

Incubation Agreement

This Agreement is made on this day of 20__ by and between _____, a Company registered under the Companies Act 1956, having its registered office at _____ through its Directors and the promoters (herein after referred to as “Incubated company or incubatee” which expression shall include unless it be repugnant to the context or meaning thereof mean and include their successors, representatives, assigns, promoters etc.)
.....OF THE FIRST PART

AND

YCCE TBI Foundations, a section 8 company, established by Yeshwantrao Chavan College of Engineering (hereinafter referred to as ‘YCCE TBI FOUNDATION’) as special purpose vehicle, to foster successful entrepreneurs and develop startups in the Knowledge and Technology based area (hereinafter referred to as ‘Incubator’ which expression shall, unless it be repugnant to the context or meaning thereof, mean and include their successors, representatives, assigns, promoter etc.).....OF THE SECOND PART.

WHEREAS, the YCCE TBI Foundation has started an Incubation program as per the Incubation policy, whereby the Incubator has been providing the incubation facilities.

AND WHEREAS, the Incubatee, on getting the information of the aforesaid Incubation Program of the YCCE TBI Foundation, had approached the Incubator & had requested it to incubate the Incubatee, so as to enable the Incubatee to avail the incubation facilities at YCCE Nagpur.

AND WHEREAS, thereafter, the Incubator has apprised the term & conditions, on which the Incubator was ready to incubate the Incubatee & the Incubatee had also orally communicated it’s acceptance to the said terms & conditions of the Incubator.

NOW THE TERMS & CONDITIONS OF THE AGREEMENT BETWEEN THE INCUBATOR & THE INCUBATEE FURTHER WITNESSETH AS FOLLOWS:

1. Objectives

YCCE Nagpur agrees to incubate _____ in the YCCE TBI Foundation. The purpose of incubation unit will be to:

- Promote & interact with, and resource technology/expertise from faculty members and research scholars and laboratory infrastructure in the various departments and centers of the Institute.
- Help in getting other kinds of techno-managerial expertise required that is not available within the institute.
- Incubating novel technology and business ideas into viable commercial products or services.

2.0 Tenure of Incubation

The Incubated company/incubatee has been using the facilities of YCCE TBI Foundation with effect from _____ and is carrying out full fledged activities as a Incubated company/incubatee. YCCE TBI Foundation has been extending all the facilities of incubation from the said date.

2.1 YCCE Nagpur will permit Incubatee Company to commence incubation in YCCE TBI Foundation with effect from _____ and the incubation shall expire on _____.

2.2 The period of Incubation can be extended only by YCCE Nagpur at its discretion if a request is made by the company.

3. Facilities and Infrastructure

That YCCE Nagpur will provide facilities to the Incubated company/incubatee as per the regulations framed by YCCE Nagpur in this regard and as amended from time to time. The facilities and infrastructure more specifically are as in Annexure 3A.

Upon admission to YCCE TBI Foundation, certain facilities as given in Annexure 3A, will be offered to the Incubated company/incubatee on payment basis as prescribed in Annexure 4. Further, YCCE Nagpur has the right to inspect and examine the premises allotted to the Incubated Company/incubatee at any point of time during the incubation period/stay at the YCCE TBI Foundation. On the completion of the incubation or when the Incubated company leaves YCCE TBI Foundation due to any other reason, all the furniture, space and any other facilities provided shall be surrendered to YCCE TBI Foundation in good condition (after allowing for normal wear and tear in the case of equipment). All costs incurred for such restoration to good condition shall be borne by the Incubated company and in case YCCE TBI Foundation has to incur any further expenditure to get the equipment or the room back into good condition then the same shall be recovered from the Incubated company and/or its directors or promoters. All dues including that of the accommodation at the hostel should be cleared by the Incubated company before it leaves the incubation otherwise, all outstanding dues shall be recovered from the company or its directors and/or promoters.

