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ANGEL INVESTING SIMPLIFIED

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#B2B E-COMMERCE EDITION



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Did You Know?



MEMBER ENGAGEMENT AT UNISYNC

- ✓ Unisync Members can attend monthly UNISYNC STARTUP SHOWCASE where select startups will pitch to investors in a prescribed format.
- ✓ Unisync Members will receive reviews and reports about startups participating in the Showcase.
- ✓ Unisync prepares a common Term Sheet for its members for each investment and also provide Legal & Financial Due Diligence Reports.
- ✓ Each Unisync Member will make his or her individual decision based on given investment opportunity.
- ✓ Unisync provides its members pre & post investment support - from investment to exist - to manage and monitor their investments.
- ✓ Unisync Members will get opportunities for networking with other members through events and programs organised by Unisync or its partners for free or at discounted rates.



THE FUNDING SCENARIO AND INVESTMENT TRENDS IN B2B E-COMMERCE SEGMENT.

INTRODUCTION

The B2B e-commerce segment is witnessing significant growth fueled by digital platforms and innovative business models. This editorial explores the current funding scenario, key investment trends, and factors influencing investor interest in this dynamic sector.

CURRENT FUNDING SCENARIO

The past few years have seen substantial investment activity in B2B e-commerce, with startups attracting significant funding from venture capitalists, private equity firms, and strategic investors. This capital influx is driving innovation and rapid scaling.

1. High-Profile Funding Rounds:

Companies like OfBusiness and Udaan have secured substantial investments, highlighting confidence in the sector's potential.

2. Diverse Investor Base:

The sector attracts a broad range of investors, from traditional VC firms to corporate investors and family offices, indicating widespread appeal and recognition of long-term growth prospects.

3. Geographic Focus:

Investment activity is concentrated in regions with strong industrial and manufacturing bases, such as India, China, and the United States.

KEY INVESTMENT TRENDS

Several trends are shaping the investment landscape in B2B e-commerce:

1. Focus on Technology and Innovation:

Investors prioritize startups leveraging AI, machine learning, blockchain, and IoT to enhance operational



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efficiency, supply chain transparency, and data insights.

2. Emphasis on Fintech Integration:

Startups offering seamless integration of financial technology solutions, like working capital financing and digital payments, are particularly attractive.

3. Sustainability and ESG Considerations:

ESG factors are increasingly important in investment decisions. Startups committed to sustainability, ethical sourcing, and responsible business practices are drawing more interest.

4. Sector-Specific Solutions:

Investors favor startups providing tailored solutions for specific industries, such as healthcare, automotive, or construction, due to their niche expertise and market penetration potential.

5. Strategic Partnerships and M&A Activity:

Rising strategic partnerships and mergers and acquisitions are enhancing digital capabilities and market reach, fostering a collaborative and innovative ecosystem.

CONCLUSION

The B2B e-commerce segment is at a pivotal moment with strong investor interest and a dynamic funding landscape. Startups leveraging cutting-edge technologies, integrating fintech solutions, and committing to sustainability are well-positioned to attract significant investment and drive the future of B2B commerce.



B2B E-COMMERCE REIMAGINED: TRANSFORMING PROCUREMENT WITH ONLINE MARKETPLACES

The global B2B marketplace size has seen exponential growth, projected to reach USD 30 trillion dollars in the coming years. This surge is driven by the digitization of procurement processes and increasing adoption of online platforms. In India, the opportunity is equally promising, with a burgeoning market of SMEs and large enterprises moving towards digital procurement solutions.

THE EMERGENCE OF B2B MARKETPLACES IN INDIA

The B2B E-commerce Market is expected to grow to USD 60 billion by 2025 and it would cross USD 300 billion by 2030. Tiger Global has invested in three B2B ecommerce platforms: Infra.Market, Moglix and OfBusiness (all 3 are Unicorns). The three players compete with each other as online B2B marketplaces, but their business models and target segments are quite different. Infra.market deals in infrastructure material, Moglix serves the industrial and home products market whereas Ofbusiness caters to manufacturing segment. On the other hand, another B2B Unicorn, Udaan, connects manufacturers, wholesalers, traders, and retailers, streamlining the procurement process, primarily targeting small businesses to procure products – across categories like electronics, home and kitchen, staples, fruit and vegetables, and more. The market is now witnessing entry of sector-focused e-commerce procurement marketplaces.



Written by,

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KEY FEATURES OF ONLINE B2B MARKETPLACES

Currently, most E-commerce B2B Marketplaces offers the following key features:

- 1. Comprehensive Product Listings:**
 Platforms like Amazon Business and Udaan offer extensive catalogues, allowing businesses to source a wide range of products easily.
- 2. Advanced Search and Filtering:**
 Marketplaces such Infra.Market provide robust search capabilities, enabling users to find specific products or services quickly.
- 3. Dynamic Pricing Models:**
 Most marketplaces showcase real-time pricing based on demand and supply, facilitating cost-effective procurement.
- 4. Supplier Verification and Ratings:**
 Platforms like Handshake (in US) emphasize supplier vetting and user ratings, ensuring quality and reliability.
- 5. Integration with ERP Systems:**
 Marketplaces integrate seamlessly with existing ERP systems, providing a unified procurement experience.



As B2B marketplaces evolve, they are expected to integrate more advanced technologies like AI and blockchain to enhance transparency, security, and efficiency. Predictive analytics will play a significant role in demand forecasting, while blockchain can ensure secure and immutable transaction records. Marketplaces will also offer more personalized experiences, leveraging data to tailor recommendations and procurement strategies. Moreover, financial assistance is crucial for businesses to manage their cash flow effectively, especially in procurement. B2B marketplaces that offer financing options can significantly enhance their value proposition.

For example, platforms can provide credit lines, invoice financing, and flexible payment terms to help businesses manage their procurement costs without straining their finances.

INTERCONNECTED BUSINESS MODELS: OF BUSINESS AND OXYZO

The interconnected business model of OfBusiness and Oxyzo provides a compelling example of how financial assistance can benefit startups. OfBusiness is a B2B marketplace offering industrial products and raw materials, while Oxyzo, its financial services arm, provides working capital financing. This synergy allows OfBusiness to offer procurement solutions along with financial assistance, enabling businesses to purchase necessary goods without immediate capital outflow. This integrated approach not only enhances procurement efficiency but also supports businesses' financial stability.

THE OPPORTUNITY FOR NEW ENTRANTS

The current market scenario is characterized by a rapid shift towards digital procurement, driven by the need for efficiency, cost savings, and agility. B2B marketplaces are at the forefront of this transformation, offering businesses a competitive edge through better procurement practices. The opportunity for new entrants in the B2B marketplace is vast. To succeed, new entrants should focus on:

a) Technology Integration: Leveraging advanced analytics, AI, and machine learning to offer enhanced procurement solutions.

b) User Experience: Providing an intuitive and seamless user interface to simplify the procurement process.

c) Vendor Management: Ensuring a robust network of pre-screened vendors to maintain quality and reliability.

d) Compliance and Security: Ensuring stringent compliance and security measures to build trust among users.

e) Financial Solutions: Offering financial assistance options to help businesses manage their procurement costs effectively.

B2B online marketplaces are revolutionizing indirect procurement by addressing the inefficiencies of traditional methods. The future of procurement lies in these dynamic, transparent, and efficient marketplaces, poised to drive significant innovation and growth in the supply chain landscape.

