

UNDERTAKING

From,
Swapna Nidugurthi and Rakesh Nasalwai
Flat No. 26, H. No. 10-1-109/1, Prathibha Nivas,
Trimurthy Colony, Saroor Nagar Hyderabad - 500 035

Date: 23-03-2012

To,
The Managing Partner,
M/s. Mehta & Modi Homes,
5-4-187/3&4, II floor
Soham Mansion, M.G. Road,
Secunderabad - 03

Sub.: Undertaking for payment of service tax & VAT.
Ref.: Booking for bungalow/villa no: 33 in the project known as "Villas at Silver Creek"
at Survey. No. 74 & 75, Cherlapally, Hyderabad - 500 051.

Dear Sir,

I have booked the above referred bungalow / villa and in that regard documents like booking form, Agreement of Sale, Sale Deed, Construction Agreement etc., were executed. As per the terms agreed between us, I have agreed to pay the VAT & service tax that is leviable or may become leviable for the purchase of the said bungalow / villa.

Service tax & VAT are applicable for the transaction between Builder/ Developer and Purchaser. However, the applicability of the rules is not clear. I have been informed about the divergent views regarding the applicability of service tax & VAT for the bungalow / villa purchased by me.

I am also aware that the Builder is liable to collect VAT & service tax from its prospective purchasers and remit the same to government from time to time. I am also aware that service tax and VAT are paid on monthly/quarterly basis on the composite transactions of the Builder for a given period after claiming credit for items like CENVAT, input credit for materials, etc. (if any).

I have also been informed that the Builder can only provide proof of payment of VAT / service tax that is paid periodically and proof of payment for a individual unit cannot be given.

Liability towards VAT & service tax has been estimated for my transaction based on our present understanding of the applicability of the rules. The amount paid by me as per the estimate may be held as deposit with you.



I request you to pay VAT & service tax, from time to time, as you may deem fit, that is applicable or may become applicable for the purchase of my bungalow /villa in light of the divergent views as to applicability of taxation as on date and also for the reason that the final outcome is uncertain.

In case a liability to pay service tax and VAT arises as a consequence mentioned above, I request you to discharge the liability from the deposit lying with you. I further request you to refund the amount (balance – if any) to me in case of change in the estimated liability towards VAT & service tax as a result of final clarity/decision in the matter or at the end of the litigation in relation to the above.

I further agree that the decision to make the payment of service tax and VAT (in part or full) along with interest and penalty shall solely be your privilege. You may at your discretion decide to pay the service tax and VAT instead of continuing with the litigation. I shall not raise any objections on any count referred above.

Thank you.

Yours sincerely,



Place: _____
Date: 23-03-2012