3.1 Common infrastructure

YCCE TBI Foundation provides a common pool of hard and soft infrastructure to be shared by all incubatee/Incubated companies. Certain resources can be provided on charge basis by YCCE Nagpur on request of the Incubated company and subject to the rules and regulations in this regards as applicable from time to time.

3.2 Institute infrastructure

YCCE TBI Foundation will facilitate access to the Institute's infrastructure on request of the Incubated company/incubatee as per regulations made by YCCE Nagpur in this regard. The facilities will remain under the overall control of YCCE Nagpur and will be available to the Incubated company only for specific activities.

3.3 Services of Professionals

YCCE TBI FOUNDATION may identify and associate professionals for accounting, IP, legal and management expertise on a part-time basis. Incubatee/Incubated Company can avail of their services on prescribed charges. Any direct services provided to an incubatee would have to be paid for by the incubatee to the service provider on mutually agreed terms and conditions.

YCCE TBI FOUNDATION may also provide soft infrastructure and business services by third party to the incubatee companies, if YCCE Nagpur so agrees on the request of the Incubated company/incubatee. Possible services and support items on payment basis are listed as in Annexure 3B. YCCE TBI FOUNDATION may also, if regulations of YCCE Nagpur permit, to assist the Incubated Company/Incubatee in getting consultancy services through partner organizations and identified consultants, in the areas such as Market research and opportunity identification, Valuation of Businesses, Competitor Research, Market analysis and sizing, Customer Search, Electronic Research, Marketing plan formulation Consulting on strategies at various stages: Launch, Growth and Harvest of businesses. However it is made clear that YCCE TBI FOUNDATION acts merely as a facilitator for any services and the Incubated company/incubatee shall have to make an agreement with the service provider towards terms and conditions for availing the service. YCCE TBI FOUNDATION may on its discretion provide certain services on subsidized or no-charge basis.

3.4 Mentoring and Advisory Facilities: Each Incubated Company or Incubatee is required to have a Faculty mentor from YCCE Nagpur or if permitted by YCCE Nagpur, from any other Institute as a Faculty Mentor/ Advisor, primarily for technical issues. The terms and conditions in this regard have to be worked out by the Incubated company/incubatee with the faculty concerned and intimated to YCCE Nagpur.

4. Consideration

4.1 The Incubatee/Incubated Company is required to provide a Non-Dilutable Equity (as defined in Annexure 2) equivalent to 2% of the director's /promoter's equity to YCCE TBI FOUNDATION, In addition to this the Company has to provide 1% of the director's / promoter's equity or 100 shares whichever is higher to each mentor of YCCE Nagpur, if dedicated mentorship allocated and provided, read with the SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT Annexure 1 of this Agreement. Further: -

4.2 YCCE Nagpur/YCCE TBI FOUNDATION shall levy charge on the Incubated company/incubatees for infrastructure and facilities, current rates are given in Annexure 4.

4.3 Charges for seed money and YCCE Nagpur's Intellectual Property would be as decided by YCCE Nagpur.

4.4 YCCE Nagpur/YCCE TBI FOUNDATION may change the above rates from time to time at its discretion and date of implementation of the amended charges shall be applicable with immediate effect.

4.5 A monthly charge other than office space, will be charged by YCCE TBI FOUNDATION and shall be payable strictly within seven days from the date of the communication in this regard.

4.6. The Incubated Company/Incubatee shall have to execute separate agreement for seed money and/or Intellectual Property/know-how, Technology owned by YCCE Nagpur, as and when a request is made and agreed upon by YCCE Nagpur.

4.7 The Incubated company will pay to YCCE TBI FOUNDATION a charge for utilization of the space allotted to it @ Rs.08.00 per Sq. Ft. per month. The consideration shall be Rs. 2000/- Only (Rupees Two Thousand only) per month. The said consideration shall be payable by the company in the following manner:

4.7.1 Rupees Six thousand per quarter shall be payable in advance for every quarter one week before the start of the quarter or on the 24th of the month preceding the quarter. Quarter for this purpose would mean the quarter as per the English calendar commencing from January every year. The consideration for the quarter during which the incubation commences shall be proportionately adjusted taking into consideration the date of commencement of the incubation.