“

**B2B eCommerce isn't just about transactions;
it's about transforming the way businesses interact, innovate,
and grow in a digital-first world.**



B2B E-COMMERCE GLOBAL MARKET OVERVIEW

The world of B2B e-commerce is a buzz with activity, transforming traditional business transactions into digital interactions. This shift isn't just a trend; it's a revolution changing how businesses connect, procure, and grow. Imagine a marketplace where businesses from different corners of the globe can seamlessly interact, collaborate, and thrive - this is the new era of B2B e-commerce.

According to a report by Dynamic web, research was conducted among 400 companies in the US, UK, Germany, Netherlands, Denmark, Norway, and Sweden, each with more than 20 employees and revenues above \$20 million.

KEY FINDINGS

25%

average increase in revenue seen by B2B organization after implementing eCommerce.

50%

of revenue, on Average, comes from eCommerce or portal orders.

85%

will maintain or increase investment in eCommerce over the next 12 months.

68%

of B2B organizations have an eCommerce storefront or self-service portal.

61%

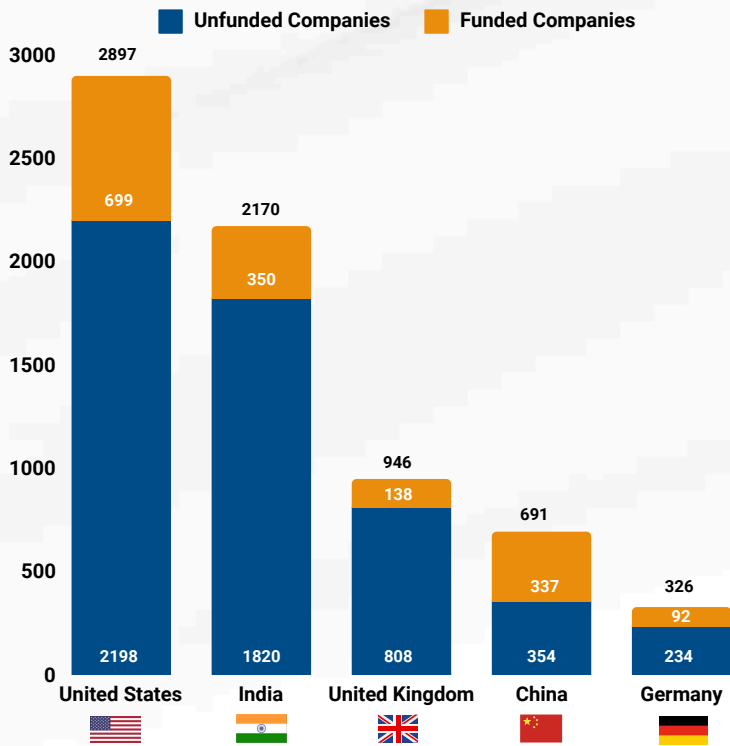
use a Product Information Management (PIM) system.

GLOBAL MARKET OVERVIEW

The global B2B E-Commerce market encompasses the digital platforms, software, and solutions that facilitate business-to-business transactions and interactions. B2B E-Commerce transactions enable companies to buy and sell products, services, and information through electronic channels, streamlining procurement processes and supply chain management. The leading B2B E-Commerce companies provide platforms that offer features such as product catalogs, order management, secure payment gateways, and integration with enterprise systems.

As per the US Bureau of Labor Statistics, American families dedicate six hours every week to household planning and shopping, much of which occurs online at Walmart. As the world's largest retailer, Walmart generated over \$82 billion in e-commerce sales in 2023. This shows that the majority of B2B e-commerce transactions are shifting to a digital platform. Accordingly, our analysis predicts that the Global B2B E-Commerce Market is set to rise at a CAGR of 22.98% over the forecast years 2024-2032.

Across the globe, there are more than 12,000 companies involved in B2B e-commerce, with 2,647 of them being funded. The total funding amounts to \$48.3 billion, and there have been 561 acquisitions and 69 IPOs worldwide.



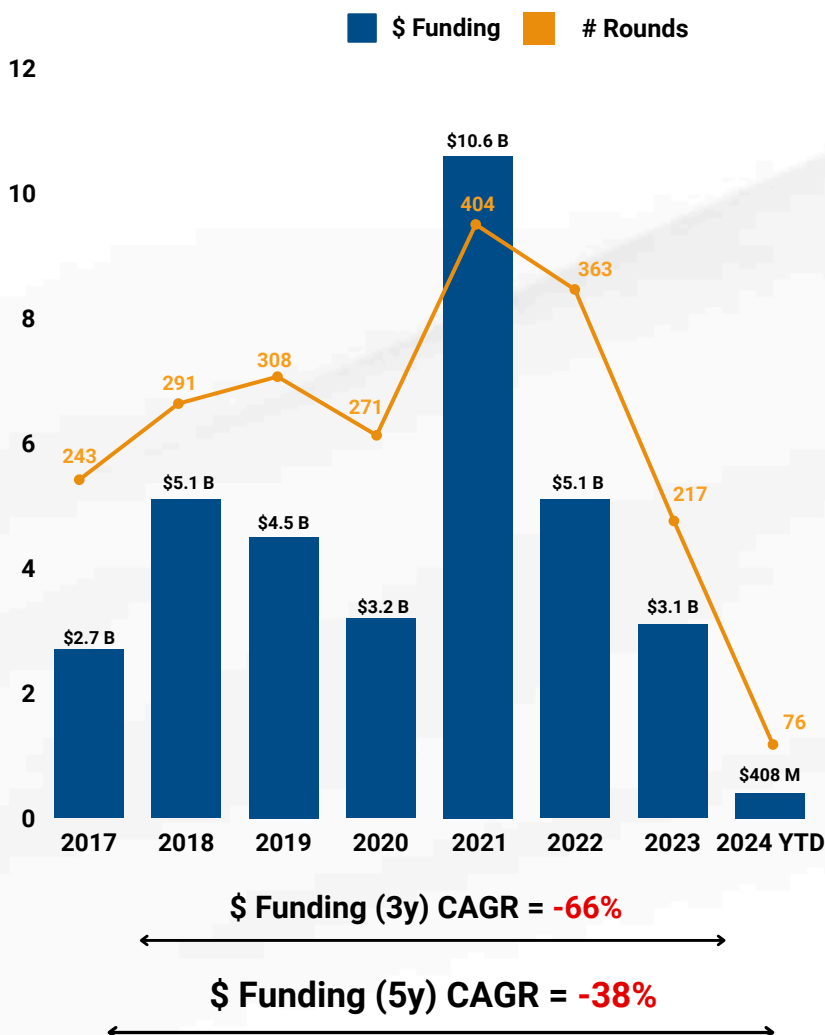
- The **United States** has 2,897 total companies, with 699 funded;
- **India** has 2,170 total companies, with 350 funded;
- the **United Kingdom** has 946 total companies, with 138 funded;
- **China** has 354 unfunded and 337 funded companies;
- **Germany** has 326 total companies, with 234 unfunded.

Insights:

The United States and India dominate in sheer numbers, reflecting robust startup ecosystems. China's equal number of funded and unfunded companies suggests an efficient funding environment. Germany and the United Kingdom, with fewer companies, may indicate more selective or mature markets.

