department at Surya Nepal. So, my major focus area is to know about business expenses under section 13 in income tax act Nepal to help execute strategies and operations smoothly for the tax department. The intern is expected to perform tasks such as understanding company expenditures and deductible expenditures, gaining a concept for claiming expenditures, learning the Nepal Income Act law from the Inland Revenue Department, analyzing cases from different nations, and comparing the Indian tax system. If the intern can demonstrate their eligibility in the required areas, they will be eligible for further opportunities.

Under the supervision of Miss. Anushree Pande, I was assigned “Work from Home” as a four-month research project with numerous goals to meet. The internship had various particular aims that were full of learning, difficulties, and accomplishment for me, in addition to the general purpose of acquainting me with the understanding of Income tax law.

2.2 Job Responsibilities and Job process diagram

The roles and responsibilities I had during my internship period at Surya Nepal are as follows:

1. Studying various business expenses/ deduction related articles

During this period of the internship, I have studied various articles online in attempts to understand the departments, and currently I am focusing on the Tax department, learning about things to consider when itemizing deduction given under Section of 13-20 and how they are processed, Inland Revenue Department gives me all the necessary information about Tax rules. I

was able to get knowledge about other departments and Corporate law through interactions with my supervisor and also with the help of other Websites and materials review, as required.

2. Understanding the business expenses, knowing the rules for claiming allowable of Business Expenses and Illustration of how allowable Business Expenses Reduce Taxes Payable

I was assigned to know and identify the expenses if the expenses may be deducted against income to reduce the amount of tax payable. (Inland Revenue Authority of Singapore, 2021) Allowable business expenses are expenses that can be claim as deduction against your business revenue to reduce the amount of tax you have to pay.

By doing interactions with my supervisor, I understood the general rules for claiming allowable of Business Expenses, which are:

1. Expenses must be related to business. It shouldn't be under personal or private nature.
2. Expenses must be incurred in respective financial year.
3. Expenses should be supported by proper and complete source documents that should be kept for at least five years to substantiate your claims.

Illustration

Business Revenue of XYZ company: NPR 80,00,000

Business Expenses: Total Business Expenses: NPR 30,00,000

Disallowable Business Expenses: NPR 20,00,000

Allowable Business Expenses: NPR 10,00,000

Income Subject to Tax: $(80,00,000 - 10,00,000)$ Business Revenue - Allowable business expenses.

3. Understanding the concept of deductible

(Income Tax Act, 2058) Any person may, for the purpose of computing his income from any business or investment in any income year, deduct the following expenditures related with the transactions, subject to this Income Tax Act

1. Made in that income year,
2. Made by that year, and
3. Made in earning income from the business or investment

4. Keeping the track of expenses that may not be deducted

As an intern, I had to know about the expenses which cannot be deducted. By doing research, I found out (Income Tax Act, 2058) ,

1. Expenses of domestic or personal nature,
2. Distribution of profits by any entity,
3. Political contributions
4. Professional certification, accreditation, and licensing fees
5. Professional reputation improvement expenses
6. Relief fund contributions
7. Rent payments
8. Residential telephone service
9. Stockholders' meeting attendance expenses
10. Tax penalty payments
11. Travel expenses for another person
12. Voluntary unemployment benefit fund contributions

13. Wages never received

5. Business Expenses Analysis

As an Intern, under researching I had to visit the website of Inland revenue of different countries, I had to read the journals, articles, Supreme court cases in order to analyze the expenses. I along with the help of my supervisor, I did various research on the following expenses:

1. Can Personal Expenses Be Shown as Business Expenses in Filing Income Tax?
2. Entertainment Expenses/ Donation/ Gift given
3. What are the tax implications of pension plans?
4. Whether expenditure on CSR activity is eligible for tax deduction under the Income Tax?
5. Dividends and "Double Taxation" is eligible for tax deduction under the Income Tax Act?
6. Are Business Loans Tax Deductible in Nepal?
7. Repair and Maintenance Expenses
8. Tax benefit for research and development
9. Depreciation and deduction under Income Tax Act
10. Tax rule for deducting business losses

6. Preparing comparison between Indian tax regime with Nepal's.

6.1 Interest deduction

Nepal Section 14: We can deduct all interest due this year from the following liabilities incurred by generating business income: If the liability was incurred through borrowing and that amount was used in that year or used to purchase real estate in were used this year.

