

अण्डमान तथा  
Andaman And



निकोबार राजपत्र  
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अण्डमान तथा निकोबार प्रशासन  
ANDAMAN & NICOBAR ADMINISTRATION

इद्योग निदेशालय

DIRECTORATE OF INDUSTRIES

NOTIFICATION

Port Blair, dated the 10<sup>th</sup> November, 2020

No.120/2020/F.No.2-882/ANInT Meeting/PL/IND/2019-20.— The Hon'ble Lt. Governor, Andaman & Nicobar Islands is pleased to frame the Operational Guidelines and Memorandum of Agreement for transfer of fund of Rs. 1 crore to Andaman & Nicobar Islands Integrated Development Corporation Limited (ANIIDCO) under the 'Andaman & Nicobar Innovation Fund' and as per the clause 8 of the 'Andaman & Nicobar Innovation and Startup Policy 2018' for establishment of Startup Incubators.

#### 1.0 Background :

The overarching purpose of this scheme is to promote a culture of innovation and entrepreneurship in Andaman & Nicobar Islands through establishment of state-of-the-art Incubator facility. The Administration realizes that there is a need to create a befitting incubation facility with suitable physical infrastructure in terms of capital equipment and operating facilities, coupled with the availability of sectoral experts for mentoring the startups, business planning support, access to seed capital, industry partners, trainings and other relevant components required for encouraging innovative start-ups.

Accordingly, to nurture innovative start-up businesses in their pursuit to become scalable and sustainable enterprises, the Administration has already notified the 'Andaman & Nicobar Innovation Fund' Scheme vide Andaman & Nicobar Gazette Notification No. 120/2019/F.No.2-817/Startup Policy/PL/IND/2018-19. Dated 14<sup>th</sup> June, 2019 by the Hon'ble Lt. Governor, Andaman & Nicobar Islands. The Scheme specifies that the Union Territory Administration through Andaman & Nicobar Islands Integrated Development Corporation Limited (ANIIDCO Ltd.) will create an initial innovation fund of INR 1 Crore to support establishment of *Andaman and Nicobar Incubation Centre (ANIC)*. Capital from the fund corpus will also be utilized to develop Co-Working spaces in the region.

#### 2.0 Objectives of the Incubator Scheme:

The objective of the Scheme is to promote and establish incubation centre in Andaman & Nicobar Islands. The incubation centres would support and encourage innovative technology-based startups that have an application and/or impact in the core sectors of the economy especially in the wake of rising potential in the sectors such as Tourism, Fisheries and Hospitality Industry. The incubation centres would provide the startups with necessary guidance, tech support, infrastructure, access to investors, networking, and facilitating a host of other resources that may be required for the startup to survive and scale.

**3.0 Functions of the Andaman and Nicobar Incubation Centre (ANIC):**

- 3.1 Assist the incubatees in creating a sustainable, scalable & profitable business model.
- 3.2 Provide physical infrastructure and value-added support services such as high-speed internet with dedicated bandwidth and computer systems, Air conditioned office space amongst others.
- 3.3 Create a strong network of mentors who would provide sector specific knowledge & real-world practical guidance.
- 3.4 Conduct events and inspirational programs.
- 3.5 Provide trainings and mentorship to entrepreneurs.
- 3.6 Forge partnerships and networks with academia, industry, funding sources, existing incubators and others for the startups to leverage.
- 3.7 Enable access to prototyping facilities, test beds, markets, and pilot implementation for the products/services.
- 3.8 Build a strong team with adequate knowledge and experience in guiding start-ups, building business plans, facilitating investments, building networks etc.
- 3.9 An ideal application would be a collaboration between a corporate sector entity and a research oriented / academic institution with aligned areas of focus.

**4.0 Definition of Incubator:**

Startup incubators are institutions that help entrepreneurs to develop their business, especially in the initial stages. Incubator provides various services to startups such as office space, laboratory / technical assistance, lab facilities, mentoring, advisory support, networking opportunities, etc.

**5.0 Funding Support:**

The Andaman & Nicobar Administration would transfer a fund Rs. 1 Crore to the Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO) through relevant GFR / DFR & other rules in force to set up the Andaman Incubation Centre (ANIC) to a tune of Rs. 1 crore to cover the capital and operational expenditures.

