

India's technology startups seek robust relief package

By Narayanan Suresh

Bangalore, 01 April 2020: India's leading startups have made a fervent appeal to Prime Minister Mr Narendra Modi to urgently provide a robust relief package to deal the financial devastation ascending out of this extraordinary economic downturn caused by the COVID-19 epidemic.

"Our startup companies across the nation are inherently young, less resilient and most vulnerable," said the joint appeal signed by startups from all the major sectors like information technology, biotechnology, IT Enabled services, ecommerce, fintech, gaming, semiconductors, as well as venture capitalists. ABLE members were among the signatories.

"We discussed this over the past few days and decided to appeal to the government for quick relief," said Dr Anand Anandkumar, Chairman of Bugworks Research. He is also the Treasurer of ABLE."

Making a strong case for an urgent relief package, the signatories pointed out that Projections indicate that by 2025, India may well have over 1 lakh startups, employing more than 1 Crore people across the nation, and produce 100+ unicorns (US\$ 1+ Billion valuation), with a total market value exceeding \$500 billion (35 Lakh Crores).

The text of the letter to the Prime Minister is reproduced below:

Date: 30-March-2020

To,
Shri. Narendra Modi
Hon'ble Prime Minister of
India Government of India

Subject: Request for urgent relief to Start-ups from COVID-19

CRISIS Honorable Prime Minister,

We, the young startup entrepreneurs of India, wholeheartedly support and appreciate your bold and courageous decision to impose a 21-day lockdown on the nation to contain the spread of Covid-19. Saving lives is the need of the hour and we the undersigned representatives of the Start-up ecosystem wholeheartedly join hands with the government and our fellow citizens in this battle against the Coronavirus.

Sir, when you launched Startup India, you forever embedded startups into the national lexicon and the dividends from that scheme are for the entire nation to enjoy. In our nation's quest to become a \$5 trillion economy by 2025, you announced that at least \$1 trillion should come from new-age businesses and startups.

This letter represents the voice of Startups in India. We are working with all stakeholders to create the right environment for the growth of entrepreneurship and employment within India. Today 39,000+ Startups across India are instrumental in building a strong ecosystem conducive for the growth of the economy, driving sustainability, and driving the rapid expansion of employment opportunities across various skill sets.

India has been able to weather the lockdown thanks to the accelerated investments you as Prime Minister have enabled over the past five years in digital infrastructure and sensitization to digital means of operations, of which startups have been the architects, designers, and ambassadors. Our digital economy supported by Aadhaar, UPI, Jam, all envisioned by volunteers and now managed by the government has helped create the rails for the Direct Benefits Transfer (DBT) program which will ensure that the most vulnerable portions of society can avail the full benefits of government schemes without any leakages.

Indian startups have pioneered models for delivery of essentials, food, and goods via eCommerce, hyperlocal delivery, efficient logistics, shared mobility, frictionless digital payments, online education, data sciences, health services, medical devices, and biotechnology which are helping all our citizens live better and more sustainable lives. The ease of moving into a Work From Home situation across all companies is powered by the technology by startups and entrepreneurs are working around the clock on Grand Challenges to fight the virus and to mitigate its effects.

This sets a paradigm shift for the Indian entrepreneurial and employment ecosystem making it comparable to overseas companies like Amazon, Facebook, Google, etc. of the World. Projections indicate that by 2025, India may well have 1 lakh+ startups, employing more than 1 Crore across the nation, and produce 100+ unicorns (US\$ 1+ Billion valuation), with a total market value exceeding \$500 billion (35 Lakh Crores).

However today the Covid-19 virus has wreaked havoc across all facets of life and all sections of society. Everyone has been adversely impacted. Covid crisis threatens to destroy all of the progress and future potential of our startup ecosystem in a few short months. Unfortunately, our startup companies across the nation are inherently young, less resilient, and most vulnerable. Many of them face likely devastation during this extraordinary economic downturn. At this dire moment, Indian startups need a robust relief package from the government, lest all our collective efforts of the past few years are in vain.

We seek your urgent intervention to help ensure India's startup ecosystem survives this crisis to emerge as a pillar of growth, employment and innovation to help drive India's recovery We need the startup ecosystem to survive in order to help the economy bounce back. We have enclosed herewith our submission for your kind consideration and we look forward to your support in this regard.

We, India's startup entrepreneurs, stand shoulder to shoulder with you as our leader and with all our Government officials in this fight against Covid-19.

Thank you for your kind attention.

CC: Dr. P. K. Mishra Principal Secretary to Prime Minister of India
CC: Shri. Hiren Joshi, OSD IT

Attachments - 3 letters submitted to: Smt. Nirmala Sitharaman
Hon'ble Finance
Minister Government of
India

Shri. Piyush Goyal
Hon'ble Minister of Commerce &
Industry Government of India

Shri. Ravi Shankar Prasad
Hon'ble Electronics & Information Technology
Minister Government of India

We the undersigned humbly submit this request by email on behalf of a broad-based representative group of startup founders and investors.

Prashanth Prakash, Managing Partner, Accel
Partners (+91) 99456-99693,
prashanth@accel.com

Ravi Gururaj, President, TiE Bangalore
(+91) 98450-69130, ravi.gururaj@gmail.com

Rahul Garg, Founder/CEO, Moglix
(+91) 99100-36299, rahul@moglix.com

Siddharth Pai, Partner, 3One4 Capital
(+91) +91 99023-62209, siddharth@3one4capital.com

To,

Date: 30-March-2020

Shri. Piyush Goyal
Hon'ble Minister of Commerce & Industry
Government of India

Subject: Request for urgent relief to Start-ups from COVID-19 CRISIS

Honorable Commerce & Industry Minister,

We, the young startup entrepreneurs of India, wholeheartedly support and appreciate Prime Minister Modi's bold and courageous decision to impose a 21-day lockdown on the nation to contain the spread of Covid-19. Saving lives is the need of the hour and we the undersigned representatives of the Start-up ecosystem whole heartedly join hands with the government and our fellow citizens in this battle against the Coronavirus.