India Section 36: Deduction of interest for business or professional purposes is permitted when calculating income under the heading "Profits and Profits for Business or Professional Purposes".

According to the provision of Section 36, the deduction of the interest on the capital borrowed for the acquisition of a new asset is not permitted up to the point in time when the asset is used, so that the interest corresponding to this period is capitalized.

6.2 Allowance for cost of stock in trade

Nepal section 15: The amount spent on the purchase of trading shares is offset as expenses for a trading company against the closing inventory value, which means that the only consumption is allowed as a deduction.

India: The amount spent on the cost of manufacturing the goods sold is recognized as an expense.

6.3 Pollution Expenses

Section 17 of Nepal: allows the deduction of pollution control costs to the extent incurred in the operation of this business for that year.

Although the deductible cost capital is calculated in each fiscal year under this subsection, it will not be more than fifty percent of the taxable. Taxable income of all companies operated by this person.

Excess expenses or parts thereof that do not exceed the limit specified in paragraph 2 can be capitalized and depreciated at the beginning.

6.4 Loss from Business or Investment

Nepal's Section 20: For the purpose of calculating the income of a person from any business or investment in any initial year, that person may deduct the loss incurred by any other investment and not deducted that year, as well as the loss resulting from that person, or any other investment, which has not been deducted in the past seven years. If someone received a full corporate or capital income tax exemption in any income year, the loss incurred in that income year will not carry over to the next tax year.

India's Losses incurred under the "Business Income" heading that are not derived from speculative transactions, unless adjusted with other income in the year of the loss, can only be carried forward and offset by income from the "Business Income" heading. This loss can only be carried forward for 8 years.

The following losses are deductible from business income.

- Loss due to fluctuations in the exchange rate of the foreign currency held in the income account.
- Loss of trading inventory due to destruction by an act of God
- Damage caused by theft or robbery on the factory premises during or after working hours.

The following losses are not deductible from the operating income:

- Non-occupational damage caused by the expert.
- Damage caused by damage, destruction, etc of capital assets.
- Expected future losses.

6.5 Research and Development Costs

Nepal's Section 18: Same as pollution expenses.

India's Section 35: Scientific research relating to a company or class of company would include:

- Any scientific research capable of conducting or facilitating expansion of that company or all companies of that class; depending on
- Any scientific research of a medical nature which has a special connection with the well-being of the workers employed in this company or with all companies of this class
- If the companies does scientific research of its own purpose i.e. business related then it is given 100% of the expenditure (other than expenditure on land)
- If the companies does scientific research not for their own business but for the general research for public let's say, then government gives extra 50% i.e. 150% for motivation purpose.

7. Cases Analysis

During this period of internship, under the guidance of supervisor I did a case study analysis

of India, United Kingdom and Nepal which required me to investigate and draw a conclusion similarly on Nepal's regime.

2.3 Contributions as a Co-op student in the company

As a KCM student, I was always involved in a wide variety of activities ranging from finance to marketing to PR building. The contributions I have made to Surya Nepal are explained below. During this time of internship, I studied various articles online to try to understand the tax and research departments. I was focused on the Tax Department and learning what to consider when listing the deduction given in Section 13-20 and how it is processed, the Internal Revenue Department provides all the necessary information on tax regulations. Interacting with my manager and using different web sites and reviewing materials as needed has given me perception into different departments and company law. Eligible enterprise expenses are expenses that may be deducted from enterprise profits to reduce the quantity of tax payable.