The ANIIDCO is required to make itself self-sustainable for the operation and management of the Andaman Incubation Centre (ANIC) over a period of time. The fund of Rs 1 crore will be kept in separate account by ANIIDCO and the interest will flow into ANIC.

**6.0 Sanctioning Authority:**

Hon'ble Lt. Governor, A & N Islands shall be the sanctioning authority. Hon'ble Lt. Governor, A & N Islands may delegate the power to officers under A & N Administration.

**7.0 Infrastructure Requirement:**

A ready-to-use, built-up space, for the exclusive use of the Andaman Incubation Centre along with the facilities as listed in Para 3.0.

**8.0 Terms and Conditions:**

**8.1 Fund Guidelines -**

The Fund of Rs 1 Crore provided should be exclusively spent on the specified purpose within the stipulated time. The specified purposes will include:

**1. Construction of building and premises:** The Andaman and Nicobar Incubation Centre (ANIC) to have atleast three meeting rooms with seating capacity of minimum 15 people/room should be present with presentation facilities (TV Screen, connector, extension, etc.). Clean washrooms shall be installed in the premises as well.

**2. Services:** Internet - as per availability (Wi-Fi and 3 LAN connections per room), 1 Landline Telephone per room, 24x7 electricity supply in the premises. Each meeting room shall be equipped with a monitor and a camera with provision for video conferencing as well as a projector.

3. **Furnishing:** Three chairs and two tables must be present with every incubatee. One Cubicle for each office must be allocated. Electrical appliances shall include fans and tube lights as per size of the room. AC shall be present in rooms which have machines and devices that require moderation of temperature.
4. **Hardware:** One Printer, scanner and copier each shall be installed per 10 incubatees. 2-3 spare Android & iOS phones for testing apps shall be provided as and when needed by a startup upon recommendation of incubator manager.
5. **ANIC Website:** A website enlisting details of the incubator, services provided and other relevant details pertaining to startups shall be present.
6. **Cafeteria:** One cafeteria with drinking water and basic snacks shall be present.
7. **Manpower:** Five individuals shall be hired for working in cafeteria maintaining the cleanliness of the entire premise. The salary of the same should be set according to the local standards.
8. **Utility and Maintenance of the premises:** Products and consumables required shall be fortnightly checked and provided as and when needed.
9. **Workshops/Trainings/Travel:** Trainings provided to startups including reimbursement of relevant paid online courses shall be done with the approval of incubator manager. Travel and stay of mentors, investors and other external relevant authority shall be managed by ANIC with the approval of incubator manager.
- 8.2 **Disbursement** – The money will be disbursed to the ANIIDCO for setting up of Andaman and Nicobar Incubation Centre (ANIC) on receipt of two copies of duly signed Memorandum of Agreement (MoA) in *Annexure I*
- 8.3 **Incubation Facilities** – ANIIDCO shall put in place all the requisite physical infrastructure (shared/specific) such as laboratory and workshop facilities, pre-incubation services, networking, mentoring, systems, processes and tools for the Startups that will apply for the incubation facility.
- 8.4 **Profits & Expenses** – Any profits/earnings by way of renting of space/services provided to startups through Andaman Incubation Centre will be utilized by ANIIDCO towards further development of the Andaman Incubation Centre including operational expenses for operation of the incubation center i.e. manpower, power, repair & maintenance, telephone, internet etc. However, the margin of ANIIDCO would be maximum 10% of the earnings/revenue generated by way of renting of space/services provided.
- 8.5 **Startup Cell** – ANIIDCO would also depute an Officer with desired domain and management expertise and other core team/supporting staff for its successful operations within six months from the date of release of fund. Two members of the incubator team shall assist Startups in admin. work, paperwork & agreements, HR, outreach, etc. Two dedicated counsellors from the incubation management team shall cater to one-on-one daily mentoring of the incubatees. These resources should be accessible for any queries from the startups regarding idea validation, market research, competition analysis, product development, business plan, strategy building etc. Contact details of the same should be present on the home page of official ANIC website.
- 8.6 **Incubation Team** – ANIC shall constitute a team of 5 individuals, headed by a CEO, and including an Incubator Manager, a Workshop Manager and two office facilitators. Invest India team shall conduct training sessions for the ANIC team to help them define roles, responsibilities and list of activities to be conducted by the incubator.
- 8.7 **A&N Startup Website** – The details of the ANIC shall be posted on the A&N startup website (<http://1s1.and.nic.in/startupindia/>). These details of the incubator manager and the entire team shall be available on the portal to help startups/entrepreneurs connect to the incubator.
- 8.8 **Responsibility** – ANIIDCO through Andaman Incubation Centre is expected to meet its goals and deliverables on the number of startups, events, infrastructure, mentors and network commitments as per their proposed action plan within the stipulated time frame. The details of these shall be duly placed in the dashboard of the A&N Startup Portal.