When Prime Minister Modi's launched Startup India, he forever embedded startups into the national lexicon and the dividends from that scheme are for the entire nation to enjoy. In our nation's quest to become a \$5 trillion economy by 2025, our honourable Prime Minister announced that at least \$1 trillion should come from new age businesses and startups.

This letter represents the voice of Startups of India. We are working with all stakeholders to create the right environment for the growth of entrepreneurship and employment within India. Today 39,000+ Startups across India are instrumental in building a strong ecosystem conducive for the growth of the economy, driving sustainability, and driving rapid expansion of employment opportunities across various skill sets.

India has been able to weather the lockdown thanks to the accelerated investments Prime Minister Modi has enabled over the past five years in digital infrastructure and sensitization to digital means of operations, of which startups have been the architects, designers and ambassadors. Our digital economy supported by Aadhaar, UPI, Jam, all envisioned by volunteers and now managed by the government has helped create the rails for the Direct Benefits Transfer (DBT) program which will ensure that the most vulnerable portions of society can avail the full benefits of government schemes without any leakages.

Indian startups have pioneered models for delivery of essentials, food and goods via ecommerce, hyper local delivery, efficient logistics, shared mobility, frictionless digital payments, online education, data sciences, health services, medical devices, and biotechnology which are helping all our citizens live better and more sustainable lives. The ease of moving into a Work From Home situation across all companies is powered by the technology by startups and entrepreneurs are working around the clock on Grand Challenges to fight the virus and to mitigate its effects.

This sets a paradigm shift for Indian entrepreneurial and employment ecosystem making it comparable to overseas companies like Amazon, Facebook, Google etc. of the World. Projections indicate that by 2025, India may well have **1 lakh+ startups, employing more than 1 Crore across the nation**, and produce 100+ unicorns (US\$ 1+ Billion valuation), with a total market value exceeding \$500 billion (35 Lakh Crores).

However today the Covid-19 virus has wreaked havoc across all facets of life and all sections of society. Everyone has been adversely impacted. Covid crisis threatens to destroy all of the progress and future potential of our startup ecosystem in a few short months. Unfortunately, our startup companies across the

nation are inherently young, less resilient, and most vulnerable. Many of them face likely devastation during this extraordinary economic downturn. At this dire moment, Indian startups need a robust relief package from the government, lest all our collective efforts of the past few years are in vain.

We seek your urgent intervention to help ensure India's startup ecosystem survives this crisis to emerge as a pillar of growth, employment and innovation to help drive India's recovery We need the startup ecosystem to survive in order to help the economy bounce back. We have enclosed herewith our submission for your kind consideration and we look forward to your support in this regard.

We, India's startup entrepreneurs, stand shoulder to shoulder with the Government in this fight against Covid-19.

Thank you for your kind attention.

CC: Dr. Guruprasad Mohapatra, Secretary, DPIIT and Shri. Anil Agrawal, Joint Secretary DPIIT



Kris Gopalakrishnan CII Start-up Council	T.V. Mohandas Pai Aarin Capital	Prashanth Prakash Accel Partners	Sriharsha Majety Swiggy	Mukesh Bansal Curefit
Ms. Debjani Ghosh NASSCOM	Rajat Tandon IVCA	Mohit Bhatnagar Sequoia Capital	Abhiraj Bhal Urban Clap	Gaurav Agarwal 1Mg
Nakul Saxena iSPIRT	Dilip Chenoy FICCI	Avnish Bajaj Matrix Partners	Vivekananda Hr Bounce	Rahul Garg Moglix
Rajan Anandan TiE Delhi	Dr. Taslimarif Saiyed C-CAMP	Vani Kola Kalaari Capital	Jaydeep Burman Rebel Foods	Vaibhav Aggarwal Fabhotels
Ravi Gururaj TiE Bangalore	Ms. Padmaja Ruparel Indian Angel Network	Bejul Somaia Lightspeed Venture Partners	K Ganesh Growth Story	Vamsi Krishna Vedantu
Atul Nishar TiE Mumbai	Siddharth Pai 3One4 Capital	Sudhir Sethi Chiratae Ventures	Vivek Gupta Licious	Meena Ganesh Portea Medical
C.K. Ranganathan TiE Chennai	Sandeep Singhal Nexus Venture Partners	Karthik Reddy Blume Ventures	Rajesh Yabaji Blackbuck	Devendra Rane Coverfox
Sridhar Reddy TiE Hyderabad	Rehan Yar Khan Orios Venture Partners	Sharad Sharma iSPIRT Foundation	Amod Malviya Udaan	Deepinder Goyal Zomato
M.S.A. Kumar TiE Kerala	Anand Lunia India Quotient	Sasha Mirchandani Kae Capital	Dhruv Agarwala Prop Tiger	Ramakant Sharma Livspace
Abhishek Rungta TiE Kolkata	Anjali Bansal Avaana Capital	Anand AnandKumar BugWorks	Vikram Chopra Cars24	Anand Jain Clevertap

Munish Jauhar TiE Chandigarh	Jawahar Bekay TAO Automation	Amit Gupta Yulu	Deena Jacob Open Money	Jiten Gupta Jupiter
Vishal Kehr TiE Uttar Pradesh	Naganand Doraswamy IdeaSpring Capital	Geetansh Bamania Rentomojo	Anirudh Pandita Pocket Aces	Rohit C Darwin Box
Samir Sood Venture Highway	Vaibhav Agarwal Inc42	Parag Dhol Inventus Venture Partners	Rajat Gandhi Faircent	Shradha Sharma YourStory
Anurag Srivastava Jungle Ventures	Vikram Gupta IvyCap Ventures	Arihant Patni Patni Family Office	Aloke Bajpai ixigo	Pranav Pai 3One4 Capital
Souvik Sengupta Infra.market	Shanti Mohan Lets Venture	Siddharth Shah Pharmeasy	Vikram Chandra Editorji	Sandeep Sabharwal Sohan Commodity

Signatories above represent a subset of entrepreneur / founders, venture investors, ecosystem leaders who offered to co-sign this letter. Due to space constraints we could not list all names. Thanks to everyone who offered support.

Startup Industry Representation

The Startups of India seek support from the Government of India to save Millions of Jobs and businesses impacted by closure of all activities and supply chain across India.