By interacting with my supervisor, I understood the general rules for claiming business allowances. As an intern, during the research, I had to visit the Internal Revenue website of various countries and read the Supreme Court cases, articles, and cases to analyze the spending. During this internship, I did an analysis of a case study from India, UK and Nepal under the guidance of the supervisor and forced me to do some research and come to a similar conclusion. I'm glad that my research paper supported operational work for the tax department at Surya Nepal.

2.4. My Job Process Diagram

I worked for 14 weeks at SNPL. The work process is divided as per the month wise and has been explained in detail in above. From the above described, my job process diagram from week 1 to week 14 is shown as follows:

Months	Key Responsible Area
September 15 th -October 15 th	Research about tax case laws of Nepal
October 16 th -November 16 th	Determining Deductions under Income act of Section 13-20, General and special deduction
November 17 th -December 18 th	Preparing comparison between Indian tax regime with Nepal's.
December 19 th -January 10 th	Drawing conclusion of Tax cases.

Table 1: Summary of Job Process

Chapter 3: Learning Process

This chapter contains the learning process used and knowledge acquired by the student during the internship period.

3.1 Identification of Problems Encountering during the Internship

In the tenure of my internship at the company, I faced some challenges as an intern. However, I tried my level best to address the problems. The problems I encountered during the internship are explained briefly below:

COVID-19 Pandemic, The pandemic was the largest and the most unpredictable issue. I encountered during my internship. It also created a barrier to internal and external communications. Many tasks had to be postponed or delayed. As I am from Finance background, I was expecting to get assigned in that department. However, as I wanted to challenge my limits. I decided to work on a field different from mine. I faced difficulties in adjusting in my early days. Communication Gap was another problem that I faced was the complexity of contact. There was a limitation on cooperating with each other as we were not in the same workspace. In some activities particularly those that are more collaborative, there is no substitute for face-to-face contact. Video conferencing may be the solution sometimes, but it's not a complete substitute. Time management and Workload imbalance, There would be a lot of work to do on some days and there would not be so many on some. This would lead to high performance pressure on some days and on the other, too much leisure. As there was interdepartmental work on certain tasks, there would be reliance on someone else to complete a task to begin another task that would eventually lead to rushing on a lot of work.

3.2 Identify how you successfully solved the problems.

The problems raised by the COVID-19 pandemic were rather easy to overcome because of the department I interned in. I could stay in constant contact with my supervisor through calls and video calls. We would brainstorm ideas together via what's app which helped to come up with better results. It didn't long for me to get used to the home style of work. Being in constant contact with my supervisor helped me get accustomed to the new work environment. I tackled the problem regarding time management and workload balance by finishing part of the work assigned which

was not dependent on another person, Using leisure time to finish other tasks to ensure the other day won't be too hectic.

3.3 Recommendation for the company

With reference to the preceding conclusions, the following recommendation can be made:

1. The company should frequently allow the intern to use software under the supervision of other staff
2. The assigned supervisor should create an appropriate timetable for the interns based on the work description.
3. Interns must be appropriately instructed for the required task rather than working independently, which can aid the intern in learning and practicing efficiently.
4. Interns should be paid because they are also working.

3.4 What have you learned from Co-op studies

Every action is taken with the goal of achieving a certain goal in mind. The Co-op study assisted us in understanding and analyzing how we should direct our efforts. It also helped in the comprehension of the organizational environment and culture. The Co-op study permitted the acquisition of skills and methods through real work scenarios directly related to the development of a career in many areas. It essentially helped in answering the question of how to attain our broader goal. Along with this, several minor and significant lessons were learnt, broadening the intern's knowledge and bringing work maturity. As a consequence, throughout the fourteen weeks of the internship, I obtained the most exposure to what it is like to work in real life, thanks to the information gained from Co-Op courses. The Co-op program is beneficial.