- 8.9 Linkages –** The Andaman Incubation Centre should develop appropriate linkages with other parties to ensure its success. For instance, Andaman & Nicobar Incubation Centre should endeavour to form fruitful collaborations with the Educational Institution and Corporate Sectors in Andaman & Nicobar Islands. After such collaboration, incubatees who need tools / machines/ software that are not available in the incubator premise but are available with Government Educational Institutions can use the same in the premises of the Educational Institution with written permission from startup cell / incubator manager. Every month corporate mentors can be invited for meeting with potential startups the entire expenses of which can be borne by ANIIDCO.
- 8.10 Selection of Incubatees –** The Andaman Incubation Centre would evolve a transparent system for selection of incubatees. The incubatees would be admitted subject to fulfilling the admission criteria and the Andaman Incubation Centre would enter into an appropriate agreement with the incubatees.
- 8.11 Application Form –** The Andaman Incubation Centre will be required to create an online application system for the startups to apply for the incubators and a link to the same would be provided in the A&N Startup Portal. The approval for the startups that apply for the incubator support will be through the Andaman & Nicobar Innovation Team (ANINT)
- 8.12 Shortlisting of Incubatees –** The Andaman & Nicobar Administration through notified Andaman & Nicobar Innovation Team (ANINT) shall evaluate all applications submitted for incubators (Annexure II) and recommend in response to the document at any stage without assigning any reason whatsoever. A call for application shall be setup on the Andaman Startup Portal to enable startups apply for a spot at the incubator. These applications shall be screened and reviewed by the incubator team, startup cell members and a sector expert. The Startups may be invited for a presentation round before finalizing.
- 8.13** The Department of Industries will be the rightful holder of the Andaman and Nicobar Incubation Centre; ANIIDCO will be responsible for the Maintenance & Operation of the Incubation Centre.
- 8.14** ANIIDCO is expected to undertake reasonable care and due maintenance of the assets of Andaman and Nicobar Incubation Centre.
- 8.15** The Andaman and Nicobar Incubation Centre will be required to submit i) progress report; ii) audited statement of accounts and Balance Sheet; and iii) Utilisation Certificate (UCs) Any unspent balance out of the amount sanctioned should be refunded to the Government of India.
- 8.16** Concerned officers of Department of Industries or its authorized representatives may visit the organization/Andaman and Nicobar Incubation Centre periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.
- 8.17** In the event of breach or violation of the MoA terms and conditions, ANIIDCO will be required to refund to the Government on demand, the entire amount or such part thereof as may be determined by the competent authority and mentioned in the demand notice issued by the Government, along with interest thereon at the rate of 11.50% (Or as applicable by the GFR rules) compounded annually from the date of the receipt of the fund.
- 8.18** As per Rule 211(1) of GFR, the accounts of the Andaman and Nicobar Incubation Centre shall be open to inspection by the sanctioning authority/audit by the C&AG and the institution shall provide all the necessary support to carry out the inspection/audit.
- 8.19** The Department of Industries or Andaman & Nicobar Administration for that matter will have no responsibility in case of any loss caused to life or property due to accident, fire or any other reasons neither liability on account of any omission or commission of regulatory/statutory requirement by the Andaman Incubation Centre or its incubatees and their companies.
- 8.20** Power of Interpretation under this notification shall lie with the A & N Administration.

