Date : 16-03-2021.

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

To
Assessing Officer,
National –e Assessment Centre,
Delhi.

Respected sir/Madam,

Sub: IT Scrutiny Assessment Proceedings – Own case – PAN No.AAGFV2068P
Assessment Year 2018-19 – Submission of information – Reg.

Ref: your letter dated 15-03-2021 DIN: ITBA/AST/F/17/2020-21/
1031473064(1).

In connection with the income tax assessment proceedings for Assessment Year 2018-19, certain information requested for is submitted herewith for your kind consideration.

1. **Explanation on total expected revenues**
   The total expected revenue as submitted is rs.78,86,39,600/-. We have submitted the computation of revenue from sales of Flats adopting Percentage Completion method (PCOM). As per this working sheet the expected revenue is Rs.67,91,02,566/- This revenue is only for those flats which are booked/sold out of the total project. The revenue will have to be recognized only for those flats which are booked / allotted for which agreement of sale is entered into. Unsold flats will not form part of the sale revenue that is to be recognized under PCOM. Thus it is submitted that there is no variation with regard to total expected proceeds in respect of flats which are booked etc. The total expected revenue for the entire project as submitted is Rs.78,86,39,600/- the working sheet for the same is enclosed herewith **Annexure – A.**

2. **Explanation on high Closing Stock**
   The closing stock as on 31-03-2018 is Rs.6,50,58,781/-. The working sheet for the same is enclosed herewith – **Annexure – B.** It may noted that the value of the closing stock is arrive at as under:

Details	Amount
Opening land & wip	13,5,45,936.65
Add: Expenditure incurred during the year	9,03,5,423.84
	22,54,97,360.49
Less: Recoveries for Extra spects etc. during the year is deducted	12,95,593.00
	22,42,01,767.49
Less: Cost to be recognized corresponding to revenue recognized during the year is deducted	15,91,42,986.43
Closing Inventory value	6,50,58,781.00

The cost to be recognized for the year of Rs.15,91,42,986/- is as per the computation of revenue from sale of flats under PCOM. For a quick reference the working sheet is enclosed **Annexure – C.**

It may be noted that as against the total expected project cost of Rs.67,43,29,905/-, the cost incurred upto 31-3-2018 is Rs.46,84,08,456/- which translates to 69.46% of the work completed (or progressed) . Thus the cost to be recognized for the period upto 31-3-2018 works out as under:

i)	69.46% of expected revenue for sale of Rs.67,91,02,566/-	47,17,04,642.00
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ii)	Expected Gross profit on the project is 14.49%	
iii)	Thus the cost to be recognized till 31-03-2018 Will be 85.51% (i.e. 100% (-) GP of 14.49%) Of Rs.47,7,04,642/-	40,33,49,495.00
iv)	Less: Cost recognized is earlier upto 31-3-2017	24,42,06,509.00
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	Cost to be recognized for Financial year 2017-18	15,91,42,986.00
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We hope the above working will explain as to the value of the closing stock as on 31-03-2018. It can also been seen that value of sales inventory that have remained to be sold is rs.10,95,37,034/-(i.e. expected total project revenue of Rs.78,86,39,600/- less expected total revenues for flats booked sold of Rs.67,91,02,566/-. As against this balance expected realizable sale revenue of Rs.10,95,37,034/- the inventory value is only Rs.6,50,58,781/- (about 59.3%).

3. **Total constructed area of the project**

   The total constructed area of the project will be 4,06,600 sft. The flat wise super built-up area (including common amenities, club house etc.) is enclosed herewith **Annexure – D**.

4. **Details of month wise material purchase of building materials**

   The details is enclosed herewith **Annexure – E** along with ledger account copies.

Account	Amount	Remarks
Bricks/Stonedust/Redmud/Babychips	446,635	Annexure E1

Cement	7,380,057	Annexure-E2
Cement Solid Bricks	2,704,591	Annexure-E3
Chemicals	75,841.40	Annexure-E4
Consumables	405,624.20	Annexure-E5
Doors	1,103,273.80	Annexure-E6
Electrical Material	5,200,728.00	Annexure-E7
Equipment	529,377.00	Annexure-E8
False Ceiling Material	374,027.23	Annexure-E9
Furniture	39,578.00	Annexure-E10
Gardening Material	122,675.00	Annexure-E11
Granite / Stones	605,248.18	Annexure-E12
Hardware Material	1,268,024.96	Annexure-E13
Metal	398,665.51	Annexure-E14
Modular Kitchen Component	1,333,056.33	Annexure-E15
Painting Material	2,906,586.35	Annexure-E16
Plumbing & Sanitary Material	4,552,524.55	Annexure-E17
Sand	3,442,055.99	Annexure-E18
Steel	13,080,731.04	Annexure-E19
Sundry purchases	2,388.00	Annexure-E20
Tiles	3,135,108.76	Annexure-E21
Water proofing Material	878,947.20	Annexure-E22
Aluminium Windows	1,269,479.60	Annexure-E23
Building Material	42,940.00	Annexure-E24
Lift	135,998.00	Annexure-E25
Lift Installation charges	34,002.00	Annexure-E26
Morrum	101,360.00	Annexure-E27
MS Grills & Pipes	915,428.85	Annexure-E28
Plywood /Wood	1,380,790.00	Annexure-E29
RCC/Cement Ring	22,140.00	Annexure-E30
RCC Rings	3,600.00	Annexure-E31

We hope you will find the above information in order.

Thanking you,

Yours faithfully,

For VISTA HOMES,

(PARTNER).