- 4.7.2** The company would have option of deferring 50% of the charges as mentioned in 4.7.1 till the time they exit from YCCE TBI FOUNDATION .
- (i) In lieu of such deferment either they can pay back later but before the exit with an interest of 12% compounded quarterly or alternatively the Incubated company /incubatee shall issue additionally 1% of the equity to YCCE Nagpur and this equity shall also be a Non-Dilutable.
- (ii) **Default in payment:** If the company defaults to pay at any time any dues then they shall have the option to pay such dues at the time of exit with 12% interest compounded quarterly or shall issue non-dilutable equity at the option of YCCE TBI FOUNDATION.

$$\% \text{ of Equity} = \frac{\text{Computed unpaid amount}}{\text{Computed total amount during the incubation}} \times 1\%$$

4.8 On the request of Incubated Company/Incubatee access to any other facility of YCCE Nagpur's infrastructure shall be made available and shall be charged as per the YCCE Nagpur regulations.

5.0 As a statement of faith on the value of partnership with YCCE NAGPUR the company is committed to issue equity shares to YCCE TBI FOUNDATION as per clause 4. At the time of disposal the decision of YCCE TBI FOUNDATION / YCCE NAGPUR regarding buyback of full or part of the 3% equity issued shall be conveyed to the company and the company shall abide by the decision. The buyback and equity disposal rules are as contained in Annexure 2 and the SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT annexed to this Agreement.

5.1 That the Incubated company shall surrender and vacate the premises on YCCE NAGPUR on a notice by YCCE TBI FOUNDATION no advance notice is required to be given by YCCE TBI FOUNDATION to the Incubated company.

5.2 That YCCE TBI FOUNDATION shall have lien on the assets of the Incubated company at the incubation center till such time that the Incubated company clears all the outstanding dues.

5.3 That the 'SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT' Annexure 1 forms part and parcel of this agreement and is hereby accepted by the Incubated company in its entirety and the Incubated company and its directors hereby indemnify YCCE TBI FOUNDATION and undertake to remain responsible for all dues payable or losses suffered on account of any act, negligence, default on the part of the Incubated Company/ Incubatee and its Directors and employees.

6. Amendments Notwithstanding anything contained hereinabove or in the 'SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT' annexed thereto YCCE TBI FOUNDATION may at any time amend all or any part of the agreement and its annexure and the Incubated Company/ Incubatee shall be bound by the said amendments. The amendments shall be applicable with immediate effect.

7. Arbitration: Any/all disputes between the Incubated company/ incubatee shall be referred for arbitration to the person so nominated by the Director YCCE TBI FOUNDATION under the Indian Arbitration & Conciliation Act whose decision shall be final and binding upon the parties. The place of arbitration shall be Nagpur.

8. YCCE TBI FOUNDATION reserves its right to nominate a representative on the Board of Director of the Incubated Company/Incubatee till the time YCCE TBI FOUNDATION holds equity. The Incubatee/Incubated Company shall indemnify to YCCE TBI FOUNDATION or nominee any loss suffered or expense incurred in as a result of such nomination.

In witness whereof parties hereto have signed this Incubation Agreement on the date and year mentioned hereinbefore.

For & on behalf of

Signature

Name

Designation

Seal

Witness (Name & Address)

1.

2.

For & on behalf of

YCCE TBI FOUNDATION, YCCE Nagpur

Signature

Name

Designation

Seal

Witness (Name & Address)

1.

2.

Annexure 1 to the Incubation Agreement

SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT

The company hereinafter called the “Incubated Company/Incubatee” as per the Incubation Agreement with the Institute for Synergistic collaboration through YCCE TBI FOUNDATION has been permitted. If there is any conflict in the rules and byelaws given below, with any of the clauses of the agreement mentioned above, the rules/clauses of the said agreement will prevail.