8.21 In the event of any dispute or difference arising out of the package or any of the claims therein, the same shall be referred to a sole Arbitrator appointed by Hon'ble Lt. Governor and the provision of the Arbitration and Conciliation Act, 1996 shall be applicable. The decision of the Arbitration shall be final and binding on both the parties and the proceeding of the Arbitrator shall be held at Port Blair.

Admiral D.K. Joshi  
PVSM, AVSM, YSM, NM, VSM (Retd.)  
Lt. Governor (Administrator),  
Andaman & Nicobar Islands.

By order and in the name of the Lt. Governor,  
Andaman & Nicobar Islands.

Sd/  
(Ajit Anand)  
Director of Industries

Andaman & Nicobar Administration through the Department of Industries shall provide a fund of Rs 1 Crore exclusively for setting up of the Andaman & Nicobar Incubation Centre that would provide high class incubation facilities with suitable infrastructure in terms of capital equipment and operating facilities, coupled with the availability of sectoral experts for high quality mentoring to the startups in their early stages of growth.

The ANIC set up should have incubation facilities such as competent team members who understand the incubation and startup ecosystem and have the ability to successfully guide the incubatee startups; infrastructure such as incubation space, meeting rooms, conferencing space and facilities; tech support such as sector specific labs and workshops that have tools and equipment; seed funding support; other support services such as IPR, regulatory, legal, market research, etc.; and so on. The ANIC should also conduct outreach initiatives, build a network of mentors, subject matter experts and investors, devise training programs and/or other incubation related events, building the entrepreneurship ecosystem, for incubatee startups.

#### ARTICLE 2: Areas of Collaboration

The first party shall make effective collaborations with the Academia of the Islands as well as Corporates with the objective of supporting a large number of innovative technology based startups that have an application and impact in core sectors such as agriculture, biotechnology, health, education, energy, manufacturing, housing, transport, etc.

#### ARTICLE 3: Duration

This MOA shall be valid initially for a period of six years from the date of signing by all the parties. The Utilization of Fund will be reviewed every year by the ANIC in the month of May and the Andaman & Nicobar Incubation Centre (ANIC) to be set up within 3 years from signing of MOA and disbursement of fund.

#### ARTICLE 4: TERMS

##### 4.1 Responsibilities ANIIDCO (First Party)

- i. The first party shall be responsible for establishing the Andaman & Nicobar Incubation Centre (ANIC).
- ii. The first party shall be responsible for proper utilization of the funds provided for establishment of the ANIC to support and encourage startups as well as provide them with necessary infrastructure facilities and other value added services.
- iii. Provision of built up space (including land and building) to set up the ANIC.
- iv. The first party shall put in place the entire requisite physical infrastructure (shared/specific) such as laboratory and workshop facilities, pre-incubation services, networking, mentoring, systems, processes and tools for the Startups that will apply for the incubation facility.
- v. In case of renting of the required space for Andaman & Nicobar Incubation Centre, the lease period should be according to the merit of the concerned startups, but not more than 5 years.
- vi. The first party through Andaman & Nicobar Incubation Centre is expected to meet its goals and deliverables on the number of startups, events, infrastructure, mentors and network commitments as per their proposed action plan within the stipulated time frame. The details of these shall be duly placed in the dashboard of the A & N Startup Portal.
- vii. The first party should develop appropriate linkages with other parties to ensure its success. For instance, first party should endeavour to form fruitful collaborations with the Educational Institution and Corporate Sectors in Andaman & Nicobar Islands.
- viii. The first party would evolve a transparent system for selection of incubatees. The incubatees would be admitted subject to fulfilling the admission criteria and filling up of online application form with all mandatory documents as stipulated in Annex. II and the Andaman & Nicobar Incubation Centre would enter into an appropriate agreement with the incubatees.