Startups are those companies as recognized under the Startup India Action Plan that meet the definition as prescribed under G.S.R. notification 127 (E). Given the unprecedented circumstances we request the turnover limit for startups to qualify for Covid-19 stimulus be extended to Rs 500 crores so as to provide coverage to a large base of impacted employees.

Urgent Fiscal Support

1) Fiscal support to ensure no job losses/ creation of jobs:

- a) The GOI should provide 50% of salary bills and contract wage bills paid by the startups in order to ensure there are no job losses post COVID-19 for a period of April to Sep-20.
- b) Pay any bills due by the Central/State Government to start ups or MSME within 30 days of invoicing and clear all pending dues by April 15th, 2020
- c) Payment cycle for startups to reduce to 45 days like in case of MSME currently its 45 days.

2) Innovative Credit Measures for Business Continuity

- a) Bank to offer 50% of loan to the extent of last year's revenue or last two year payroll as working capital loan with low interest rates to start up without collateral through PSU Bank.
- b) Allow for Startups to avail of interest free loans secured by the Income Tax and GST refunds, payable upon the receipt of the refund from CBDT or CBIC
- c) COVID loans, MUDRA loans all be approved and disbursed in a specific time period like 3-4 days: processes and communication at branch level to be ramped up for this.
- d) Deferral of interest payment by 12 months and soft-loans to lending startups to help them pass on the same without adversely affecting their businesses.

3) Relaxation by Statutory Authority for better operations and cash flow:

- a) The GOI to expedite refund for income tax and GST by 30th April, 2020 to start ups if refund claimed is less than INR 10 cr.
- b) The GOI should allow startups to claim GST refund on account of accumulated GST balance up to 50% of the balance shown in GSTR-3B in March-20 up to maximum of Rs. 20 cr.
- c) No fresh notices / enforcement on ground for a period of six months ending 30th Sep 2020.
- d) TDS deductions for startups in services business to be @1% instead of multiple higher current rates which vary from 2% to 10%.
- e) Allow for a moratorium on the deposits of TDS and GST until 30th, June 2020.
- f) GST payment under reverse charge mechanism should be revoked and output tax liability should arise at the time of collection rather than at the time of invoice generation.

4) Access to Capital for Startups

- a) Enhance the limit for SIDBI Fund of Funds commitments to Indian AIFs to 35% from the existing limit.
- b) Release money from the SIDBI Fund of Funds to all VC funds who have pending capital calls, provided said money is invested into startups within 30 days of the drawdown being received.
- c) Expedite release of payments to new funds applying to the SIDBI Fund of Funds provided they demonstrate the ability to close funding within 60 days of receipt.
- d) Enhance drawdowns to Venture Debt Funds to ensure working capital reaches startups.

- e) SEBI to expedite new fund applications and issue approvals for all pending applications if they have exceeded 30 days.
- f) NIIIF to launch a Fund of Fund for Indian AIFs in order to get more capital to Indian startups
- g) Organization like NABARD to invest into agri-tech focused funds and co-invest into agri-tech startups.
- h) SEBI to allow VCF Funds to extend their timelines beyond +1+1 in case they are currently in their extension periods.

5) Liquidity for funding startups

- a) Create 10-15% top up fund for all VCs (AIF Cat I) who have already raised from Fund of Funds / govt agencies (e.g. BIRAC / Kerala) as VC Funds will need to support their portfolio as “Covid Fund”.
- b) SEBI extend commitment period for all VCs (AIF Cat I) by 6 months / one year.
- c) Expedite all fresh scheme applications by Indian AIFs to ensure that funding reaches startups.
- d) The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme should be extended to start-ups on war footing. It will help start-ups manage cash flows and stay afloat as all VC funding will dry up at least for the next 3 quarters. Such a scheme for start-ups can be used for providing immediate short term OD facility.

6) Relaxation by Other Service Provider:

- a) There should be a rent-free period of 3 months offered to start ups due to revenue loss during lockdown including government owned places and the landlord should be able to claim offset against MCD taxes/ any other taxes.
- b) Electricity, water bills, telephone bills, internet bills etc should be given 90 days of relaxation for making payment for a period up to 30th September 2020.

Many countries like the US, UK, Germany and Canada among many others have announced massive bailout packages in the form of soft loans or government-backed collateral-free loans, tax holidays, a moratorium on liabilities, etc to protect their small businesses, jobs & economy from downfall (**Refer Annexure A**).

Extension of Timelines

Some extensions in dates for compliances have been announced by the Government recently to ease the burden posed by the COVID-19 crisis. We very much appreciate these accommodations. We are preparing a list of some additional compliances and schemes which will provide much needed relief to the industry through extension of dates which will benefit start-ups immensely. These measures would in-fact benefit industry in general and we will therefore suggest these in a subsequent communication as across the board measures.

Support for Government Imperatives

We startups are in complete support of the lockdown imposed by GOI and would try our level best to contribute in providing essential commodities or remote assistance to GOI or people of India and also remain at home to break the chain of CoVid 19 spread. We have already formed groups to assist in the efforts and are offering our technology and services to those in need to mitigate the impact on Indian citizens.

Annexure A

Many Countries have announced Economic Relief Packages going up to 15% of their GDP. Prominent among these have announced the following for their small businesses & startups:

1. **United States of America** (Overall Package Size of \$2 Trillion+)
 - a. \$350 billion forgivable loan program to ensure that small businesses do not lay off employees. Businesses with up to 500 employees, can receive loans up to \$10 million, based on how much the company paid its employees between Jan 1 & Feb 29. The loans will carry an interest rate up to 4%. Principal of the loan will be forgiven, company only need to pay interest
 - b. 50% refundable payroll tax credit on worker wages will further incentivize businesses, including ones with fewer than 500 employees, to retain workers
 - c. Looser net operating loss-reduction rules that will allow businesses to offset more
 - d. A delay in employer-side payroll taxes for Social Security until 2021 and 2022
 - e. Sole proprietors and other self-employed workers could be eligible for the expanded unemployment-insurance benefits the bill provides
 - f. A portion of the \$425 billion in funds appropriated for the Federal Reserve's credit facilities will target small businesses
2. **United Kingdom** (Overall Package Size of £330 billion or \$398 billion)
 - a. Coronavirus Job Retention Scheme wherein HMRC will reimburse 80% of 'furloughed workers' wages, up to £2,500 per month for 3 months
 - b. Deferring VAT for 3 months and Deferring Income Tax payments until January 2021
 - c. Self-employment Income Support Scheme gives a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months
 - d. Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
 - e. 12-month business rates holiday for all retail, hospitality, leisure & nursery businesses
 - f. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
 - g. Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
 - h. The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years. The government will also make a Business Interruption Payment to cover the first 12 months of interest payments. The government will provide lenders with a guarantee of 80% on each loan
3. **Germany** (Overall Package Size of €750 billion or \$814 billion)
 - a. €100 billion in credit to public-sector development bank KfW for loans to struggling businesses
 - b. Deferral of taxes, and "unlimited" credit to businesses
 - c. Economic stability fund (WSF) up to €100 billion that can take direct equity stakes in companies
 - d. €400 billion in loan guarantees to secure corporate debt at risk of defaulting
4. **France** (Overall Package Size of €300 billion or \$320 billion)
 - a. Companies that are facing revenue issues can skip tax payments, rent & utility bills
 - b. Employees receive 84% to 100% of salary — the government will reimburse companies
 - c. Bridge Funding Round for startups through Bpifrance's PIA through a €160 million fund (with equal contribution from Bpifrance & private investors)
 - d. Loans up to €2 billion wherein startups can borrow up to two years of payroll for employees based in France or 25% of annual revenue — whichever is higher
 - e. Up to €1.5 billion through faster VAT returns and tax returns on R&D investments

Date: 30-March-2020

To,
Smt. Nirmala Sitharaman
Hon'ble Finance Minister
Government of India

Subject: Request for urgent relief to Start-ups from COVID-19 CRISIS

Honorable Finance Minister,

We, the young startup entrepreneurs of India, wholeheartedly support and appreciate Prime Minister Modi's bold and courageous decision to impose a 21-day lockdown on the nation to contain the spread of Covid-19. Saving lives is the need of the hour and we the undersigned representatives of the Start-up ecosystem whole heartedly join hands with the government and our fellow citizens in this battle against the Coronavirus.

When Prime Minister Modi's launched Startup India, he forever embedded startups into the national lexicon and the dividends from that scheme are for the entire nation to enjoy. In our nation's quest to become a \$5 trillion economy by 2025, our honourable Prime Minister announced that at least \$1 trillion should come from new age businesses and startups.

This letter represents the voice of Startups of India. We are working with all stakeholders to create the right environment for the growth of entrepreneurship and employment within India. Today 39,000+ Startups across India are instrumental in building a strong ecosystem conducive for the growth of the economy, driving sustainability, and driving rapid expansion of employment opportunities across various skill sets.

India has been able to weather the lockdown thanks to the accelerated investments Prime Minister Modi has enabled over the past five years in digital infrastructure and sensitization to digital means of operations, of which startups have been the architects, designers and ambassadors. Our digital economy supported by Aadhaar, UPI, Jam, all envisioned by volunteers and now managed by the government has helped create the rails for the Direct Benefits Transfer (DBT) program which will ensure that the most vulnerable portions of society can avail the full benefits of government schemes without any leakages.

Indian startups have pioneered models for delivery of essentials, food and goods via ecommerce, hyper local delivery, efficient logistics, shared mobility, frictionless digital payments, online education, data sciences, health services, medical devices, and biotechnology which are helping all our citizens live better and more sustainable lives. The ease of moving into a Work From Home situation across all companies is powered by the technology by startups and entrepreneurs are working around the clock on Grand Challenges to fight the virus and to mitigate its effects.

This sets a paradigm shift for Indian entrepreneurial and employment ecosystem making it comparable to overseas companies like Amazon, Facebook, Google etc. of the World. Projections indicate that by 2025, India may well have **1 lakh+ startups, employing more than 1 Crore across the nation**, and produce 100+ unicorns (US\$ 1+ Billion valuation), with a total market value exceeding \$500 billion (35 Lakh Crores).

However today the Covid-19 virus has wreaked havoc across all facets of life and all sections of society. Everyone has been adversely impacted. Covid crisis threatens to destroy all of the progress and future potential of our startup ecosystem in a few short months. Unfortunately, our startup companies across the

nation are inherently young, less resilient, and most vulnerable. Many of them face likely devastation during this extraordinary economic downturn. At this dire moment, Indian startups need a robust relief package from the government, lest all our collective efforts of the past few years are in vain.

We seek your urgent intervention to help ensure India's startup ecosystem survives this crisis to emerge as a pillar of growth, employment and innovation to help drive India's recovery We need the startup ecosystem to survive in order to help the economy bounce back. We have enclosed herewith our submission for your kind consideration and we look forward to your support in this regard.

We, India's startup entrepreneurs, stand shoulder to shoulder with the Government in this fight against Covid-19.

Thank you for your kind attention.

CC: Dr. Ajay Bhusan Prasad Pandey, Secretary, Ministry of Finance



Kris Gopalakrishnan CII Start-up Council	T.V. Mohandas Pai Aarin Capital	Prashanth Prakash Accel Partners	Sriharsha Majety Swiggy	Mukesh Bansal Curefit
Ms. Debjani Ghosh NASSCOM	Rajat Tandon IVCA	Mohit Bhatnagar Sequoia Capital	Abhiraj Bhal Urban Clap	Gaurav Agarwal 1Mg
Nakul Saxena iSPIRT	Dilip Chenoy FICCI	Avnish Bajaj Matrix Partners	Vivekananda Hr Bounce	Rahul Garg Moglix
Rajan Anandan TiE Delhi	Dr. Taslimarif Saiyed C-CAMP	Vani Kola Kalaari Capital	Jaydeep Burman Rebel Foods	Vaibhav Aggarwal Fabhotels
Ravi Gururaj TiE Bangalore	Ms. Padmaja Ruparel Indian Angel Network	Bejul Somaia Lightspeed Venture Partners	K Ganesh Growth Story	Vamsi Krishna Vedantu
Atul Nishar TiE Mumbai	Siddharth Pai 3One4 Capital	Sudhir Sethi Chiratae Ventures	Vivek Gupta Licious	Meena Ganesh Portea Medical
C.K. Ranganathan TiE Chennai	Sandeep Singhal Nexus Venture Partners	Karthik Reddy Blume Ventures	Rajesh Yabaji Blackbuck	Devendra Rane Coverfox
Sridhar Reddy TiE Hyderabad	Rehan Yar Khan Orios Venture Partners	Sharad Sharma iSPIRT Foundation	Amod Malviya Udaan	Deepinder Goyal Zomato
M.S.A. Kumar TiE Kerala	Anand Lunia India Quotient	Sasha Mirchandani Kae Capital	Dhruv Agarwala Prop Tiger	Ramakant Sharma Livspace
Abhishek Rungta TiE Kolkata	Anjali Bansal Avaana Capital	Anand AnandKumar BugWorks	Vikram Chopra Cars24	Anand Jain Clevertap

