



## LEGAL DISCLAIMER

TBI@ BITS, Pilani (herein referred as TBI) has been founded with one of its main objects to encourage entrepreneurship amongst young persons with the sole idea to implement better and efficient technology. For that purpose, TBI provides assistance to incubatees (against payment of consultancy charges where and when necessary) by making possible the use of facilities and other amenities available to TBI, such as work space, equipment, library, computer and technical guidance of faculty members of BITS, Pilani (hereinafter referred to as the common facilities). While TBI will make every earnest effort to provide the incubatee with the services described in the document titled *Regulations and Requirements*, the same cannot be made legally binding on either TBI.

The incubatee would be required to sign this document before the commencement of the incubation period. It will be assumed that incubatee has gone through all the clauses of document titled *Regulations and Requirements*, and other documents provided.

It is agreed by and between the TBI and the incubatee (s) as under:

1. An incubatee would be admitted to TBI only after the screening of the business plan and the payment of the security deposit of Rs. 5000 ((Rupees Two Thousand only) to TBI
2. The incubatee shall pay an amount of Rs.5000/- (Rupees Five Thousand only) to TBI towards the [annual Registration Fee](#) to be paid at the time of execution of this agreement and subsequently within fifteen days of the beginning of each year counted from the date of this agreement and shall continue to maintain their registration as long as they are permitted to have association with TBI as incubatee by the [Governing Body](#) of TBI.



3. The incubatee(s) shall not affect changes in the form of erecting structures in the premises allotted to them without written approval from TBI.
4. During the currency of the agreement, TBI hereby agrees to allow the incubatee(s) to use the common facilities subject to the condition as mentioned herein under.
  - a) The common facilities shall be used by the incubatee (s) to solely pursue the activities mentioned in the application submitted to TBI at the time of their selection to TBI / or the activities approved subsequently by TBI on request of the incubatee.
  - b) Notwithstanding the general agreement about using the said common facilities as mentioned hereinbefore, the use of computer and other equipment facilities of BITS, Pilani (on a charge basis where necessary) will require specific permission from the competent authority through TBI for each specific job and such permission may be refused or withdrawn without showing any specific reason and furthermore. TBI will not bear any liability which may arise out of refusal or withdrawal of such permission.
  - c) Notwithstanding any specific permission for using equipment and computer facilities of BITS, Pilani, the TBI authorities may bar any employee of incubatee to enter its library, laboratories, departments, centers or sections, without showing any reason. TBI will not bear any liability which may arise out of such action.
  - d) Computer and equipment facilities may be made available to incubatee(s) registered with TBI on charge basis at concessional rate to be fixed by BITS, Pilani from time to time. Guidance of faculty members and assistance of technical staff may be made available on terms and conditions to be negotiated separately.



- e) The incubatee shall be liable to pay the repair/replacement cost for any willful damage or damage due to negligence of any equipment (belonging to or under the care of TBI) caused during the course of its use by any representative of the incubatee.
  - f) Furthermore, TBI shall neither be responsible nor liable for any accident that the incubatee or his assignees/ representatives might meet within the course of their work within the premises of BITS, Pilani.
5. Incubatee(s) shall pay service charges to BITS, Pilani or TBI for water and electricity as levied by authorities. If any of these connections is cut off by such authorities, for any default of payment on the part of the incubatee(s), the charges for restoring such services will be borne by the incubatee(s).
  6. Incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex without the prior approval of TBI. All the incubatees are required to keep a first aid kit in their modules.
  7. Incubatees are required to keep the Institute informed about any visitor from abroad, foreign collaboration and/or foreign partner/director, and abide by the rules/procedures in vogue in the Institute.
  8. No incubatee or its employee can display notices or signage except on the provided notice boards and the space provided for such signage
  9. Incubatee(s) 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 TBI.



10. Subleasing of any kind of the space given at TBI is not allowed. Non-observance of this rule will result in immediate expulsion.
11. The TBI address cannot be used as the address of the Registered Office of the incubatee.
12. Incubatee should use internet and PC facility for business purposes only. The room allotted to incubate (or incubate company) shall be used for **business purposes only**. Also, only incubate (or partners of incubate company) shall be allowed to access the allotted room. Incubatee **should not get a duplicate of original room key** given to him without the permission of TBI coordinator
13. No routine sales/marketing operation will be permitted from the TBI.
14. TBI shall not accept any responsibility to compensate anyone as a result of any accident or damage (electrical / explosion etc) taking place at the incubatee's premises or at any place, either resulting from their activities or otherwise. The victims could be the incubatee or their employees, other persons working in BITS, Pilani premises or any visitors to BITS, Pilani. Paying any compensation to those who have suffered arising out of such a contingency shall be the sole responsibility of the incubatee. Under the above contingency, it is also the responsibility of the incubatee alone to compensate for any loss caused to the property of BITS, Pilani.
15. Either the incubatee or TBI can terminate the agreement by giving **one** month's prior notice. This form of exit would be considered a normal exit and the **security deposit** would be refunded to the incubatee.
16. Unless TBI so decides, incubation would be terminated at the defined points of twelve, eighteen and twenty-four months since the start of incubation. This will be considered as a normal exit and it will be legally binding on the incubatee to comply



with the exit directives from TBI. The incubatee(s) must clear all dues with interest and compensation, if any, as may be determined by TBI within the specified time.

