

ERODE SENGUNTHAR

ENGINEERING COLLEGE

(An Autonomous Institution)

Approved by AICTE, New Delhi, Permanently Affiliated to Anna University-Chennai, Accredited by National Board of Accreditation (NBA), New Delhi & National Assessment and Accreditation Council (NAAC), Bangalore with 'A' Grade PERUNDURAL -638 057, TAMILNADU, INDIA.



ESEC-Startup Policy

(Approved in the Meeting of Board of Management held on 04.04.2019)

Erode Sengunthar Engineering College (ESEC) Startup Policy aims to

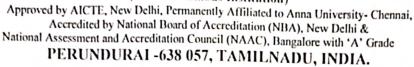
- Encourage, facilitate and support emergence of at least 50 technology startups in the Institute
- Create and extend a dedicated support to at least 5 startups developing innovative technology solution for high social impact in the sectors like sanitation, food, clean energy, healthcare, etc.
- Establish support infrastructure and strengthen the existing mechanism in the thrust areas:
 Nanotechnology, Electrical & Electronics, Health Care & Biotech, Agriculture,
 Renewable energy, Climate change, Information Technology (IT), Internet of Things (IoT), Artificial Intelligence (AI), Machine Learning (ML) and Software-as-a-Service.
- Network (public and private) stakeholders
- Collaborate with educational institutions to promote entrepreneurship among the youth.
- Maximise industry engagement.
- Provide adequate incentives and resources to startups, facilitators, mentors and investors to promote startup culture in the State.
- Partner with reputed investors
- Brand startup Hubs in Erode Sengunthar Engineering College
- Institute will facilitate the startup activities/ technology development by allowing students/ faculty/staff to use institute infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:
 - 1. Short-term/ six-month/ one-year part-time entrepreneurship training.
 - 2. Mentorship support on regular basis.
 - 3. Facilitation in a variety of areas including technology development, ideation, creativity, design thinking, fund raising, financial management, cash flow management, new venture planning, business development, product development, social entrepreneurship, product-



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costing, marketing, brand-development, human resource management as well as law and regulations impacting a business.

- 4. Institute may also link the startups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.
- In return of the services and facilities, institute may take 2% to 9.5% equity/ stake in the startup/company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of startup. The institute should normally take much lower equity share, unless its fulltime faculty/ staff have substantial shares). Other factors for consideration should be space, infrastructure, mentorship support, seed-funds, support for accounts, legal, patents etc.
 - 1. For staff and faculty, institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.
 - 2. No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the startup in advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave.
 - 3. In case of compulsory equity model, Startup may be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period, institute cannot force startup to issue equity on the first day of granting incubation support.



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- 4. The institute should also provide services based on mixture of equity, fee-based and/ or zero payment model. So, a startup may choose to avail only the support, not seed funding, by the institute on rental basis.
- 5. Institute could extend this startup facility to alumni of the institute as well as outsiders.
- 6. Participation in start uprelated activities needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty. Every faculty may be encouraged to mentor at least one startup.
- 7. Product development and commercialization as well as participating and nurturing of startups would now be added to a bucket of faculty-duties and each faculty would choose a mix and match of these activities (in addition to minimum required teaching and guidance) and then respective faculty are evaluated accordingly for their performance and promotion.
- 8. Institutions might also need to update/change/revise performance evaluation policies for faculty and staff as stated above.
- 9. Institute should ensure that at no stage any liability accrue to it because of any activity of any startup.
- 10. Where a student/ faculty startup policy is pre-existing in an institute, then the institute may consider modifying their policy in spirit of these guidelines

Principal

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