Munish Jauhar TiE Chandigarh	Jawahar Bekay TAO Automation	Amit Gupta Yulu	Deena Jacob Open Money	Jiten Gupta Jupiter
Vishal Kehr TiE Uttar Pradesh	Naganand Doraswamy IdeaSpring Capital	Geetansh Bamania Rentomojo	Anirudh Pandita Pocket Aces	Rohit C Darwin Box
Samir Sood Venture Highway	Vaibhav Agarwal Inc42	Parag Dhol Inventus Venture Partners	Rajat Gandhi Faircent	Shradha Sharma YourStory
Anurag Srivastava Jungle Ventures	Vikram Gupta IvyCap Ventures	Arihant Patni Patni Family Office	Aloke Bajpai ixigo	Pranav Pai 3One4 Capital
Souvik Sengupta Infra.market	Shanti Mohan Lets Venture	Siddharth Shah Pharmeasy	Vikram Chandra Editorji	Sandeep Sabharwal Sohan Commodity

Signatories above represent a subset of entrepreneur / founders, venture investors, ecosystem leaders who offered to co-sign this letter. Due to space constraints we could not list all names. Thanks to everyone who offered support.

Startup Industry Representation

The Startups of India seek support from the Government of India to save Millions of Jobs and businesses impacted by closure of all activities and supply chain across India.

Startups are those companies as recognized under the Startup India Action Plan that meet the definition as prescribed under G.S.R. notification 127 (E). Given the unprecedented circumstances we request the turnover limit for startups to qualify for Covid-19 stimulus be extended to Rs 500 crores so as to provide coverage to a large base of impacted employees.

Urgent Fiscal Support

1) Fiscal support to ensure no job losses/ creation of jobs:

- a) The GOI should provide 50% of salary bills and contract wage bills paid by the startups in order to ensure there are no job losses post COVID-19 for a period of April to Sep-20.
- b) Pay any bills due by the Central/State Government to start ups or MSME within 30 days of invoicing and clear all pending dues by April 15th, 2020
- c) Payment cycle for startups to reduce to 45 days like in case of MSME currently its 45 days.

2) Innovative Credit Measures for Business Continuity

- a) Bank to offer 50% of loan to the extent of last year's revenue or last two year payroll as working capital loan with low interest rates to start up without collateral through PSU Bank.
- b) Allow for Startups to avail of interest free loans secured by the Income Tax and GST refunds, payable upon the receipt of the refund from CBDT or CBIC
- c) COVID loans, MUDRA loans all be approved and disbursed in a specific time period like 3-4 days: processes and communication at branch level to be ramped up for this.
- d) Deferral of interest payment by 12 months and soft-loans to lending startups to help them pass on the same without adversely affecting their businesses.

3) Relaxation by Statutory Authority for better operations and cash flow:

- a) The GOI to expedite refund for income tax and GST by 30th April, 2020 to start ups if refund claimed is less than INR 10 cr.
- b) The GOI should allow startups to claim GST refund on account of accumulated GST balance up to 50% of the balance shown in GSTR-3B in March-20 up to maximum of Rs. 20 cr.
- c) No fresh notices / enforcement on ground for a period of six months ending 30th Sep 2020.
- d) TDS deductions for startups in services business to be @1% instead of multiple higher current rates which vary from 2% to 10%.
- e) Allow for a moratorium on the deposits of TDS and GST until 30th, June 2020.
- f) GST payment under reverse charge mechanism should be revoked and output tax liability should arise at the time of collection rather than at the time of invoice generation.

4) Access to Capital for Startups

- a) Enhance the limit for SIDBI Fund of Funds commitments to Indian AIFs to 35% from the existing limit.
- b) Release money from the SIDBI Fund of Funds to all VC funds who have pending capital calls, provided said money is invested into startups within 30 days of the drawdown being received.
- c) Expedite release of payments to new funds applying to the SIDBI Fund of Funds provided they demonstrate the ability to close funding within 60 days of receipt.
- d) Enhance drawdowns to Venture Debt Funds to ensure working capital reaches startups.

- e) SEBI to expedite new fund applications and issue approvals for all pending applications if they have exceeded 30 days.
- f) NIIIF to launch a Fund of Fund for Indian AIFs in order to get more capital to Indian startups
- g) Organization like NABARD to invest into agri-tech focused funds and co-invest into agri-tech startups.
- h) SEBI to allow VCF Funds to extend their timelines beyond +1+1 in case they are currently in their extension periods.

5) Liquidity for funding startups

- a) Create 10-15% top up fund for all VCs (AIF Cat I) who have already raised from Fund of Funds / govt agencies (e.g. BIRAC / Kerala) as VC Funds will need to support their portfolio as “Covid Fund”.
- b) SEBI extend commitment period for all VCs (AIF Cat I) by 6 months / one year.
- c) Expedite all fresh scheme applications by Indian AIFs to ensure that funding reaches startups.
- d) The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme should be extended to start-ups on war footing. It will help start-ups manage cash flows and stay afloat as all VC funding will dry up at least for the next 3 quarters. Such a scheme for start-ups can be used for providing immediate short term OD facility.