RULES AND/OR BYELAWS:

Rule-1

Tenure of Incubation

The Incubated company/Incubatee will be permitted to incubate in YCCE TBI FOUNDATION for a period of Twenty four Months. Two further extensions can be granted for 6 months each at a time, at the sole discretion of YCCE Nagpur.

Exit

The Incubated company/Incubatee will be required to leave the incubator under the following circumstances:

- After the completion of the Incubation including extended incubation period, if any.
- Underperformance or in-ability to perform business as evaluated and decided by YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis
- Irresolvable promoters’ disputes in opinion of YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis
- Violation of any Statute, rules and regulations of YCCE Nagpur in the opinion of YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis.
- Capital cash flow exceeds Rs 2 crores in the opinion of YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis
- Number of employees of the incubatee exceeds 20
- When the annual gross revenues of the incubatee (excluding all the taxes) exceeds Rs. Two crore or the Net Profit After Tax exceeds Rs. Fifty Lakhs
- When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan
- Incubatee plans for a public issue in the opinion of YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis
- Change in promoters'/ founders' team in the opinion of YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis.
- Any change of more than 50% of equity ownership unless approved by YCCE TBI FOUNDATION , in the opinion of YCCE TBI FOUNDATION /YCCE Nagpur on case to case basis
- Any other reason for which YCCE TBI FOUNDATION may find it necessary for an incubatee Incubated company to leave.

Notwithstanding anything written elsewhere, YCCE TBI FOUNDATION 's decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.

Rule-2

The Incubated Company/Incubatee shall undertake Research & Development, Design/Testing, prototype development from YCCE Nagpur’s premises but shall not carry out warehousing, storage, marketing sales or other commercial routine activity.

Rule-3

The YCCE TBI FOUNDATION address in YCCE Nagpur Campus cannot be used as the address of the Registered Office of the Incubated company/incubatee.

Rule-4

Subleasing or subletting of any kind of the space given by YCCE TBI FOUNDATION is not allowed. Non-observance of this rule will result in immediate expulsion.

Rule-5

If an incubatee/Incubated company require more space or has vacant space, a request for additional space/surrender of the space is required to be made to YCCE TBI FOUNDATION in writing.

Rule-6

The Incubated company/Incubatees are required to provide a list, as per the following format, of their full time and part time employees at least once every month:

S.No.	Name	Age	Sex	Full time or part time	Qualification & Experience	Designation & Responsibilities /Duty	Address	Signature

Rule-7

All the visitors to the YCCE TBI FOUNDATION Complex are required to sign in the visitor's register and collect their visitor's badges/passes. They must bear these passes/badges at all times while in the YCCE TBI FOUNDATION complex. They are required to return these passes/badges while leaving the building.

Rule 8

The space given at YCCE TBI FOUNDATION complex is without any furniture. The Incubated company or the Incubatee are required to submit their lay out plan for any modifications, permanent fixtures etc which they are planning in the space provided to them. Without the prior approval of the lay out plan from YCCE TBI FOUNDATION they cannot undertake such work. After the completion of incubation, the space should be returned in the same condition as it was in the time of taking the occupying the space of YCCE TBI FOUNDATION excluding normal wear and tear, decision of YCCE TBI FOUNDATION in this regard will be final.

Rule-9

The Incubated company or Incubatee should observe that noise levels are kept at minimum and, no abnormal noise by any machine or by their employees or visitors should be made. Any complaint of high noise level will result in appropriate action by YCCE TBI FOUNDATION .

Rule-10

All Incubated companies/Incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex without the prior approval of YCCE TBI FOUNDATION . All the incubatee companies are required to keep a first aid kit in the space provided to them.

Rule-11

No Incubated company or its employee can display notices or signage except in the space or Boards provided for such signage by YCCE TBI FOUNDATION .

Rule-12

It is the responsibility of all the Incubated companies and their employees to use the common facilities e.g. common area, printers & other machines etc. with due diligence and care.

