e-Proceedings Response Acknowledgement

INCOME TAX DEPARTMENT

PROCEEDING DETAILS	
PAN/TAN	ACXFS3783R
Name	SILVER OAK REALTY
Assessment Year	2016-17
Proceeding Name	Assessment Proceeding u/s 143(3)
Document Reference ID	100000004012393
Notice Section	143(3)
Description	[ITBA]Show Cause Notice
Notice Issue Date	04-10-2018
Due Date for Submission	08-10-2018
Communication Sent date	
Document Id	ITBA/AST/F/143(3)(SCN)/2018-19/1012801193(1)
RESPONSE SUBMITTED	
Remarks	This is reply in response to show cause Notice date d 04-10-2018 which is served today ie., 09-10-2018. The hearing date given is 08-10-2018.The reply att ached herewith please be considered.
Hash * value of remarks	Eh3lr1zMsp5R3bI2HJ9PbmM6Dp/UedEZfB8ziz5nNbk=

Sl No.	Attachment name	Description	Size (bytes)	Hash * value of attachment
1	Silver Oak Realty.pdf	Reply to show cause notice	757906	qK7Yp+r1b0m7LrESNUWu FKpvT70qSxl7lzroLmoq zLs=

This is a system generated acknowledgement and does not require signature.

* Hash : This value will uniquely identify the uploaded files and remarks.

09/10/2018

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
WARD 10(3),HYDERABAD

To, SILVER OAK REALTY 5-4-187/3&4 II FLOOR 5-4-187/3&4 II FLOOR ,SOHAM MANSION M G ROAD RANIGUNJ 500003 ,Telangana India	

PAN:	AY:	Notice No:	Dated:	Hearing Date and Time:
ACXFS3783R	**2016-17**	**ITBA/AST/F/143(3)(SCN)/2018-19/1012801193(1)**	**04/10/2018**	**08/10/2018 11:52 AM**

SHOW CAUSE NOTICE

Please refer to this office notices u/s.142(1) issued on 25-08-2018,10-09-2018,15-09-2018 & 20-09-2018 calling for information. So far there is no compliance from your side. In this connection you are requested to show cause why the assessment should not be completed by treating the income from sale of land under the head income from capital gains and taxed accordingly. Your reply alongwith the information already called for should be furnished on or before 08-10-2018 failing which the sale consideration received during the FY 2015-16 amounting to Rs.1,20,00,000/- will be treated as income from Long term capital gains.

S Sarala
SARALA BASAVARAJU
WARD 10(3),HYDERABAD

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Silver Oak Reality

Office: 5-4-187/3 & 4, II floor, Soham Mansion, M G Road,

Secunderabad – 500 003. Ph: +91 40 66335551

dt. 9/10/18

TO:
Income Tax Officer,
Ward 10(3) Hyderabad,
A.C Guards,
Hyderabad

Sir/Madam

Sub: IT Scrutiny Assessment Proceedings – Own case Asst Year 2016-17-Reply to Show Cause Notice-Reg.

Ref: Your Notice No ITBA/ASDT/F/143(3) (SCN)/2018-19/1012801193(1) dated 04/10/2018.

We acknowledge the receipt of the above notice today i.e. on 9/10/2018. The date of hearing fixed is 08/10/2018. In reply the following is submitted for your kind consideration.

1. In the above referred notice is requested to Show Cause as to why the sale of land amounting to Rs. 1,20,00,000/- should not be treated as income from long term capital gains.
2. The firm is Pre-dominantly engaged in the business of development of real estate. The same is evidenced under a Partnership Deed dated 25th, August,2015. The relevant clause 4 of this Partnership deed is reproduced below.

The nature of business of the firm shall be to do the business of real estate developers, managers, advisors, underwriters, retailers, promoters of group housing scheme, etc or any such other business (s) that may be mutually agreed upon.

It may be noted that the firm is formerly known as Mehta & Modi Homes

3. The consideration of Rs. 1,20,00,000/- towards sale of land is credited to construction account and is part of the Business Income.
4. The firm since its inception has been carrying on the business activity that of developing real estate. In pursuance of its business that of real estate(including land , buildings under constructions) that is purchased and developed is being considered as Inventories in the Balance Sheet. The consequent sale of real estate inventories is considered as part of business income. This has been followed consistently over past many years and I T Assessments from time to time

have been completed u/s 143 (3) considering income under the head" Income from Business and profession"

5. Keeping in view the above facts it is submitted that land sold by the firm is not a Capital asset within the meaning of Section 2 (14) as the same is held for the purposes of firm's business and stock in trade.
6. It is therefore requested to kindly drop your proposed action to treat this income from sale of land as income from long term capital gains.The income raising on sale of land is rightly considered as Business Income .

Yours faith fully,

For Silver Oak Realty

for (Partner)