6) Relaxation by Other Service Provider:

- a) There should be a rent-free period of 3 months offered to start ups due to revenue loss during lockdown including government owned places and the landlord should be able to claim offset against MCD taxes/ any other taxes.
- b) Electricity, water bills, telephone bills, internet bills etc should be given 90 days of relaxation for making payment for a period up to 30th September 2020.

Many countries like the US, UK, Germany and Canada among many others have announced massive bailout packages in the form of soft loans or government-backed collateral-free loans, tax holidays, a moratorium on liabilities, etc to protect their small businesses, jobs & economy from downfall (**Refer Annexure A**).

Extension of Timelines

Some extensions in dates for compliances have been announced by the Government recently to ease the burden posed by the COVID-19 crisis. We very much appreciate these accommodations. We are preparing a list of some additional compliances and schemes which will provide much needed relief to the industry through extension of dates which will benefit start-ups immensely. These measures would in-fact benefit industry in general and we will therefore suggest these in a subsequent communication as across the board measures.

Support for Government Imperatives

We startups are in complete support of the lockdown imposed by GOI and would try our level best to contribute in providing essential commodities or remote assistance to GOI or people of India and also remain at home to break the chain of CoVid 19 spread. We have already formed groups to assist in the efforts and are offering our technology and services to those in need to mitigate the impact on Indian citizens.

Annexure A

Many Countries have announced Economic Relief Packages going up to 15% of their GDP. Prominent among these have announced the following for their small businesses & startups:

1. **United States of America** (Overall Package Size of \$2 Trillion+)
 - a. \$350 billion forgivable loan program to ensure that small businesses do not lay off employees. Businesses with up to 500 employees, can receive loans up to \$10 million, based on how much the company paid its employees between Jan 1 & Feb 29. The loans will carry an interest rate up to 4%. Principal of the loan will be forgiven, company only need to pay interest
 - b. 50% refundable payroll tax credit on worker wages will further incentivize businesses, including ones with fewer than 500 employees, to retain workers
 - c. Looser net operating loss-reduction rules that will allow businesses to offset more
 - d. A delay in employer-side payroll taxes for Social Security until 2021 and 2022
 - e. Sole proprietors and other self-employed workers could be eligible for the expanded unemployment-insurance benefits the bill provides
 - f. A portion of the \$425 billion in funds appropriated for the Federal Reserve's credit facilities will target small businesses
2. **United Kingdom** (Overall Package Size of £330 billion or \$398 billion)
 - a. Coronavirus Job Retention Scheme wherein HMRC will reimburse 80% of 'furloughed workers' wages, up to £2,500 per month for 3 months
 - b. Deferring VAT for 3 months and Deferring Income Tax payments until January 2021
 - c. Self-employment Income Support Scheme gives a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months
 - d. Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
 - e. 12-month business rates holiday for all retail, hospitality, leisure & nursery businesses
 - f. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
 - g. Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
 - h. The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years. The government will also make a Business Interruption Payment to cover the first 12 months of interest payments. The government will provide lenders with a guarantee of 80% on each loan
3. **Germany** (Overall Package Size of €750 billion or \$814 billion)
 - a. €100 billion in credit to public-sector development bank KfW for loans to struggling businesses
 - b. Deferral of taxes, and "unlimited" credit to businesses
 - c. Economic stability fund (WSF) up to €100 billion that can take direct equity stakes in companies
 - d. €400 billion in loan guarantees to secure corporate debt at risk of defaulting
4. **France** (Overall Package Size of €300 billion or \$320 billion)
 - a. Companies that are facing revenue issues can skip tax payments, rent & utility bills
 - b. Employees receive 84% to 100% of salary — the government will reimburse companies
 - c. Bridge Funding Round for startups through Bpifrance's PIA through a €160 million fund (with equal contribution from Bpifrance & private investors)
 - d. Loans up to €2 billion wherein startups can borrow up to two years of payroll for employees based in France or 25% of annual revenue — whichever is higher
 - e. Up to €1.5 billion through faster VAT returns and tax returns on R&D investments

Date: 30-March-2020

To,
Shri. Ravi Shankar Prasad
Hon'ble Electronics & Information Technology Minister
Government of India

Subject: Request for urgent relief to Start-ups from COVID-19 CRISIS

Honorable IT Minister,

We, the young startup entrepreneurs of India, wholeheartedly support and appreciate Prime Minister Modi's bold and courageous decision to impose a 21-day lockdown on the nation to contain the spread of Covid-19. Saving lives is the need of the hour and we the undersigned representatives of the Start-up ecosystem whole heartedly join hands with the government and our fellow citizens in this battle against the Coronavirus.

When Prime Minister Modi's launched Startup India, he forever embedded startups into the national lexicon and the dividends from that scheme are for the entire nation to enjoy. In our nation's quest to become a \$5 trillion economy by 2025, our honourable Prime Minister announced that at least \$1 trillion should come from new age businesses and startups.

This letter represents the voice of Startups of India. We are working with all stakeholders to create the right environment for the growth of entrepreneurship and employment within India. Today 39,000+ Startups across India are instrumental in building a strong ecosystem conducive for the growth of the economy, driving sustainability, and driving rapid expansion of employment opportunities across various skill sets.

India has been able to weather the lockdown thanks to the accelerated investments Prime Minister Modi has enabled over the past five years in digital infrastructure and sensitization to digital means of operations, of which startups have been the architects, designers and ambassadors. Our digital economy supported by Aadhaar, UPI, Jam, all envisioned by volunteers and now managed by the government has helped create the rails for the Direct Benefits Transfer (DBT) program which will ensure that the most vulnerable portions of society can avail the full benefits of government schemes without any leakages.

Indian startups have pioneered models for delivery of essentials, food and goods via ecommerce, hyper local delivery, efficient logistics, shared mobility, frictionless digital payments, online education, data sciences, health services, medical devices, and biotechnology which are helping all our citizens live better and more sustainable lives. The ease of moving into a Work From Home situation across all companies is powered by the technology by startups and entrepreneurs are working around the clock on Grand Challenges to fight the virus and to mitigate its effects.