- ix. The first party will be required to create an online application system for the startups to apply for the Incubators and a link to the same would be provided in the A & N Startup India Portal. The approval for the startups that apply for the incubator support will be through the Andaman & Nicobar Innovation Team (ANINT).
  - x. The Andaman & Nicobar Administration through notified Andaman & Nicobar Innovation Team (ANINT) reserves the right to accept/reject any or all of applications submitted for incubators in response to the document at any stage without assigning any reason whatsoever.
  - xi. The first party will ensure appointment of a dedicated full time officer with the necessary domain and management expertise and other core team/supporting staff for successful operations of the Andaman & Nicobar Incubation Centre within 06 months of the date of release of the fund.
  - xii. The first party will have full freedom to decide the composition, recruitment and compensation of the officer as well as the management team.
  - xiii. The first party will provide proof of financial closure for the project cost to Department of Industries, A & N Administration within three calendar years of receiving the Approval letter.
  - xiv. It will be the responsibility of the first party to bridge the gap between the project cost and the fund received to ensure that all the facilities as per the scope envisaged, are established in the ANIC to make fully functional.
  - xv. The first party will be required to submit (i) progress report; (ii) audited statement of accounts and Balance Sheet; and (iii) Utilisation Certificate (UCs) Any unspent balance out of the amount sanctioned should be refunded to the Government of India.
  - xvi. Concerned officers of Department of Industries or its authorized representatives may visit the organization/Andaman & Nicobar Incubation Centre periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.
- 4.2 Maintenance of Assets of the Andaman & Nicobar Incubation Centre:
- i. While the Department of Industries will be the rightful holder of the Andaman & Nicobar Incubation Centre, ANIIDCO will be responsible for the Maintenance & Operation of the Incubation Centre.
  - ii. ANIIDCO is expected to undertake reasonable care and due maintenance of the assets of Andaman & Nicobar Incubation Centre.
  - iii. Any profits/earnings by way of renting of space/services provided to startups through the Andaman Incubation Centre will be utilized by ANIIDCO towards further development of the Andaman Incubation Centre including operational expenses for operation of the incubation center i.e. manpower, power, repair & maintenance, telephone, internet etc. However, the margin of ANIIDCO would be maximum 10% of the earnings/revenue generated by way of renting of space/services provided.
  - iv. ANIIDCO should adequately insure these assets against any loss or damage caused due to accidents, terrorist attacks or natural calamities, to the extent possible. If possible, the assets should be reinstated through insurance.
  - v. All the assets of the ANIC from the source of fund shall be installed in the premises of the ANIC and not in any other department/division of the first party.
  - vi. In the event of breach or violation of the MoA terms and conditions, ANIIDCO will be required to refund to the Government on demand, the entire amount or such part thereof as may be determined by the competent authority and mentioned in the demand notice issued by the Government, along with interest thereon at the rate of 11.50% (Or as applicable by the GFR rules) compounded annually from the date of the receipt of the fund.

vii. As per Rule 21(1) of GFR, the accounts of the ANIC shall be open to inspection by the sanctioning authority/audit by the C&AG and the institution shall provide all the necessary support to carryout the inspection/audit.

viii. The Department of Industries or Andaman & Nicobar Administration for that matter will have no responsibility in case of any loss caused to life or property due to accident, fire or any other reasons neither liability on account of any omission or commission of regulatory/statutory requirement by the Andaman & Nicobar Incubation Centre or its incubatees and their companies.

ix. Power of Interpretation under these guidelines shall lie with the A & N Administration.

x. All the assets acquired or created for the purpose of Andaman & Nicobar Incubation Centre including the land and building brought in by the first party shall not be allowed to be disposed of or encumbered or utilized for the purpose other than that of Andaman & Nicobar Incubation Centre. The Andaman & Nicobar Administration reserves the right to terminate 'MOA' and recover the assets created for Andaman & Nicobar Incubation Centre, if it is convinced that the first party is not utilizing the assets for the objectives of Andaman & Nicobar Incubation Centre.

#### 4.3 Operational Responsibilities

i. It is suggested that the Andaman & Nicobar Incubation Centre should be administered by a Governing Body/ Board chaired by the Head of the first party. The Governing Body of the ANIC may meet quarterly to review progress of Andaman & Nicobar Incubation Centre and provide policy guidelines for the operations of the ANIC. The first party should ensure that the operations of the ANIC are in line with the sanctioned proposal. The Governing Body should ideally provide adequate autonomy and flexibility to the Chief Executive Officer (CEO) of the Andaman & Nicobar Incubation Centre for making speedy & transparent decisions.