FUNDING TRENDS:

Y-o-Y Funding Trends



ANALYSIS AND INSIGHTS:

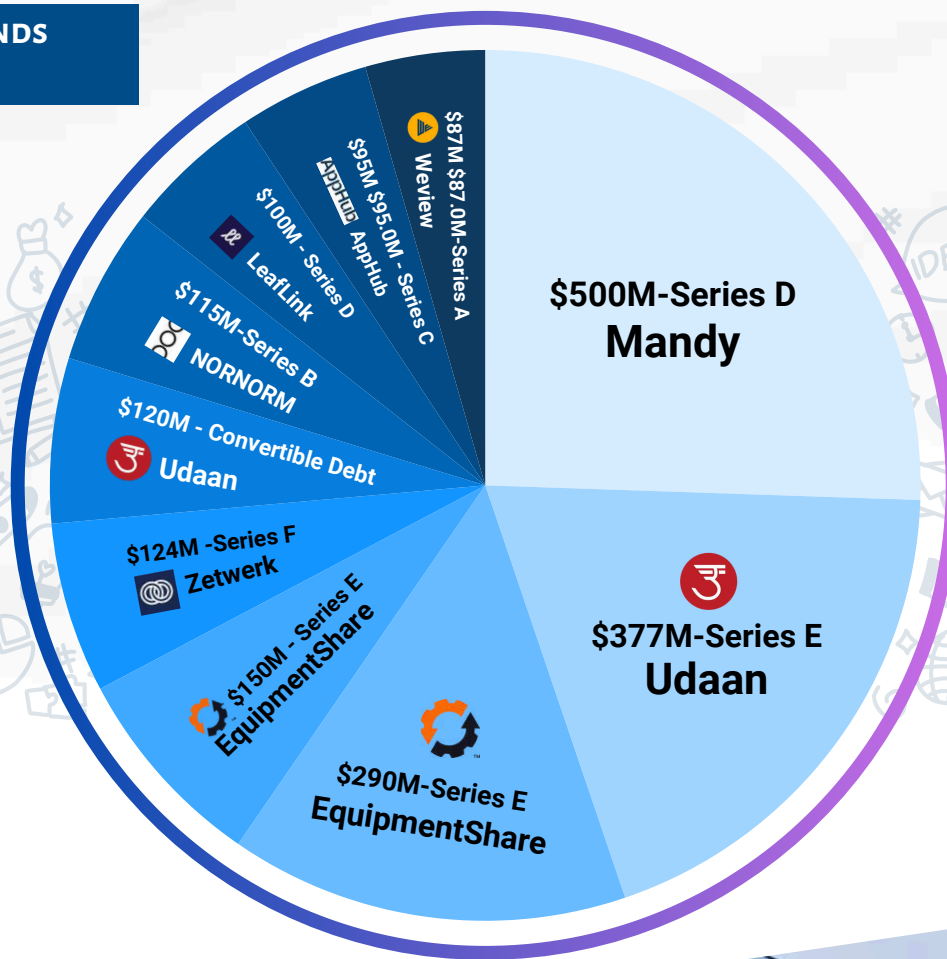
In 2021, there was a significant peak in funding, reaching \$10.6 billion across 404 rounds. This increase could be attributed to a post-pandemic recovery and a surge in investment activity.

After the peak in 2021, there has been a noticeable decline in both funding amounts and the number of rounds. By 2023, funding had dropped to \$3.1 billion with 217 rounds, and early data for 2024 suggests that this downward trend is continuing.

The 3-year CAGR of -66% and the 5-year CAGR of -38% highlight a significant contraction in funding activity in recent years, reflecting potential market corrections or economic uncertainties.

The top funding rounds feature significant investments in a diverse set of companies, including high-profile rounds for Mandy, Udaan, and Equipment Share. The amounts indicate strong interest in scaling operations and market expansion despite overall declining trends.

TOP FUNDING ROUNDS IN LAST 2 YEARS



AMAZON'S ROLE IN B2B E-COMMERCE

THE DAWN OF A NEW ERA

Imagine a bustling global marketplace accessible to businesses of all sizes with just a click. Welcome to Amazon B2B E-commerce, where traditional commerce meets digital innovation.

A JOURNEY OF TRANSFORMATION

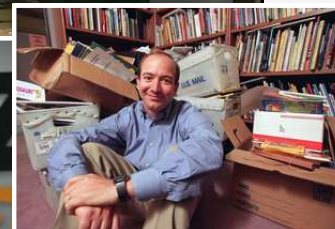
Procurement once meant endless phone calls and paperwork. Now, with Amazon Business, businesses can access millions of products from verified suppliers in one place. This evolution saves time and resources, allowing companies to focus on growth and innovation.

JEFF BEZOS'S STRATEGIC MOVES

In 1994, Jeff Bezos founded Amazon with a vision to create an online bookstore. Little did he know, this venture would evolve into a behemoth of e-commerce. Fast forward to 2015, Amazon Business was launched, marking Amazon's official entry into the B2B market. This platform has since revolutionized the sector, much like how Amazon.com reshaped retail.

Jeff Bezos recognized the potential of B2B e-commerce long before others did. He utilized Amazon's extensive logistics network, technological expertise, and customer-centric approach to establish Amazon Business. His strategy was straightforward yet impactful: provide businesses with the same convenience and efficiency that Amazon offered to individual consumers.

Jeff Bezos envisioned Amazon as a customer-centric company, and Amazon Business is an embodiment of that vision. By catering to the needs of businesses, Amazon has developed a platform that simplifies procurement and enhances efficiency.



THE POWER OF CONVENIENCE

Amazon Business offers unparalleled convenience. For businesses like Lisa's tech company, it means streamlined procurement, competitive pricing, and efficient purchasing management. Multi-user accounts, approval workflows, and detailed analytics optimize operations and reduce costs.

THE FUTURE OF B2B COMMERCE

As the digital landscape evolves, Amazon B2B E-commerce leads the transformation with innovative features and an expanding supplier network. This platform is a catalyst for change, making procurement simpler, faster, and more efficient.

- **Launch Year:** 2015
- **Market Reach:** Operating in nine countries with millions of business customers
- **Product Range:** Over 10 million products available for business








AMAZON BUSINESS HIGHLIGHTS



COMPARATIVE STUDY OF B2B E-COMMERCE PLATFORMS:

The B2B e-commerce space has seen significant growth with numerous companies entering the market, each bringing unique offerings and capabilities. Major players like Amazon Business, Flipkart Wholesale, Alibaba, and IndiaMART have established themselves as leaders, leveraging their strengths to capture market share. This study will explore how these companies have entered the B2B e-commerce space and compare their key features, strategies, and market impacts.

COMPARISON TABLE

Feature	Amazon Business	Flipkart Wholesale	Alibaba	IndiaMART	Udaan	TradeIndia	IndustryBuying
Launch Year	2015	2020	1999	1996	2016	1996	2013
Market Reach	Global (9 countries)	India	Global	Primarily India	India	Primarily India	India
Product Range	10+ million products	Wide assortment	Extensive product range	Wide range of products	Wide range of products	Wide range of products	Industrial supplies
Key Features	Multi-user accounts, approval workflows, detailed analytics	Better pricing, wide assortment, local empowerment	Trade assurance, logistics, financing options	Platform for SMEs, global reach	Connects SMEs with manufacturers	Platform for SMEs, global reach	Industrial supplies, MRO products
Logistics Network	Extensive global network	Extensive in India	Extensive global network	Moderate in India	Growing network in India	Moderate in India	Moderate in India
Target Audience	 Businesses of all sizes	 Local Kiranas & MSME	 Global Buyers	 SMEs	 SMEs	 SMEs	 Industrial Businesses
Technological Edge	Advanced analytics, AI	Leveraging Flipkart's tech	Advanced logistics and AI	User-friendly platform	Mobile app, user-friendly interface	User-friendly platform	E-procurement solutions
Customer Support	24/7 support	Dedicated support	24/7 support	Support for SMEs	Dedicated support	Support for SMEs	Dedicated support

MARKET REACH AND TARGET AUDIENCE:

Amazon Business and Alibaba have a global reach, catering to businesses of all sizes, while Flipkart Wholesale, Udaan, and IndustryBuying focus on the Indian market.