17. TBI will be entitled to terminate this agreement prematurely subject to the condition as mentioned herein under.

- a) For any breach of the covenants on the part of the incubatee(s) including annual membership (Registration) charges and other charges payable falling in arrears, the TBI will be entitled to terminate this agreement. If this situation arises, the grounds for dissent will be communicated to incubatee.
- b) If the incubatee has not registered his/her company at the time of admission to TBI, then he/she is bound to do so **within four months** from the date of commencement of the incubation period, failing which TBI may terminate the period of incubation.
- c) TBI reserves the right to terminate the incubation period depending upon the assessment of the performance of the incubatee or his/her periodic report. This decision would be legally binding upon the incubatee.
- d) If there is failure on part of the incubatee to comply with any of the clauses in the document titled *Regulations and Requirements*, TBI may terminate the period of incubation.

Under these conditions, the decision made by TBI will be final and legally binding upon the incubatee and does not have to conform to the **one month** termination notice mentioned earlier. This form of exit from the incubator would be considered an abnormal exit and the incubatee would have to forfeit part of or the full security deposit depending on how much time would have elapsed from the first day of incubation.



18. Termination of the incubation period implies that the incubatee would be required to vacate the office premises and accommodation provided at Pilani and surrenders all hardware and software provided to him/her as infrastructural facilities.
19. In case, the incubatee(s) fails to vacate and deliver possession of the said work space to TBI on the termination of the agreement, the TBI shall be entitled to take possession of the said space by removing all articles of incubatee found in the said work space in such manner as it may be deemed fit and the expenses, if any, incurred by the TBI shall be recoverable in full from the incubatee.
20. While TBI will try its best to provide the mentioned/requested for infrastructural facilities to its incubatees in the document titled *Regulations and Requirements*, TBI cannot be legally held responsible for failure to do so.
21. The above agreement is valid, subject to fulfillment of the conditions as mentioned above for a period of **one year** from the date of execution of the same. However, on appeal for extension by the incubatee, giving adequate reasons, the Governing Body of TBI might consider extending the period of stay of the incubatee with new conditions (which might include revision of charges and fresh registration) stipulated, as it deems necessary. The decision shall be on a case-to-case basis and the Governing Body's opinion on the matter is final and binding on the part of the incubatee.
22. Further, if Governing Body decides not to accede to the request of the incubatee to continue beyond the five-year period, it would reject the extension request without mentioning any reason what so ever for the same.
23. In addition to the amounts to be paid towards annual registration fee of Rs.5,000/- (Rs. Five thousand only), and consultancy charges (to be negotiated depending on the scope of work), the incubatee shall pay 3 (three) percent of the gross sale amount



(revenue) generated from his business for a period of three years from the date of graduation to TBI.

24. The incubatee shall submit its financial account audited by a registered Chartered Accountant to TBI by June 31<sup>st</sup> every year. Pending the final submission of the audited report, the incubatee shall submit an unaudited financial statement on or before 15<sup>th</sup> of February every year. Based on this, the incubatee will deposit an amount not less than 80% (eighty percent) of the royalty amount payable to TBI on or before Feb. 15 every year. The balance amount to be paid by the incubatee on completion of the final audited statement by June 31 every year.
25. The incubatee shall abide by all the rules and regulations, as approved for TBI by its Governing Body, from time to time.
26. In case of any dispute or disagreement between the TBI and the incubatee(s) regarding any interpretation of any clause of this agreement, the matter will be referred to the Vice Chancellor, BITS, Pilani (in his capacity as Chairman of the Governing Body of TBI) and his decision on the issue shall be final and binding to all parties.
27. TBI cannot be held legally responsible if the incubatee(s) is involved in any litigation with a third party over any legal issue whatsoever, during the incubation period
28. TBI does not undertake responsibility for:
  - a) Ensuring success of an incubatee company, its products/ process/ services or marketability,
  - b) Ensuring quality of support and services provided by TBI to the complete satisfaction of the incubatee companies or their promoters/ founders.



- c) Ensuring quality of services of the consultants engaged by the incubatee companies through TBI network. Incubatee companies will have to apply their judgements before getting in to a relationship with them.
- d) The incubatee companies agree that TBI or their employees shall not be held liable for any reason on account of the above.

**SIGNED, SEALED and DELIVERED BY:**

On the \_\_\_\_\_ day of the \_\_\_\_\_ month of \_\_\_\_\_ year A.D. The effective date of this agreement coming in to operation is as stated above.

Mr./Ms \_\_\_\_\_

(Registered Entrepreneur operating from BITS, Pilani)

Pilani-333 031

Approved,

Prof. Arya Kumar

(TBI Coordinator)

Date:

Dr. Anu Gupta

TBI Manager