ii. The first party shall identify and appoint adequate number of team members (technical) for the day to day operations and management of the ANIC. The team should include a full time CEO and other members who have the domain knowledge and the expertise required. The suggested team to incubate companies ratio is 1:5, which needs to be put in place progressively.

iii. The first party will ensure development of domain and management expertise of its core team / supporting staff through training/re-training, starting within six months from the date of release of fund.

iv. The Manpower employed at Andaman & Nicobar Incubation Centre will be the liability of the ANIIDCO and Andaman & Nicobar Administration or Department of Industries for that matter will not have any liability towards them.

v. The first party will develop the physical space for the Andaman & Nicobar Incubation Centre including but not limited to co-working space for the incubatee companies, sector specific laboratories, other relevant tools and equipment, meeting rooms, conferencing facilities, etc. The first party shall open separate bank accounts for exclusive operations of the Andaman & Nicobar Incubation Centre.

vi. The first party will evolve a transparent system for selection of incubatees in line with the thematic area of specialization chosen. The incubatees would be admitted fulfilling the admission criteria and the ANIC should execute appropriate incubation agreement with incubatees. The residency period and the exit policy may also be defined clearly in the agreement. The first party will keep a system of online applications for the applicants of the ANIC and ink shall also provide for the A & N Startup Portal. The selection of the applicants would be through approval of the Andaman & Nicobar Innovation Team (ANINT).



vii. The first party will provide the context-appropriate assistance and handholding to startups to help them become sustainable and scalable enterprises, including but not limited to, business and strategy advice; facilitating access to relevant laboratories and maker's spaces; legal, accounting and intellectual property services and/or support; networking with mentors, vendors, and investors; national and international linkages etc.

viii. The first party will adequately promote Andaman & Nicobar Incubation Centre (ANIC) through online and offline channels. The first party shall have a website which should describe all the facilities and offering that it has for aspiring and recent entrepreneurs. Eventually the incubatees should also be listed on the website as well as the A & N Startup Portal.

ix. The first party is required to mention "Supported by A & N Administration" in all its communication/stationery and branding material, whether online or offline, as well as on the display board at the entry gate of the Andaman & Nicobar Incubation Centre.

x. In case of any operational disputes or lack of clarity, the decision of the Administrator, A & N Administration shall be final and binding on the first party.

4.4 Monitoring responsibilities

i. The operations and performance of the Andaman & Nicobar Incubation Centre may be reviewed yearly by Andaman & Nicobar Innovation Team (ANINT). The first party is expected to co-operate fully and provide all the information required for a fair and successful evaluation of the performance of the ANIC. The ANIC shall be informed about the third party, if appointed, for the purpose and the outcome of evaluation in a timely manner.

ii. In the event the first party fails to make adequate progress in the establishment of ANIC and implementing startup incubations activities, the first party will be required to refund the unspent amount along with interest earned thereon within a period of one month from the date of notice issued by A & N Administration.

iii. Concerned officials of A & N Administration or its authorized representatives will have the right to visit the Andaman & Nicobar Incubation Centre periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.

4.5 Other Obligations

i. By accepting this fund, the Andaman & Nicobar Incubation Centre becomes a part of the Department of Industries and will collaborate with and support the Department of Industries on their various initiatives and programs relating to innovation, incubation and entrepreneurship. These initiatives may include initiatives in the area of innovation and startup ecosystem in Andaman & Nicobar Islands or mainland. Such initiatives shall be communicated to the ANIC from time to time.

ii. The ANIC shall be expected to support the startups on aspects such as mentoring, organising exposure visits and interaction sessions with innovators and entrepreneurs.

iii. It is expected that the ANIC shall become financially self-sustainable by the end of five years' time and no fund requested from any government agency for its operations. The first party should ensure smooth continuation of activities and facilities after the end of the support from department of Industries.

ARTICLE 5 : Assignment

The first party shall not assign any part of this MoA to any other person/organization without prior written approval from Department of Industries.

ARTICLE 6: Amendments

No alterations, additions or modification hereto shall be valid and binding unless the same are reduced to writing and signed by both parties.

ARTICLE 7: Non-Exclusive Discussions

The first and second party acknowledge and agree that the discussions in relation to the Areas of Collaboration are being undertaken on a nonexclusive basis and either Party shall be free to enter into or consummate transactions similar to the Areas of Collaboration in India or elsewhere.

