

Date : 28-05-2018.

From
Vista Homes,
5-4-187/3 & 4, Soham Mansion,
2nd Floor, M.G. Road,
Secunderabad – 500 003.

To
Assistant Commissioner of Income tax,
Circle 10(1),
Hyderabad.

Sir,

Sub: Scrutiny Assessment Proceedings – Own case – A.Y.2016-17 – PAN – AAGFV2068P –
Submission of information – Reg.

Ref: Your letter date 09-05-2018.

In connection with the Income Tax assessment proceedings for the A.Y.2016-17 you have requested for certain information vide above referred letter. The same is furnished herewith for your kind consideration.

1. **Nature of Business:** The firm is engaged business of Real Estate / Developers / Manager. In the course of Business the firm has developed a housing project named as "Vista Homes" situated at Kushaiguda.
2. **Method of Accounting:** Revenue from property development activity which are in substance similar to delivery of goods is recognized when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.
Revenue from these property development activities which have the same economic substance as that of a construction contract is recognized based on the 'Percentage of Completion method' (POC).
The revenue is recognized where the progress on the project has reached to a reasonable stage of 25% completion. The work percentage of work completion is determined with reference to the proportion of project cost incurred for work performed upto the balance sheet date bear to the estimated total cost of each project.
The estimated cost and revenue are reviewed by management periodically and effect of any change in such estimates is recognized in the period in which such changes are determined.
3. **Computation of Income, Financial statement & Audit Report:** The audited financials, Computation of income, 3CD & 3CB for the Financial year 2013-14, 2014-15 & 2015-16 are enclosed Annexure – I, II & III.
4. **Sundry Creditors:** Ledger copies of Sundry Creditors suppliers are enclosed Annexure – IV.



5. **Sundry Creditors confirmation**: Confirmation of sundry creditors whose balances outstanding is above 1 lakh will be provided within 15 to 20 days. You have also requested to suppliers bank account statements, their copy of IT Returns, P & L Account and Balance Sheet. The details we will not be able to gather, since they will not like to share with us.
6. We hope the above information is in order.

Thanking you,

Yours faithfully,

For Vista Homes

PARTNER.