Rule-13

The Incubated company or incubatee shall be required to submit to the YCCE TBI FOUNDATION a unaudited/audited financial statement before the 7th of every quarter to YCCE TBI FOUNDATION office. Non-compliance with the same would result in a fine of Rs. 1000 and if the same is not given for

two quarters continuously the offices of the company would be sealed without any further notice. The company should also inform YCCE TBI FOUNDATION on the progress on the incubation projects and should make presentations to the Committee on a quarterly basis and non-compliance would result in similar penalties stated above. The Incubatee is also obliged to submit to YCCE TBI FOUNDATION one copy each of the Memorandum of Association, Articles of Association, and Annual Report (as and when approved by their Board of Directors).

Rule-14

If required, Incubated company or incubatee may involve YCCE area experts and/or use existing laboratory facilities during the developmental activities for mutual benefits. The consultancy charges payable to YCCE Nagpur area experts/ mentor will be according to the norms as laid down by YCCE Nagpur in this regard.

Rule 15

Notwithstanding any issue/dispute pending between the Company and YCCE Nagpur/YCCE TBI FOUNDATION at the time of completion of the agreed tenure of incubation period, or if given an exit notice by YCCE TBI FOUNDATION the incubatee must vacate the allotted space unconditionally.

Rule-16

The Incubated company/Incubatees are required to keep the YCCE TBI FOUNDATION informed about any visitor from abroad, foreign collaboration and/or foreign partner or director, and abide by the rules/procedures in vogue in the YCCE TBI FOUNDATION / YCCE Nagpur.

Rule-17

YCCE Nagpur/YCCE TBI FOUNDATION reserves the right to nominate one representative to the company's Board of Directors till YCCE NAGPUR exits from the company. The nomination of YCCE NAGPUR's representative shall not be deemed to be, in any way, concerned with the affairs or day-to-day working of the company and/or held liable for breach of any of the provisions by the company of the companies act.

Rule-18

The Incubated Company/Incubatees are required to keep the YCCE TBI FOUNDATION informed in advance and obtain their concurrence in writing for the following during the incubation period:

- a) Change of Name of Incubation Company to any other form of legal entity
- b) Any Major change in their incubation/business plans
- c) Change in their ownership pattern
- d) Change in their Board of Directors
- e) disposal of assets

Rule-19

YCCE TBI FOUNDATION /YCCE NAGPUR reserves the right to release information regarding the Incubatee /the Incubation / the product or service to the media to promote YCCE TBI FOUNDATION for non-commercial purposes.

Rule-20

All Incubated Companies incubated in the Centre would be required to submit their audited annual Balance Sheet to the Centre after graduating from the Centre.

Rule-21

On issues wherein no rules and/or byelaws are clearly defined, YCCE Nagpur rules and/or byelaws shall prevail.

Rule 22

Disclaimer

The incubate/Incubated company understands and acknowledges that YCCE TBI FOUNDATION /YCCE NAGPUR intends to provide supports facilities to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and facilities, YCCE TBI FOUNDATION /YCCE NAGPUR does not undertake responsibility for:

- Ensuring success of an incubate/Incubated company, its products/ process/ services or marketability,
- Ensuring quality of support provided by YCCE TBI FOUNDATION to the complete satisfaction of the incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee companies through YCCE TBI FOUNDATION /YCCE NAGPUR network. Incubatee companies will have to apply their judgments before getting in to a relationship with them.

The incubatee/Incubated company agrees that YCCE TBI FOUNDATION / YCCE NAGPUR or their employees shall not be held liable for any reason on account of the above.

ANNEXURE 2

Clarification to the word “Non-Dilutable” appearing in Clause 4 of the Incubation Agreement

What is Non-dilutable?

This is clarified for the interests of the parties and to avoid any confusion or ambiguity.

The Company and their Promoters agree that the YCCE TBI FOUNDATION is providing incubation facility which is very critical for growth and sustenance of the Company in early days, in return YCCE Nagpur shall be provided with 2% shares of the “promoters’ holding” in the company free of cost and this shall be duty of the promoters to maintain YCCE TBI FOUNDATION’s 2% equity of promoters’ shares till YCCE TBI FOUNDATION decides to sell or give buy back option to the Company or promoters.

