



தமிழ்நாடு தமில்நாடு TAMIL NADU

76AB 485693

11/2/2020 Karpagam Academy  
of Higher Education  
Coimbatore

செவ்லுமணர்  
காந்திரத்தார் வீதிகளில்  
உரிமம் எண் 10814/01/2000/01  
17/61A, பாளக்காடு செவ்லுமணர்  
காந்திரத்தார், மதுக்கரை, கோவை - 641 021



### Incubation Agreement

This Agreement is made on this 26<sup>th</sup> day of February 2020 by and between SIVAM WATTS HYBRID SYSTEMS LLP, a Company registered under section 12(1) of the Limited Liability Partnership Act 2008, having its registered office at 22, Anna Avenue, Mahalingapuram, Pollachi, Coimbatore - 642002 through its Directors and the promoters Mr. Arunachalam Sivanantham (DIN - 08699992) and Mr. Rajagopal Sureshbalaji (DIN - 08699993) (herein after referred to as "Resident 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.

*[Signature]*  
26/02/2020

*[Signature]*  
26/02/2020

REGISTRAR  
Karpagam Academy of Higher Education  
(Deemed to be University Under Section 3 of UGC Act 1956)  
Pollachi Main Road, Eachanari Post,  
Coimbatore - 641 021.



AND

Karpagam Academy of Higher Education, Coimbatore an Institute established under Section 3 of UGC Act 1956 (hereinafter referred to as 'KAHE' which expression shall include unless it be repugnant to the context or meaning thereof), in association with Karpagam Technology Incubator Trust (KTIT) established a Technology Business Incubation Centre (hereinafter referred to as TBI) with a mission to foster successful entrepreneurs and develop industry in the Knowledge and Technology based area of the second part.

KAHE, KTIT and TBI are same parties for the purpose of this agreement; TBI is the operating and implementing body of KAHE Coimbatore.

NOW IT IS DULY COMMUNICATED AND HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

### 1. Objectives

KAHE, Coimbatore agrees to incubate SIVAM WATTS HYBRID SYSTEMS LLP in the TBI at KAHE. 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.
- Provide a fully furnished incubation space with all the necessary amenities and a residential unit for startups but also a common pool of soft and hard infrastructure to be shared by all incubatee companies.

### 2.0 Tenure of Incubation

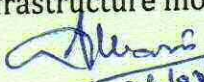
The Resident company / incubatee has been using the facilities of TBI with effect from Feb 26, 2020 and is carrying out fully fledged activities as a Resident company/incubatee. TBI has been extending all the facilities of incubation from the said date.


2.1 KAHE Coimbatore will permit Incubatee Company to commence incubation in TBI with effect from Feb 26, 2020 and the incubation is valid up to Feb 26, 2022.

2.2 The period of Incubation can be extended mutually by both the parties at its discretion if a request is made by the company.

### 3. Facilities and Infrastructure

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

  
26/02/2020

001.   
REGISTRAR  
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Upon admission to TBI, certain facilities as given in Annexure 3A, will be offered to the Resident company/incubate. Further, KAHE Coimbatore has the right to inspect and examine the premises allotted to the resident Company/incubatee at any point of time during the incubation period/stay at the TBI premises. On the completion of the incubation or when the Resident company leaves TBI due to any other reason, all the furniture, space and any other facilities provided shall be surrendered to TBI in good condition (after allowing for normal wear and tear in the case of equipments). All costs incurred for such restoration to good condition shall be borne by the resident company and in case TBI 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 resident company and/or its directors or promoters. All dues including that of the accommodation at the hostel should be cleared by the resident 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**

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

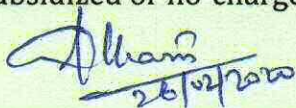
### **3.2 Institute infrastructure**

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

### **3.3 Services of Professionals**

TBI may identify and associate professionals for accounting, IP, legal and management expertise on a part-time basis. Incubatee/Resident 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.

TBI may also provide soft infrastructure and business services by third party to the incubatee companies, if KAHE Coimbatore so agrees on the request of the resident company/incubatee. Possible services and support items on payment basis are listed as in Annexure 3B. TBI may also, if regulations of KAHE Coimbatore permit, to assist the Resident 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 TBI acts merely as a facilitator for any services and the resident company/incubatee shall have to make an agreement with the service provider towards terms and conditions for availing the service. TBI may on its discretion provide certain services on subsidized or no-charge basis.