IndiaMART and TradeIndia primarily serve SMEs, providing platforms for smaller businesses to reach a broader audience.

PRODUCT RANGE AND FEATURES:

Amazon Business and Alibaba offer extensive product ranges and advanced features like detailed analytics and trade assurance.

Flipkart Wholesale focuses on empowering local businesses with competitive pricing and a wide assortment of products.

Udaan and IndustryBuying provide specialized services for SMEs and industrial businesses, respectively.

LOGISTICS AND TECHNOLOGICAL CAPABILITIES:

Amazon and Alibaba leverage their extensive logistics networks and technological expertise to offer seamless procurement solutions.

Flipkart Wholesale benefits from Flipkart's existing logistics and technology infrastructure.

Udaan, Trade India, and Industry Buying are building robust logistics networks to enhance their service offerings.

The B2B e-commerce space is dynamic, with major players bringing unique strengths to the market. Amazon Business and Alibaba lead with their global reach and technological advancements, while Flipkart Wholesale, IndiaMART, Udaan, Trade India, and Industry Buying focus on empowering local businesses and SMEs in India. Each platform offers distinct features and capabilities, making them valuable partners for businesses looking to streamline procurement and drive growth.

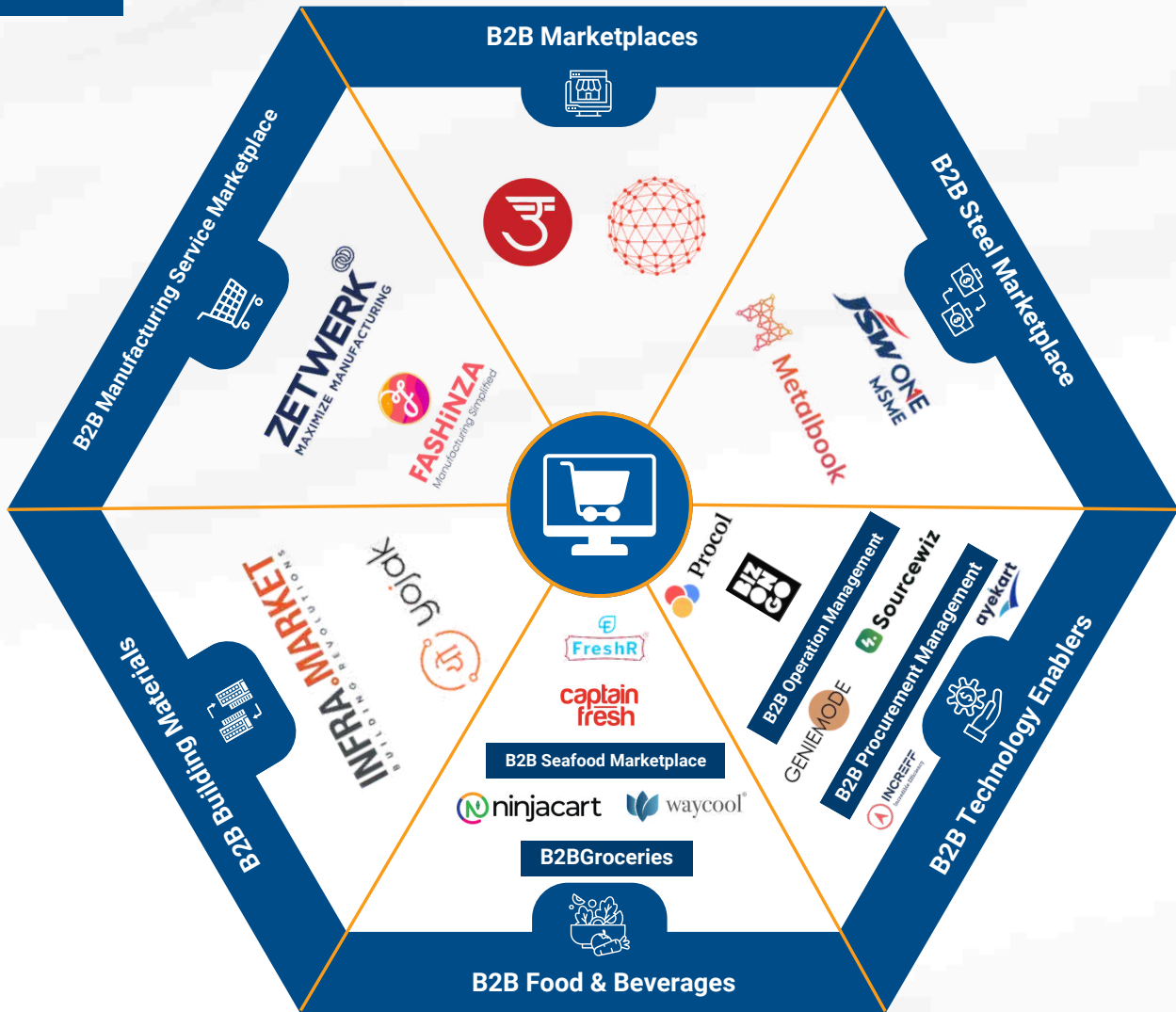
B2B E-COMMERCE IN INDIA:

India's vibrant economy and rapid digital adoption are propelling its B2B e-commerce sector into a phase of unprecedented growth. Picture a bustling marketplace, now digitized, where small and medium enterprises (SMEs) are the new digital entrepreneurs,

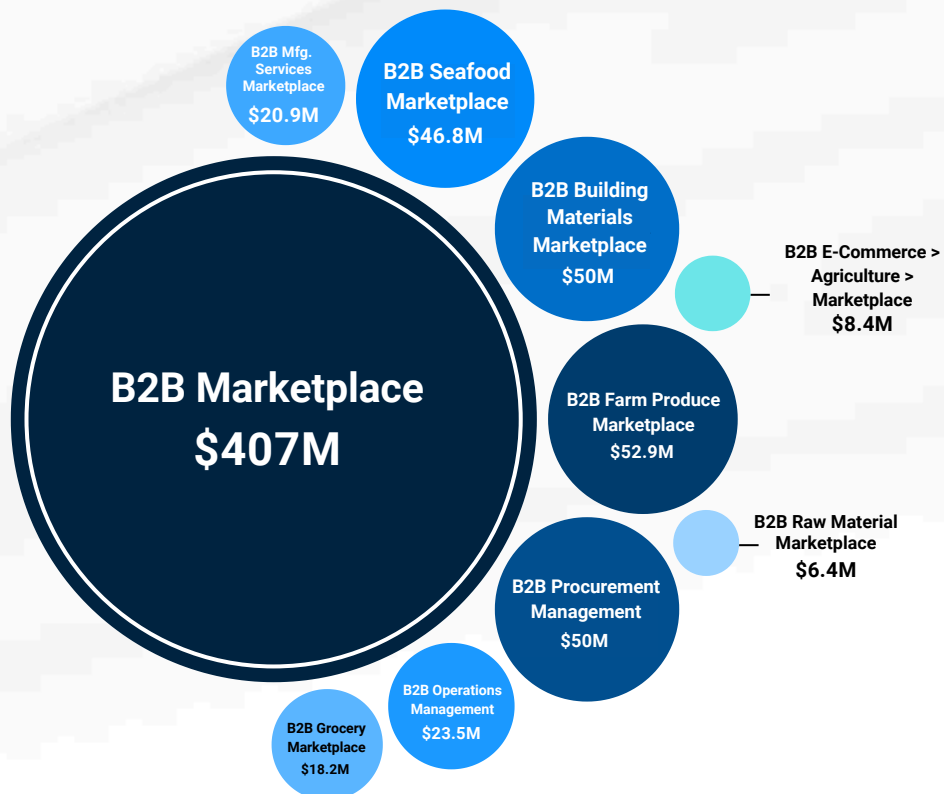
leveraging technology to reach wider markets and streamline operations.