Who are Promoters (For the purpose of this agreement)?

Promoters are natural persons, including their close relatives and family members, who have formed the company and have signed the Articles of Association before the Registrar of Companies and have approached YCCE TBI FOUNDATION , YCCE NAGPUR with Incubation Proposal and have signed the Incubation Agreement.

Method of valuation for Equity Disposal:

The method of maintaining the equity of YCCE TBI FOUNDATION, YCCE Nagpur at the stipulated level and the mechanism for equity disposal are as follows:

- A) On a price as mutually agreed;
- B) On a price calculated by an expert so appointed with mutual consent
- C) In case the parties do not agree with the amount calculated through mode as given in A & B paras above the valuation shall be done on the basis of the expenditure incurred and/or the assets (tangible and intangible) generated. All expenditure incurred including salaries shall be compounded on a quarterly rest basis by a risk adjusted rate of return of 24%. This rate has been arrived keeping in general, that the expected rate of return in successful ventures is of order of 40-50%. The value of the company shall be treated as equal to this value. In case where the Director/promoter are working in the company without or nominal salary/remuneration, their contribution shall be calculated for this purpose as equivalent to the Total emoluments drawn on the date of valuation by an Assistant Professor of YCCE Nagpur includes such emoluments like Basic, Dearness, House Rent Allowance and other allowances.

Illustration: Suppose “A” and “B” form a Company “C”, here A & B are the promoters for the purpose of calculation of 2% equity. Assuming that the paid-up capital of the C is 2, 06,000 and authorized capital 5,00,000 with equity holding distribution given below:

Share holding of Promoter “A”	10,000 Shares
Share holding of Promoter “B”	10,000 Shares
2% of YCCE TBI FOUNDATION equity of Promoters (A+B)	400 Shares
Total	20,400 Shares

Case 1: Suppose a Venture Capitalist (VC) invests in the company against 25 % equity in the company. The structure of the shares holding will be:

Share holding of VC	6,867 Shares
Share holding of Promoter “A”	10,000 Shares
Share holding of Promoter “B”	10,000 Shares
2% of YCCE TBI FOUNDATION equity of Promoters (A+B)	400 Shares
Total	27,267 Shares

Equity holding of Promoters (A+B) remains same, so there is no requirement to give additional shares to YCCE NAGPUR.

Case 2: Suppose Promoters increase their shares by 5000 by any mode like but not limited to issuing additional shares, bonus shares then YCCE NAGPUR's equity will also be increased, without any consideration from YCCE Nagpur for the same this is to ensure that at all time the shares of YCCE Nagpur are equal to 2% of the equity of Promoters. However this condition shall apply only up-to a period of one year from the date of exit from YCCE TBI FOUNDATION .

Share holding of Promoter "A" and 'B'	25000 Shares
2% of YCCE TBI FOUNDATION equity of Promoters (A+B)	500 Shares
Total	25,500 Shares.

Case 3: Subsequent to this, any dilution of the equity may be based on the valuation of the promoters holding at the times of valuation. The Incubatee Company can issue additional equity at a premium based on the valuation. In case the shares are issued at a rate less than the full value (value arrived as per valuation defined herein above), the YCCE TBI FOUNDATION's share holding shall also be increased in such a ratio that equity is maintained at 2% value of the pre-issue valuation.

Suppose the promoters are "A" & "B" have 1000 shares with valued at Rs. 100/- upon valuation.