3.5 Applying the knowledge from the coursework to the real-life working situation

Throughout the three years, the learned outcomes assisted me in not only understanding but also applying to real-life working situations, as some of the coursework such as – Professional use of English, Organizational Management and research provided me with a fundamental understanding of research methodologies and how the taxation process works. I was in Research, it did not require in-depth knowledge of the courses I had taken in college, as anyone with good communication and research skills could have completed the task assigned to me by the job supervisor. However, my knowledge of the third-year research course made me recognize the importance of working on a research paper to support operational work for the tax department. However, the in-depth understanding of the course finance benefited me more in my previous internships at Coca-Cola and Unilever but some of the course work like:

1. **Professional use of English:** It really helped me doing communication at work, writing mails, agreements and contracts.
2. **Organizational Management:** This course help me to do management of time and understanding work ethics
3. **Research:** My knowledge of the third-year research course made me recognize the importance of working on a research paper to support operational work for the tax department at Surya Nepal.

Working on several multinationals using the skills I gained from my degree work was a wonderful experience for me.

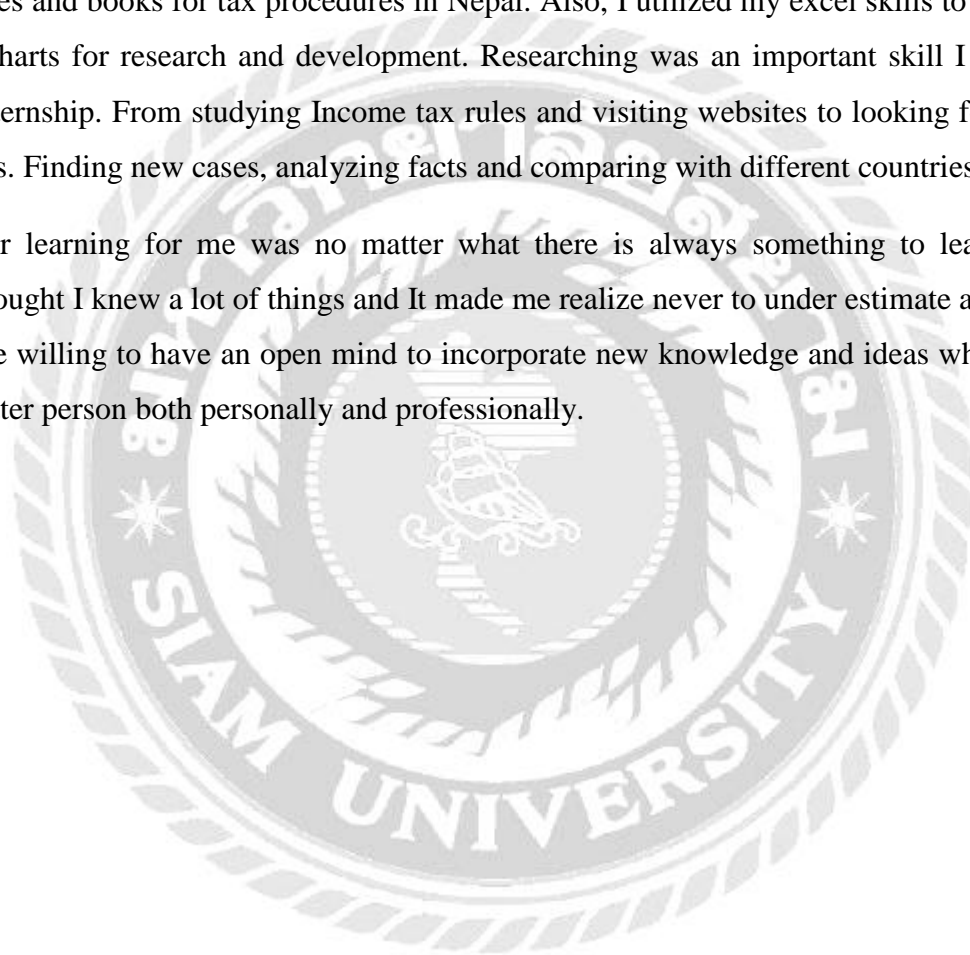
3.6 Details of the related learning process and new knowledge student has received