India has 2K + companies in B2B E-commerce with 350 funding companies, total funding is \$ 8.3B and total 14 acquisition and 4 IPOs

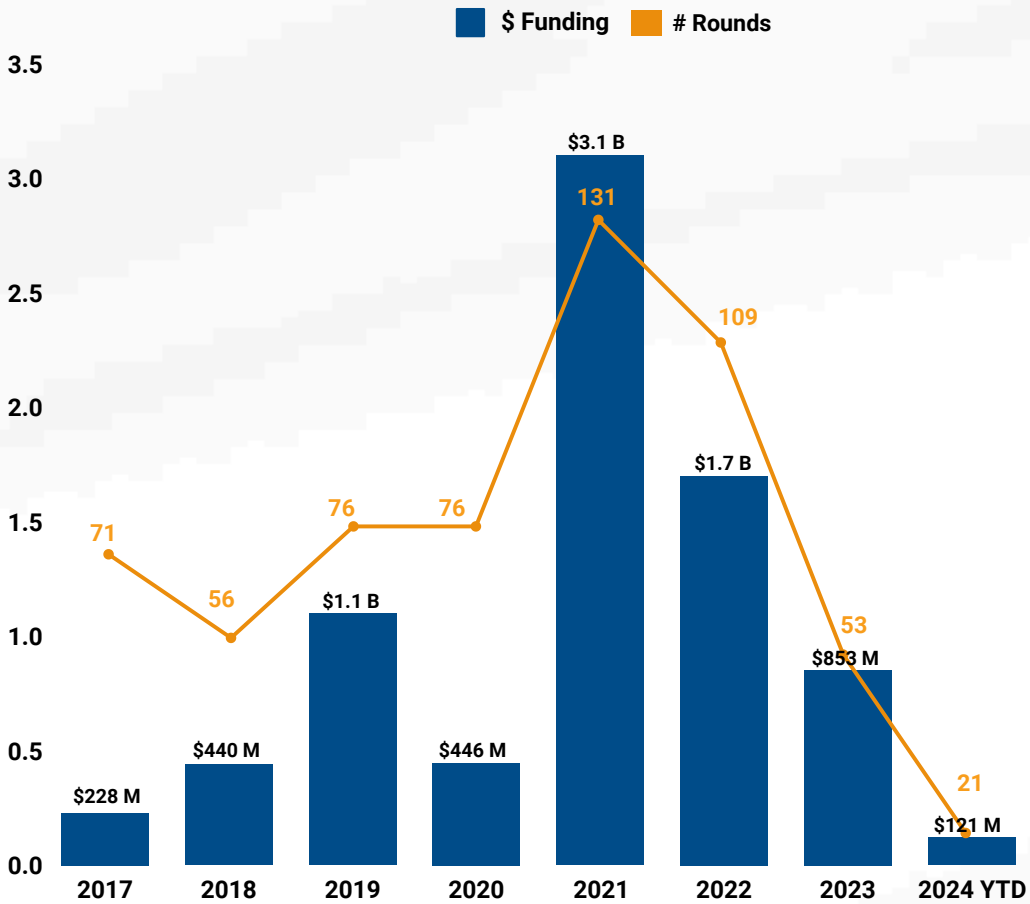
MARKET MAP:



TOP BUSINESS MODELS IN LAST 1 YR. (FUNDING)