Share holding of Promoter "A" and 'B' of Rs 100 each	1000 Shares
YCCE TBI FOUNDATION equity of Promoters (A+B) of Rs. 100 each	20 Shares
Total present value	Rs 1,02,000/-

A & B issue additional 1,000 shares at a premium of Rs 50 (Rs 50 × 1000), which is less than full value (Rs. 100/-)

Total Capital is Rs 50 × 1,000 + 1,02,000= Rs 1,52,000

Share of YCCE TBI FOUNDATION = (20 + X), X= additional shares to be issued to YCCE TBI FOUNDATION as a result of under valuation

Total Shares = 1000+1000+(20+X)=2000+(20+X)

Value per Share = $\frac{1,52,000}{2000 + (20 + X)}$

YCCE TBI FOUNDATION Value = $\frac{1,52,000 \times (20 + X)}{2000 + (20 + X)} = 2,000$ (Value of YCCE TBI FOUNDATION share)

(Promoters pre issue share value is Rs. 100 × 1000 shares)

$$\begin{aligned}
 &= 1,52,000 \times (20 + X) = (2000 + 20 + X) \times 2000 \\
 &= 3040000 + 152000X = 4000000 + 40000 + 2000X \\
 &= 152000X - 2000X = 4040000 - 3040000 \\
 &= 150000X = 1000000 \\
 &= X = 6.67
 \end{aligned}$$

So according to this hypothetical illustration the Incubatee Company has to issue 7 additional shares to YCCE TBI FOUNDATION against this YCCE TBI FOUNDATION shall not pay any money.

Please note that these hypothetical illustrations are only for the purpose of Clarification and should not be construed as actual which may be different from these figures.

Annexure 3A.

Facilities and infrastructure to the Incubated companies subject to the Rules and Regulations and as mentioned in clause 3 of the Agreement.

- Office space Square feet.
- Personal Computers – up to two, depending on the team size and requirement
- Printer (Common Facility)
- Internet connection one e-mail ID for the promoters who shall be responsible for any misuse of use by unauthorized persons.
- Phone lines (Intercom)
- Furniture.
- Electricity in single phase maximum of 5 KVA.
- Accommodation (One room in hostel depending upon availability)
- Any other facility requested and granted by YCCE Nagpur.

ANNEXURE 3B.

- Training in business management: structured short courses
- Training in business communication: written as well as verbal
- Accounting tools/ software
- Common secretarial pool/staff
- Experiences of successful companies – a knowledge/ information site would be created where management concepts, intellectual property evaluations, deal making, negotiations, networking, VC funding, company registrations etc are provided
- Networking events/ showcases
- Tie-ups with chartered accountants and other professional organizations as required

ANNEXURE 4

Consideration for infrastructure facilities in addition to other:

The consideration payable by the company for the use of the incubation centre facilities and infrastructure will be as follows:

Office Usage Fee	@ Rs.8/sq.ft/month
PC usage fee (up to 2 PCs)	@ Rs.1000/month/comp
Printer	@ Rs.200/month/(inkjet)
	@ Rs.500/month/(laserjet)
Internet connection	@ Rs.1000/quarter
Accommodation (Studio Apartment - 1)	@ Rs.1000/ month
Electricity charges including air-conditioning	On actuals per month
Telephone charge	On actuals per month
Any other facility required by incubate/ Incubated	On actuals per month

PERSONAL GUARANTEE BY THE PROMOTERS to YCCE NAGPUR

We, _____ son of _____ residing at _____ the Director and promoter of _____ do hereby undertake a personal guarantee to pay all unpaid or balance dues, charges and any other levies by YCCE Nagpur including an interest @ 12% compounded quarterly from the date payment becomes due up-to the date of payment. The amount payable shall be as calculated by YCCE NAGPUR /YCCE TBI FOUNDATION for using/availing facilities and infrastructure that arise against the Incubation Agreement dated signed by _____ and YCCE Nagpur. We the Directors/promoters shall keep YCCE NAGPUR indemnified against all claims, losses, damages, costs, liabilities charges and expenses incurred, suffered or paid by YCCE NAGPUR relating to the acts and omissions of the Promoters and employees of the Incubated company on its incorporation by reasons of having allowed the _____ promoted by us to use the incubation facilities provided by YCCE Nagpur. The Agreement made on Day of 20__.

Signature:
(Name)

Address:
.....
.....

Witnesses: (Signature, Name, Father's name and Address)

1.....
.....
.....

2.....
.....
.....