



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
PERUNDURAI -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 full-time 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 up related 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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