This sets a paradigm shift for Indian entrepreneurial and employment ecosystem making it comparable to overseas companies like Amazon, Facebook, Google etc. of the World. Projections indicate that by 2025, India may well have **1 lakh+ startups, employing more than 1 Crore across the nation**, and produce 100+ unicorns (US\$ 1+ Billion valuation), with a total market value exceeding \$500 billion (35 Lakh Crores).

However today the Covid-19 virus has wreaked havoc across all facets of life and all sections of society. Everyone has been adversely impacted. Covid crisis threatens to destroy all of the progress and future potential of our startup ecosystem in a few short months. Unfortunately, our startup companies across the

nation are inherently young, less resilient, and most vulnerable. Many of them face likely devastation during this extraordinary economic downturn. At this dire moment, Indian startups need a robust relief package from the government, lest all our collective efforts of the past few years are in vain.

We seek your urgent intervention to help ensure India's startup ecosystem survives this crisis to emerge as a pillar of growth, employment and innovation to help drive India's recovery We need the startup ecosystem to survive in order to help the economy bounce back. We have enclosed herewith our submission for your kind consideration and we look forward to your support in this regard.

We, India's startup entrepreneurs, stand shoulder to shoulder with the Government in this fight against Covid-19.

Thank you for your kind attention.

CC: Shri. Ajay Prakash Sawhney, Secretary, Meity



Kris Gopalakrishnan CII Start-up Council	T.V. Mohandas Pai Aarin Capital	Prashanth Prakash Accel Partners	Sriharsha Majety Swiggy	Mukesh Bansal Curefit
Ms. Debjani Ghosh NASSCOM	Rajat Tandon IVCA	Mohit Bhatnagar Sequoia Capital	Abhiraj Bhal Urban Clap	Gaurav Agarwal 1Mg
Nakul Saxena iSPIRT	Dilip Chenoy FICCI	Avnish Bajaj Matrix Partners	Vivekananda Hr Bounce	Rahul Garg Moglix
Rajan Anandan TiE Delhi	Dr. Taslimarif Saiyed C-CAMP	Vani Kola Kalaari Capital	Jaydeep Burman Rebel Foods	Vaibhav Aggarwal Fabhotels
Ravi Gururaj TiE Bangalore	Ms. Padmaja Ruparel Indian Angel Network	Bejul Somaia Lightspeed Venture Partners	K Ganesh Growth Story	Vamsi Krishna Vedantu
Atul Nishar TiE Mumbai	Siddharth Pai 3One4 Capital	Sudhir Sethi Chiratae Ventures	Vivek Gupta Licious	Meena Ganesh Portea Medical
C.K. Ranganathan TiE Chennai	Sandeep Singhal Nexus Venture Partners	Karthik Reddy Blume Ventures	Rajesh Yabaji Blackbuck	Devendra Rane Coverfox
Sridhar Reddy TiE Hyderabad	Rehan Yar Khan Orios Venture Partners	Sharad Sharma iSPIRT Foundation	Amod Malviya Udaan	Deepinder Goyal Zomato
M.S.A. Kumar TiE Kerala	Anand Lunia India Quotient	Sasha Mirchandani Kae Capital	Dhruv Agarwala Prop Tiger	Ramakant Sharma Livspace
Abhishek Rungta TiE Kolkata	Anjali Bansal Avaana Capital	Anand AnandKumar BugWorks	Vikram Chopra Cars24	Anand Jain Clevertap

Munish Jauhar TiE Chandigarh	Jawahar Bekay TAO Automation	Amit Gupta Yulu	Deena Jacob Open Money	Jiten Gupta Jupiter
Vishal Kehr TiE Uttar Pradesh	Naganand Doraswamy IdeaSpring Capital	Geetansh Bamania Rentomojo	Anirudh Pandita Pocket Aces	Rohit C Darwin Box
Samir Sood Venture Highway	Vaibhav Agarwal Inc42	Parag Dhol Inventus Venture Partners	Rajat Gandhi Faircent	Shradha Sharma YourStory
Anurag Srivastava Jungle Ventures	Vikram Gupta IvyCap Ventures	Arihant Patni Patni Family Office	Aloke Bajpai ixigo	Pranav Pai 3One4 Capital
Souvik Sengupta Infra.market	Shanti Mohan Lets Venture	Siddharth Shah Pharmeasy	Vikram Chandra Editorji	Sandeep Sabharwal Sohan Commodity

Signatories above represent a subset of entrepreneur / founders, venture investors, ecosystem leaders who offered to co-sign this letter. Due to space constraints we could not list all names. Thanks to everyone who offered support.

Startup Industry Representation

The Startups of India seek support from the Government of India to save Millions of Jobs and businesses impacted by closure of all activities and supply chain across India.

Startups are those companies as recognized under the Startup India Action Plan that meet the definition as prescribed under G.S.R. notification 127 (E). Given the unprecedented circumstances we request the turnover limit for startups to qualify for Covid-19 stimulus be extended to Rs 500 crores so as to provide coverage to a large base of impacted employees.

Urgent Fiscal Support

1) Fiscal support to ensure no job losses/ creation of jobs:

- a) The GOI should provide 50% of salary bills and contract wage bills paid by the startups in order to ensure there are no job losses post COVID-19 for a period of April to Sep-20.
- b) Pay any bills due by the Central/State Government to start ups or MSME within 30 days of invoicing and clear all pending dues by April 15th, 2020
- c) Payment cycle for startups to reduce to 45 days like in case of MSME currently its 45 days.

2) Innovative Credit Measures for Business Continuity

- a) Bank to offer 50% of loan to the extent of last year's revenue or last two year payroll as working capital loan with low interest rates to start up without collateral through PSU Bank.
- b) Allow for Startups to avail of interest free loans secured by the Income Tax and GST refunds, payable upon the receipt of the refund from CBDT or CBIC
- c) COVID loans, MUDRA loans all be approved and disbursed in a specific time period like 3-4 days: processes and communication at branch level to be ramped up for this.
- d) Deferral of interest payment by 12 months and soft-loans to lending startups to help them pass on the same without adversely affecting their businesses.