One of the biggest learning for me was that things do not occur as per the set theories every time. A theory remains the same everywhere for a particular situation however, practical learning has a lot of external factors affecting it. Practical learning is subject to the people you're learning from or working from or the surrounding you are working in. I was also able to develop my communication and interaction skills. There is a lot of difference between the college life and the life of an employee. The first thing that is needed is socializing skills which can make us successful. During the internship, I tried to know how the industry actually works. I also learnt to

adjust myself in the office environment. There is a certain way to interact to people in the job. I learned that public relations is a major component for businesses in Nepal so it is very important to be able to maintain such relations.

In the short period of the first two weeks, I got the gist of how this company functions. Due to COVID-19 the works had been affected a lot. However, the company was still involved in its work. In order to complete assigned roles, I read a lot of articles related to taxation. I also went through articles and books for tax procedures in Nepal. Also, I utilized my excel skills to prepare comparison charts for research and development. Researching was an important skill I learned during my internship. From studying Income tax rules and visiting websites to looking for other countries laws. Finding new cases, analyzing facts and comparing with different countries,

Another learning for me was no matter what there is always something to learn. For example: I thought I knew a lot of things and It made me realize never to under estimate anything and always be willing to have an open mind to incorporate new knowledge and ideas which can make be a better person both personally and professionally.



Chapter 4: Conclusion

This chapter includes the highlights of the co-op studies at SNPL, self-assessment, limitation of the internship and the recommendation for the college.

4.1 Summary of highlights of your Co-operative studies at SNPL

My internship period of fourteen weeks provided me the wonderful opportunities to know about the Surya Nepal Private Limited.

1. I learned the reality of a professional organizational setting. Most importantly, the responsibilities, completion of tasks and importance of time management and developed interpersonal and communication skills
2. Learning from such experienced and cooperative staff made my internship at SNPL more manageable, and the I was able to develop and represent as a member of the Surya Nepal.
3. My contribution was in doing research about the deduction of UK, India and Nepal. This has proven to be very helpful for the company.
4. Learned about the Company's various products in Factory and how they are manufacture.
5. Recognized the significance of cooperation, coordination, and interconnection among a MNC various departments for smooth operation
6. Learned how to reviewing journals, articles and communicate.
7. Familiarized with the institutional culture and values of the corporate world.

4.2 Self-assessment as a professional

Working at Surya Nepal furnished me with lots of possibilities to excel my expert skills and construct my potential. I have been capable of recognize my self confidence and produce something to the table. This internship made me revise my very own strength and weakness, which enabled me to hone my strength further and turn my weaknesses into strength. I became capable of understanding the fact that opportunities and chances are available around us if only we were able to grab them at time and make right use out of them.

Internship opportunity is a splendid approach in assisting someone become a higher version of themselves. This internship made me efficient in dealing with multiple ventures at a time. I additionally found out how crucial it is to be broad-minded and accept your mistakes because at the end we are all here to learn. Only this mind-set will assist us to move forward and create a mark and give us a competitive aspect in the future.

In a nutshell, internship possibility is truly crucial for each business student to realize about an organization and industry of self-interest to excel in future endeavors. I need to thank my Supervisor and entire team at Surya Nepal for giving me this possibility of interning at their esteemed premises.