Y-o-Y Funding Trends



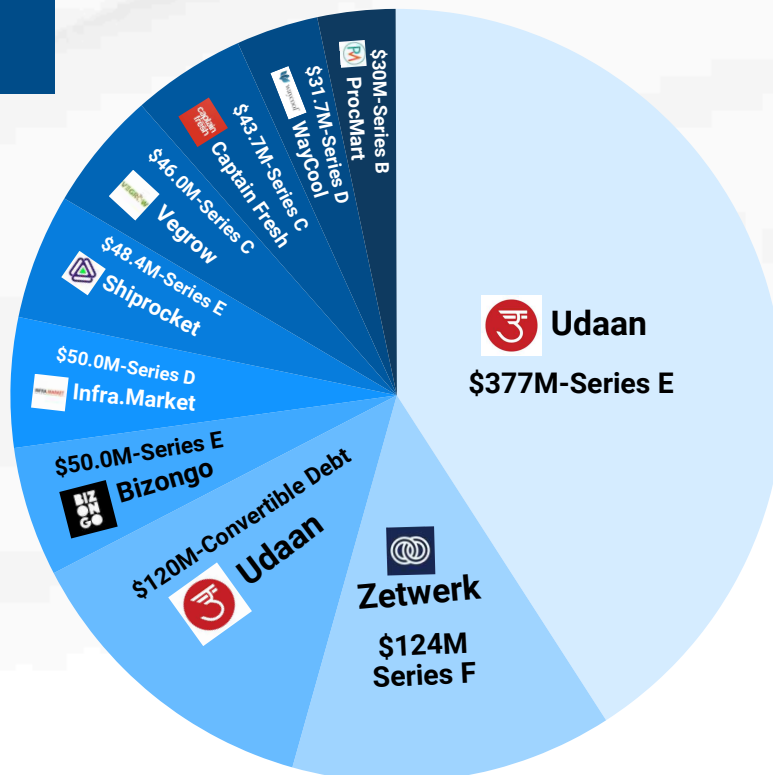
\$ Funding (3y) CAGR = -61%



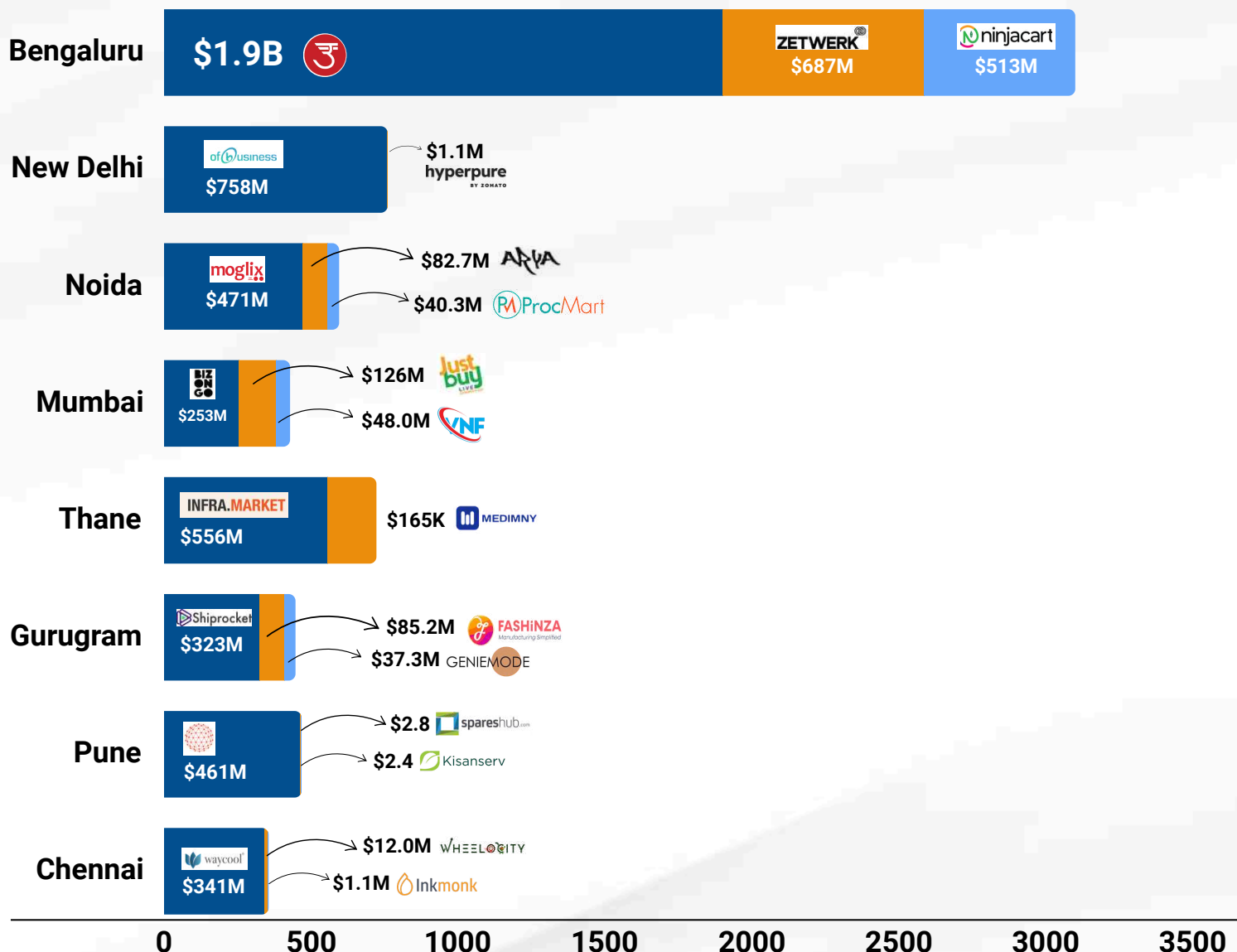
\$ Funding (5y) CAGR = -30%



TOP FUNDING ROUNDS IN LAST 2 YEARS



Distribution by cities - Top funded companies:



The B2B e-commerce sector in India has experienced notable fluctuations in funding, characterized by both geographical distribution and year-over-year trends. Bengaluru leads the landscape, securing \$3.8 billion across 216 funding rounds, making it the primary hub for startup investments. Major companies like Udaan, Zetwerk, and Ninjacart dominate this space. New Delhi, with \$760 million in funding from 13 rounds, follows, focusing on high-value startups such as OfBusiness and HyperPure. Noida, Mumbai, Thane, Gurugram, Pune, and Chennai also attract significant investments, although their funding volumes and the number of rounds vary.

Analyzing the funding trends over recent years reveals a peak in 2021 with \$3.1 billion across 181 rounds. However, this was followed by a sharp decline to \$1.7 billion in 2022 and further down to \$653 million in 2023, with only \$121 million recorded in 2024 year-to-date.

The compound annual growth rate (CAGR) over the last three years shows a significant decline of 61%, reflecting potential market saturation or a more cautious investment approach. Despite the downturn, companies like Udaan, Zetwerk, and Infra.Market continue to secure substantial funding rounds, highlighting investor confidence in select high-growth ventures.

Overall, the B2B e-commerce sector in India is undergoing a phase of consolidation and strategic investments, with a focus on scalable and sustainable business models. The concentration of funding in key cities and the decreasing number of funding rounds indicate a maturing market where investors are increasingly selective, backing ventures that promise long-term growth and stability.

B2B E-COMMERCE LANDSCAPE COMPARISON:

- **Founded Yr:** 2015
- **Total Funding:** \$471Mn
- **Stage:** Series F

Notable Milestone:
Expanded to 20+ countries;
Launched Moglix Services

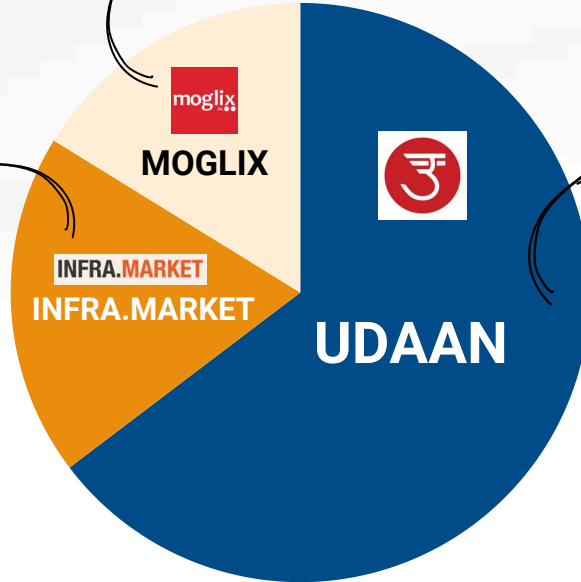
Key Investors:

- (1) **Accel Partners** 
- (2) **Sequoia Capital** 

- **Founded Yr:** 2016
- **Total Funding:** \$566 Mn
- **Stage:** Series D

Notable Milestone:
Ranked among top 10 construction tech startups globally in 2021

Key Investors:



- **Founded Yr:** 2016
- **Total Funding:** \$1.88 Bn
- **Stage:** Series E

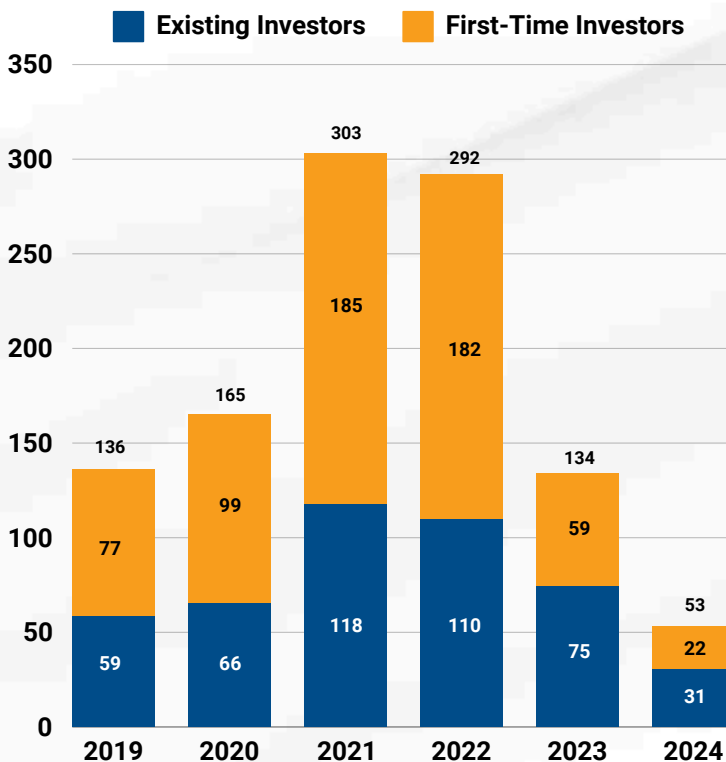
Notable Milestone:
Reached Unicorn status in 2018; Expanded to 900+ cities

Key Investors:












INVESTOR IN B2B E-COMMERCE:

Y-o-Y # Of Unique Institutional Investors in B2B E-Commerce India:



Top Institutional Investors in the last 2 Years:

Stage	Investor Name	Round in Last 2Y
Seed Stage	IPV 	4
	We Founder Circle 	4
	Matrix Partners India 	3
Early Stage	Alteria Capital 	4
	Blume Ventures 	4
	Rebright Partners 	3
Late Stage	Lightspeed Venture Partners 	3
	Agility 	2
	Alteria Capital 	2

The year-on-year (Y-o-Y) analysis of active investors in the B2B e-commerce sector in India indicates fluctuating trends from 2019 to 2024. In 2019, there were 136 unique institutional investors, with 59 being first-time investors and 77 existing ones. This number grew to 165 in 2020, showing a balanced contribution of 66 first-time and 99 existing investors. The peak was observed in 2021 with a total of 303 investors, comprising 118 first-time and 185 existing investors. However, there was a slight dip in 2022 with 292 investors, where the number of first-time investors decreased to 110 while existing investors were at 182. The most significant drop occurred in 2023, with the total number of investors reducing to 134, split between 75 first-time and 59 existing investors.