3) Relaxation by Statutory Authority for better operations and cash flow:

- a) The GOI to expedite refund for income tax and GST by 30th April, 2020 to start ups if refund claimed is less than INR 10 cr.
- b) The GOI should allow startups to claim GST refund on account of accumulated GST balance up to 50% of the balance shown in GSTR-3B in March-20 up to maximum of Rs. 20 cr.
- c) No fresh notices / enforcement on ground for a period of six months ending 30th Sep 2020.
- d) TDS deductions for startups in services business to be @1% instead of multiple higher current rates which vary from 2% to 10%.
- e) Allow for a moratorium on the deposits of TDS and GST until 30th, June 2020.
- f) GST payment under reverse charge mechanism should be revoked and output tax liability should arise at the time of collection rather than at the time of invoice generation.

4) Access to Capital for Startups

- a) Enhance the limit for SIDBI Fund of Funds commitments to Indian AIFs to 35% from the existing limit.
- b) Release money from the SIDBI Fund of Funds to all VC funds who have pending capital calls, provided said money is invested into startups within 30 days of the drawdown being received.
- c) Expedite release of payments to new funds applying to the SIDBI Fund of Funds provided they demonstrate the ability to close funding within 60 days of receipt.
- d) Enhance drawdowns to Venture Debt Funds to ensure working capital reaches startups.

- e) SEBI to expedite new fund applications and issue approvals for all pending applications if they have exceeded 30 days.
- f) NIIIF to launch a Fund of Fund for Indian AIFs in order to get more capital to Indian startups
- g) Organization like NABARD to invest into agri-tech focused funds and co-invest into agri-tech startups.
- h) SEBI to allow VCF Funds to extend their timelines beyond +1+1 in case they are currently in their extension periods.

5) Liquidity for funding startups

- a) Create 10-15% top up fund for all VCs (AIF Cat I) who have already raised from Fund of Funds / govt agencies (e.g. BIRAC / Kerala) as VC Funds will need to support their portfolio as “Covid Fund”.
- b) SEBI extend commitment period for all VCs (AIF Cat I) by 6 months / one year.
- c) Expedite all fresh scheme applications by Indian AIFs to ensure that funding reaches startups.
- d) The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme should be extended to start-ups on war footing. It will help start-ups manage cash flows and stay afloat as all VC funding will dry up at least for the next 3 quarters. Such a scheme for start-ups can be used for providing immediate short term OD facility.

6) Relaxation by Other Service Provider:

- a) There should be a rent-free period of 3 months offered to start ups due to revenue loss during lockdown including government owned places and the landlord should be able to claim offset against MCD taxes/ any other taxes.
- b) Electricity, water bills, telephone bills, internet bills etc should be given 90 days of relaxation for making payment for a period up to 30th September 2020.

Many countries like the US, UK, Germany and Canada among many others have announced massive bailout packages in the form of soft loans or government-backed collateral-free loans, tax holidays, a moratorium on liabilities, etc to protect their small businesses, jobs & economy from downfall (**Refer Annexure A**).

Extension of Timelines

Some extensions in dates for compliances have been announced by the Government recently to ease the burden posed by the COVID-19 crisis. We very much appreciate these accommodations. We are preparing a list of some additional compliances and schemes which will provide much needed relief to the industry through extension of dates which will benefit start-ups immensely. These measures would in-fact benefit industry in general and we will therefore suggest these in a subsequent communication as across the board measures.

Support for Government Imperatives

We startups are in complete support of the lockdown imposed by GOI and would try our level best to contribute in providing essential commodities or remote assistance to GOI or people of India and also remain at home to break the chain of CoVid 19 spread. We have already formed groups to assist in the efforts and are offering our technology and services to those in need to mitigate the impact on Indian citizens.

Annexure A

Many Countries have announced Economic Relief Packages going up to 15% of their GDP. Prominent among these have announced the following for their small businesses & startups:

1. **United States of America** (Overall Package Size of \$2 Trillion+)
 - a. \$350 billion forgivable loan program to ensure that small businesses do not lay off employees. Businesses with up to 500 employees, can receive loans up to \$10 million, based on how much the company paid its employees between Jan 1 & Feb 29. The loans will carry an interest rate up to 4%. Principal of the loan will be forgiven, company only need to pay interest
 - b. 50% refundable payroll tax credit on worker wages will further incentivize businesses, including ones with fewer than 500 employees, to retain workers
 - c. Looser net operating loss-reduction rules that will allow businesses to offset more
 - d. A delay in employer-side payroll taxes for Social Security until 2021 and 2022
 - e. Sole proprietors and other self-employed workers could be eligible for the expanded unemployment-insurance benefits the bill provides
 - f. A portion of the \$425 billion in funds appropriated for the Federal Reserve's credit facilities will target small businesses
2. **United Kingdom** (Overall Package Size of £330 billion or \$398 billion)
 - a. Coronavirus Job Retention Scheme wherein HMRC will reimburse 80% of 'furloughed workers' wages, up to £2,500 per month for 3 months
 - b. Deferring VAT for 3 months and Deferring Income Tax payments until January 2021
 - c. Self-employment Income Support Scheme gives a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months
 - d. Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
 - e. 12-month business rates holiday for all retail, hospitality, leisure & nursery businesses
 - f. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
 - g. Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
 - h. The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years. The government will also make a Business Interruption Payment to cover the first 12 months of interest payments. The government will provide lenders with a guarantee of 80% on each loan
3. **Germany** (Overall Package Size of €750 billion or \$814 billion)
 - a. €100 billion in credit to public-sector development bank KfW for loans to struggling businesses
 - b. Deferral of taxes, and "unlimited" credit to businesses
 - c. Economic stability fund (WSF) up to €100 billion that can take direct equity stakes in companies
 - d. €400 billion in loan guarantees to secure corporate debt at risk of defaulting
4. **France** (Overall Package Size of €300 billion or \$320 billion)
 - a. Companies that are facing revenue issues can skip tax payments, rent & utility bills
 - b. Employees receive 84% to 100% of salary — the government will reimburse companies
 - c. Bridge Funding Round for startups through Bpifrance's PIA through a €160 million fund (with equal contribution from Bpifrance & private investors)
 - d. Loans up to €2 billion wherein startups can borrow up to two years of payroll for employees based in France or 25% of annual revenue — whichever is higher
 - e. Up to €1.5 billion through faster VAT returns and tax returns on R&D investments