  
26/12/2020



**3.4 Mentoring and Advisory Facilities:** Each Resident Company or Incubatee is required to have a Faculty mentor from KAHE Coimbatore or if permitted by KAHE Coimbatore, 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 resident company/incubatee with the faculty concerned and intimated to KAHE Coimbatore.

#### **4. Consideration**

**4.1** The Incubatee/Resident Company is required to provide a Non-Dilutable Equity (as defined in Annexure 2) equivalent to 10% of the promoter's equity to KAHE Coimbatore, In addition to this the Company has to provide 1% of the promoter's equity or 100 shares whichever is higher to each mentor of KAHE Coimbatore read with the SALIENT RULES FORMING PART OF THE INCUBATION AGREEMENT Annexure 1 of this Agreement. Further: -

**4.2** Charges for seed money and KAHE Coimbatore's Intellectual Property would be as decided by KAHE Coimbatore.

**4.4** KAHE Coimbatore/TBI 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** The Resident Company/Incubatee shall have to execute separate agreement for seed money and/or Intellectual Property/know-how, Technology owned by KAHE Coimbatore, as and when a request is made and agreed upon by KAHE Coimbatore.

**4.6** On the request of resident Company/Incubatee access to any other facility of KAHE Coimbatore's infrastructure shall be made available and shall be charged as per the KAHE Coimbatore regulations.

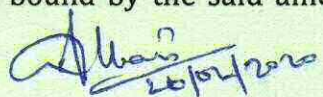
**5.0** As a statement of faith on the value of partnership with KAHE the company is committed to issue equity shares to KAHE as per clause 4. At the time of disposal the decision of TBI / KAHE regarding buyback of full or part of the 3% equity issued shall be conveyed to the company and the company 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.

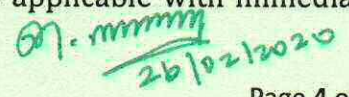
**5.1** That the resident company shall surrender and vacate the premises on KAHE on a notice by TBI no advance notice is required to be given by TBI to the resident company.

**5.2** That KAHE shall have lien on the assets of the resident company at the incubation center till such time that the resident 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 resident company in its entirety and the resident company and its directors hereby indemnify KAHE and undertake to remain responsible for all dues payable or losses suffered on account of any act, negligence, default on the part of the Resident 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 TBI may at any time amend all or any part of the agreement and its annexure and the Resident Company/ Incubatee shall be bound by the said amendments. The amendments shall be applicable with immediate effect.







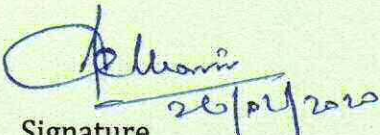
**7. Arbitration:** Any/all disputes between the resident company/ incubatee shall be referred for arbitration to the person so nominated by the President, KAHE, Coimbatore under the Indian Arbitration & Conciliation Act whose decision shall be final and binding upon the parties. The place of arbitration shall be Coimbatore.

**8.** KAHE Coimbatore reserves its right to nominate a representative on the Board of Director of the Resident Company/Incubatee till the time KAHE Coimbatore holds equity. The Incubatee/Resident Company shall indemnify to KAHE Coimbatore 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**

**SIVAM WATTS HYBRID SYSTEMS LLP**

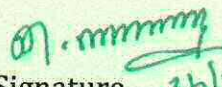
  
Signature 26/02/2020

Mr. Arunachalam Sivanantham

Director

**For & on behalf of**

**KAHE Coimbatore**

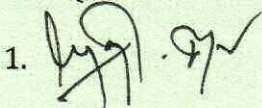
  
Signature 26/02/2020

Dr. M. Palaniswamy


Registrar

**REGISTRAR**  
Karpagam Academy of Higher Education  
(Deemed to be University Under Section 3 of UGC Act 1956)  
Pollachi Main Road, Eachanari Post,  
Coimbatore - 641 021.

**Witness (Name & Address)**

1.   
SURISH BALAJI R  
No. 29, MANGALYA GARDEN,  
KRISHNASAMY NAGAR, VARASIMAPURAM,  
KUNIYANUTHUR POST,  
COIMBATORE - 641008

**Witness (Name & Address)**

1.   
S. Sivakumar,  
The Manager,  
Technology Business  
Incubator,  
Karpagam Academy of  
Higher Education.