This declining trend continued into 2024, with only 53 investors recorded, 22 of whom were first-time investors and 31 existing ones.

Additionally, the top institutional investors over the last two years are highlighted. At the seed stage, IPV and We Founder Circle led with 4 rounds each, followed by Matrix Partners India with 3 rounds. In the early stage, Alteria Capital and Blume Ventures topped the list with 4 rounds each, and Rebright Partners participated in 3 rounds. For late-stage investments, Lightspeed Venture Partners led with 3 rounds, followed by Agility and Alteria Capital with 2 rounds each. This data reflects the dynamics of investor participation and the shifting focus across different investment stages in the B2B e-commerce landscape in India.

TERMINOLOGIES

B2B



(1) LEAD GENERATION:

The process of identifying and cultivating potential customers for a business's products or services.



(2) VENDOR MANAGEMENT:

The process of overseeing and coordinating an organization's suppliers to maximize their value.



(3) INBOUND MARKETING:

A strategy that focuses on attracting customers through relevant and helpful content and interactions.



(4) RFP (REQUEST FOR PROPOSAL):

A document that solicits proposals from potential vendors to complete a project or provide a service.



(5) WHITE LABELING:

The practice of purchasing products or services from another company and rebranding them as one's own.



(6) MARKET SEGMENTATION:

The practice of dividing a market into distinct groups of buyers with different needs or characteristics.

STARTUP UPDATES & FUNDINGS:



Tata 1mg's revenue nears Rs 2,000 Cr in FY24; losses down by 75% : Tata 1mg achieved significant revenue growth in FY22 and FY23, but focused on improving profitability in FY24. Its revenue grew by 21% to Rs 1,968 crore in FY24 from Rs 1,627 crore in FY23, while reducing losses by 75%.



Google partners with ElectricPe to bring EV charging stations to Google Maps in India: Google has partnered with Indian startup ElectricPe to enhance the EV charging experience. This allows Google Maps users in India to view real-time availability and status of charging points, reducing range anxiety.



OfBusiness revenue nears Rs 20,000 Cr in FY24; profits crosses Rs 600 Cr: OfBusiness, an industrial goods and services procurement platform, experienced significant growth in FY24. Its revenue rose by 25.8% to Rs 19,296 crore from Rs 15,343 crore in FY23, and the company's profit spiked by 30%, crossing the Rs 600 crore mark.



Akumentis Healthcare income crosses Rs 400 Cr in FY24; posts Rs 57 Cr profit : During the last fiscal year ending March 2024, Akumentis Healthcare reported stagnant growth, but managed to improve margins and bottom line through controlled cost mechanisms. The company saw a modest 2.8% increase in scale.



Ixigo posts Rs 656 Cr revenue and Rs 73 Cr PAT in FY24 : Le Travenues Technology Limited, the parent company of Ixigo, has reported a 31% year-on-year revenue increase and over 3X spike in profits for the fiscal year ended March 2024. Ixigo's revenue from operations grew 31% to Rs 656 crore in FY24 from Rs 501 crore in FY23.



Oyo raises \$50 Mn from InCred at \$2.38 Bn valuation: Oyo has raised approximately \$50 million from InCred Wealth and Investment, marking its first funding round in almost three years. The board approved the issuance of 14,37,41,379 Series G CCPS at an issue price of Rs 29 each, according to regulatory filings.



E-bike maker Matter raises \$35 Mn in ongoing Series B round: Matter Motor, an EV tech and energy storage firm, has secured the first tranche of \$35 million in a Series B round led by US-based venture capital firm Helena. Other investors include Capital 2B, Japan Airlines & Translink Innovation Fund, and Saad Bahwan Investment Management Company



Agri-tech startup Arya.ag raises \$29 Mn at valuation of \$325 Mn: Arya.ag, an agritech startup, has raised approximately Rs 242.36 crore (\$29.2 million) from existing investors, marking its first investment round since January 2022. The board passed a resolution to issue 53,695 CCPS at an issue price of Rs 45,137 each.



Infra.Market raises Rs 150 Cr debt led by Yubi : Infra.Market, a Mumbai-based firm, secured Rs 150 crore in debt financing following a \$50 million equity round from the Mars Unicorn Fund, a joint venture of Liquidity Group and MUFG.



Lenskart raises nearly \$20 Mn led by Peyush and Neha Bansal: Eyewear retailer Lenskart has raised nearly \$20 million from its co-founders Peyush Bansal, Neha Bansal, Amit Choudhary, and Sumeet Kapahi with a special resolution to issue 695,875 CCPS at an issue price of Rs 2,300 each, aiming to raise Rs 160 crore or \$19.12 million.

OfBusiness: B2B Raw Materials Prices Unlock a Whole New World of Raw Materials



OVERVIEW

OfBusiness is a B2B commerce platform that provides smart procurement and financial services to small and medium enterprises (SMEs) in manufacturing and infrastructure sectors. The platform aims to simplify and optimize the procurement process while offering financial products tailored to meet the needs of businesses.

COMPANY OVERVIEW:

- **Name:** OfBusiness
- **Founders:** Asish Mohapatra, Ruchi Kalra, Vasant Sridhar, Bhuvan Gupta, Nitin Jain
- **Founded:** 2015
- **Industry:** Fintech, B2B Marketplace

BUSINESS MODEL:

OfBusiness operates on a hybrid model combining procurement of raw materials with credit financing. The platform sources raw materials directly from manufacturers, ensuring competitive pricing and reliable quality. Additionally, OfBusiness provides financing options such as purchase finance, vendor finance, and working capital loans to assist SMEs in managing their cash flows.

KEY FEATURES:

1. Smart Procurement:

- Access to a wide range of raw materials including steel, cement, and chemicals.
- Transparent pricing and reliable quality.
- Efficient logistics and supply chain management.

2. Financial Services:

- Tailored credit solutions to meet specific business needs.
- Quick loan approvals with minimal documentation.
- Integration of procurement and financing to optimize cash flow.

3. Technology Integration:

- Data-driven insights for better decision-making.
- Digital platform for easy order tracking and management.
- AI-based credit scoring to streamline financing approvals.

IMPACT:

OfBusiness has significantly impacted the SME sector by providing a one-stop solution for procurement and financing. It has enabled businesses to focus on growth by reducing procurement costs and improving access to capital. The platform's technology-driven approach has also enhanced efficiency and transparency in the supply chain.