ARTICLE 8: Sanction and Disbursement of Fund

I. A & N Administration shall provide a fund of Rs 1 Crore through transfer to the first party for the establishment of the Andaman & Nicobar Incubation Centre.

II. The fund of Rs 1 crore will be kept in separate account by ANIIDCO and the interest will flow into Andaman & Nicobar Incubation Centre.

III. After spending the entire amount, ANIIDCO will submit a Utilization Report and also surrender balance, if any to the Govt. Account.

IV. The first party shall be bound to submit the Utilization Certificate in regular intervals of time to the Department of Industries towards the expenditure made in the establishment of the Andaman & Nicobar Incubation Centre.

V. Any unspent balance, out of the Andaman & Nicobar Innovation Fund disbursed by Department of Industries as well as the interest earned thereof, would be refunded to the Department of Industries.

VI. Administrative expenses for incorporating the Andaman & Nicobar Incubation Centre and operating it, such as board meeting, annual meeting charges, auditing charges, ANIC registration charges, seed money for the bank accounts, and other similar startup expenses are not allowed from the Andaman & Nicobar Innovation Fund.

VII. If the ANIC is hosted within the campus/premises of an academic institute or in the buildings owned by the first party, then the rental value of the said premises shall not be considered as first party contribution and the same shall not be allowed as a part of the administrative costs.

VIII. Seed-fund, if any, provided under this sanction, is intended to create a pool of funds to achieve two objectives: (a) enable the first party to buy equity in incubatee companies to create a self-sustaining fund that would help them to sustain after the Andaman & Nicobar Innovation Fund; (b) make growth funding easily accessible to incubated companies. The Seed support grant can only be disbursed after completion of one year of operations of the ANIC subject to the condition that ANIC has adequate number of Startups which are ripe for seed fund support.

ARTICLE 9: Utilization of Andaman & Nicobar Innovation Fund hereinafter called "Fund"

I. The fund towards the Personnel Expenses would be used only for engaging new team members of the ANIC and not towards the salaries/fees/remuneration of the existing team strength of the first party.

II. The fund shall not be utilized towards the funding international travel by the ANIC team or the supported startups or any other person(s).

III. Utilization of Seed Funding Component

a) The first party is expected to maintain a separate bank account for seed support grant fund including the funds raised through non-government sources.

ARTICLE 10: Maintenance and Submission of Financial Statements for Audit

I. The first party shall maintain separate books of accounts for the Andaman & Nicobar Innovation Funds received from Department of Industries, A & N Administration. The fund shall be kept in an interest-bearing bank account.

II. The first will be required to submit audited statement of accounts and the Utilization Certificates (UCs) of the Andaman & Nicobar Innovation Fund grant at the end of each financial year.

**ARTICLE 11: Termination**

Department of Industries, A & N Administration reserves the right to terminate the MoA at any stage, if it is convinced that the Andaman & Nicobar Innovation Fund is not being utilized properly or that appropriate progress is not being made. In such a situation, the first party shall refund all unspent fund amount to, Department of Industries, A & N Administration.

**ARTICLE 12: Dispute Settlement**

**12.1 Governing Law and Jurisdiction**

This MoA shall be governed by and construed in accordance with the laws of Republic of India. All disputes and differences arising out of or in connection with this MoA shall be at the first instance referred to arbitration by arbitrators, appointed by the Hon'ble Lt. Governor, Administration. The decision and award determined by such arbitration will be final and binding upon the Parties. The arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996, as may be in force from time to time. The decision of the Arbitrator shall be final and binding on both the parties. The arbitration proceedings will be conducted in English and the seat of arbitration will be Port Blair.

**Annexure II**

Sl.No.	Field	Details
1	Registration / Incorporation No.	
2	Name of the Entity	
3	Registration / Incorporation Date	
4	DIPP Number	
5	Authorized representative Name	
6	Authorized representative Contact Number	
7	Authorized representative email id	
8	Category of Startup (Product or Service)	
9	Brief Description of the Product/Services/Technology (Min. 50 words)	
10	Number of seats required	
11	Website/Video link of your product/service	