4.3 Limitation of Co-operative studies

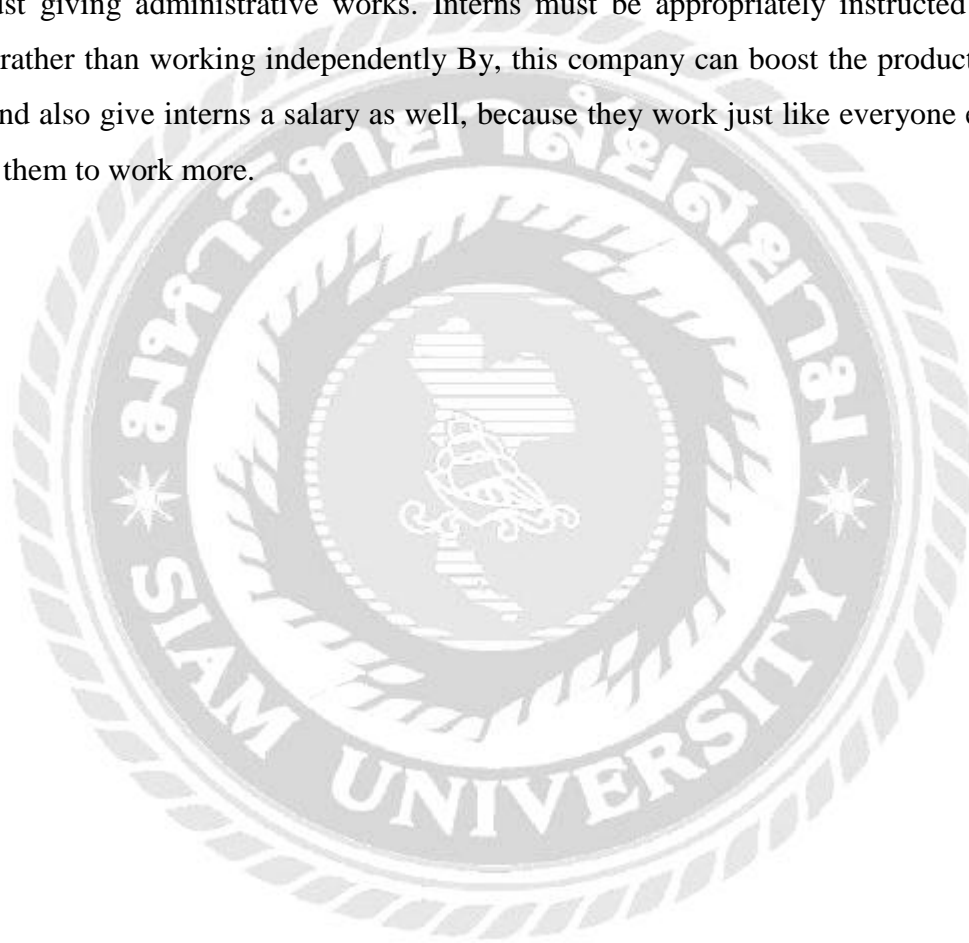
In and of itself, the internship opportunity offered by SNPL was a tremendous accomplishment. However, an intern is unlikely to be able to cover everything in a short amount of time. Despite the fact that there were numerous chances for internships available, and because constraints are a component of any progressive system, there were a few restrictions. They are as follows:

1. Fourteen weeks is insufficient time to learn a lot and get to know the firm well.
2. Interns are absolutely banned from getting access to the system
3. As a consequence of the SNPL's private policy for confidentiality preservation, restricted access to various parts and information has decreased the scope of exposure in it.
4. Because the intern is only allowed to work in a few areas, only data from those departments is available.
5. Given the pandemic scenario and the fact that I was working from home, it was difficult for me to gather information from the appropriate individual.
6. This report does not describe how the manufacturing firm works in general, and it may not be applicable to other companies of a similar sort.
7. Nonetheless, despite the restrictions indicated above, I tried my best to obtain appropriate

information from job supervisor and sincerely performed the job.

4.4 Recommendation for the company

Apart from the aforementioned recommendations given to the company, there are other feedback the company can consider. I recommend the company to give or involve the interns in some specific project so after the completion intern feel they have achieved some bigger and better rather than just giving administrative works. Interns must be appropriately instructed for the required task rather than working independently. By, this company can boost the productivity of the interns. And also give interns a salary as well, because they work just like everyone else and this will push them to work more.



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Annex



Figure 8: A Glimpse of the Factory



Figure 9: Glimpse of Head office, Kathmandu



Figure 10: My visit to Pokhara Factory

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