FUNDING AND GROWTH:

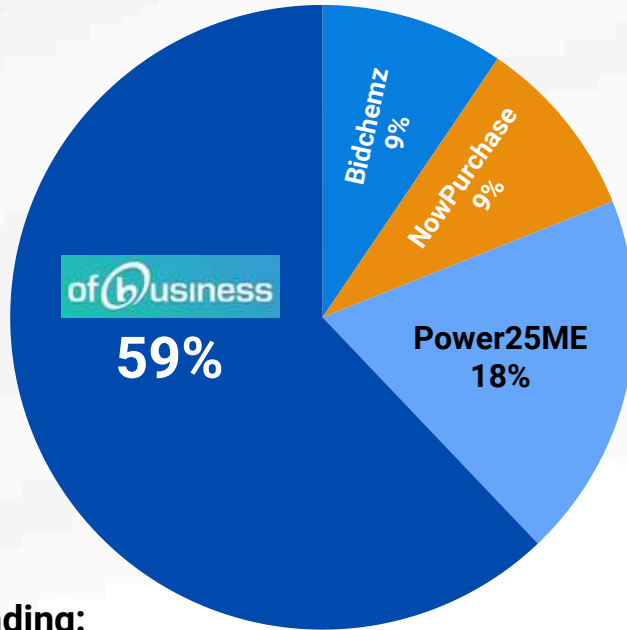
OfBusiness has attracted significant investment from prominent venture capital firms and has shown substantial growth since its inception. The company has raised several rounds of funding, allowing it to expand its product offerings and geographical reach.

FUTURE PLANS:

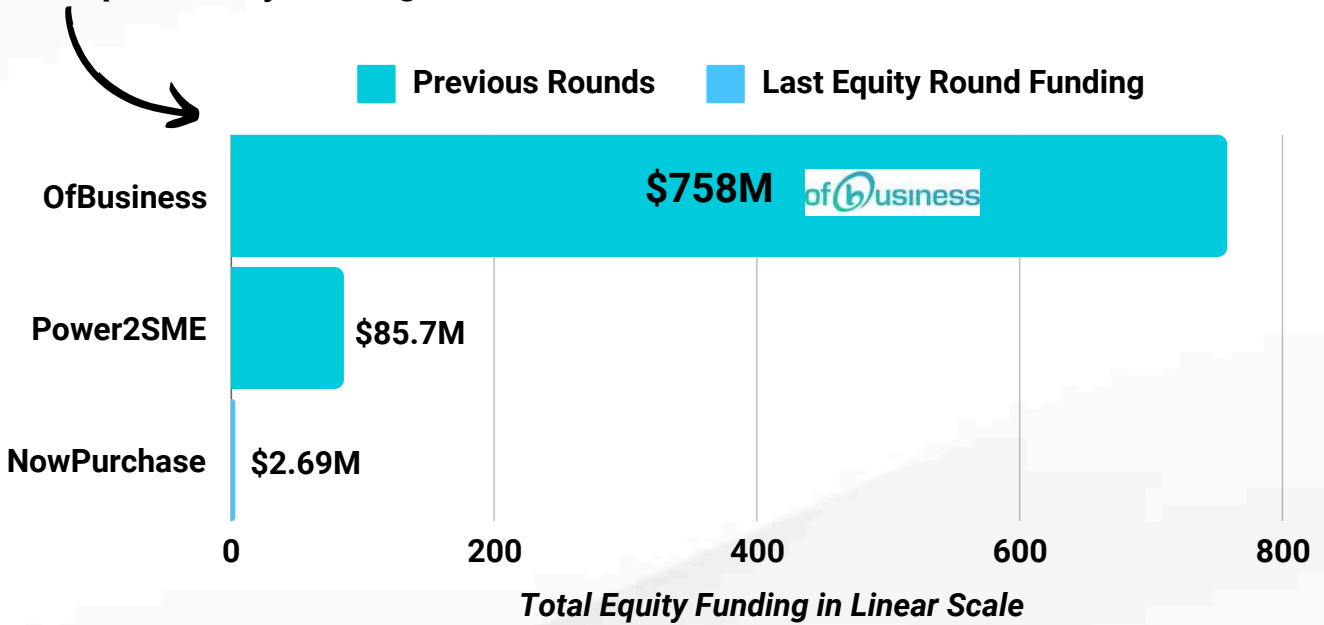
- Expand the range of raw materials offered.
- Introduce new financial products tailored to different industries.
- Enhance technology capabilities to provide more value-added services.
- Expand operations to new regions and markets.

MARKET CAP:

Latest Market Share:



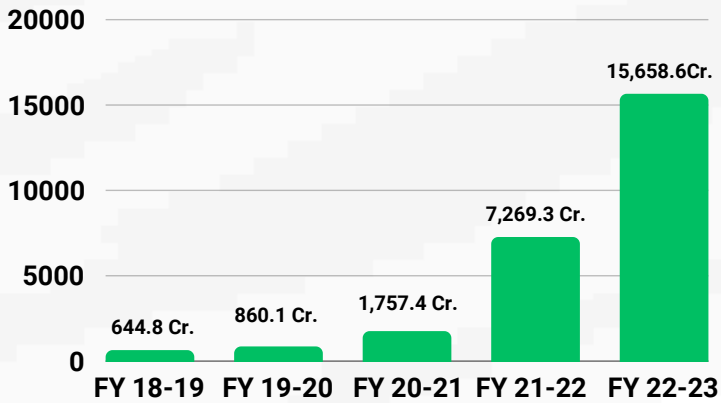
Total Competitors by funding:



REVENUE TRENDS:

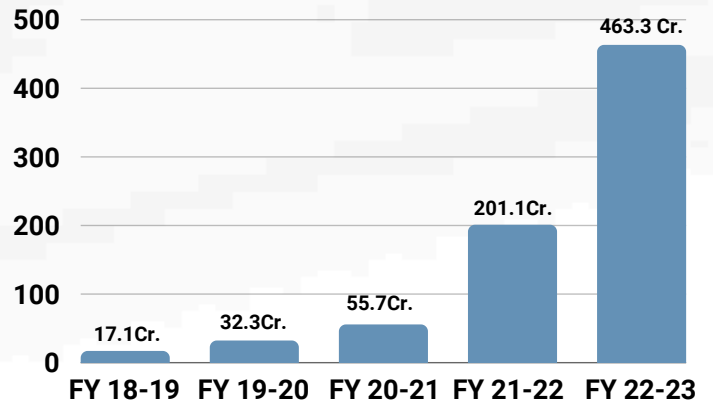
Amount in INR (Cr.)

Revenue



CAGR (5 Years) = 121% ▲

Net Profit / Loss



CAGR (5 Years) = 128% ▲

KEY INVESTORS



Falcon Edge Capital

SoftBank Vision Fund

SoftBank Vision Fund 2

TIGERGLOBAL

Tiger Global Management



Zodius Capital

OXYZO FINANCIAL SERVICES:

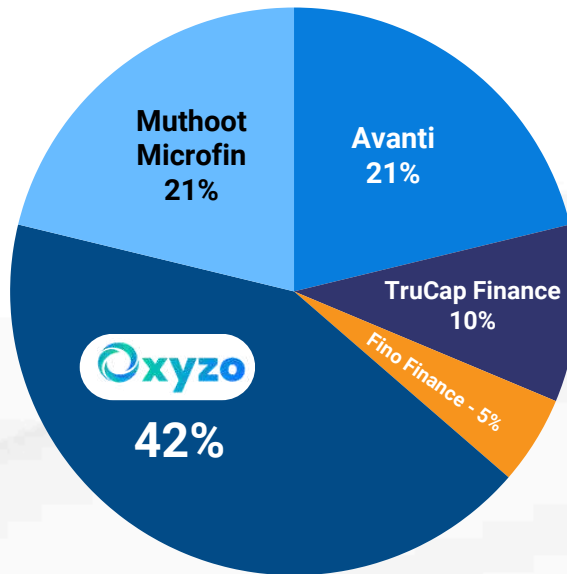
Oxyzo Financial Services, the lending arm of B2B commerce unicorn OfBusiness, has reported Rs 903 crore in operating revenue for FY24, up 59% from Rs 569 crore a year ago. The company raised \$200 million at a unicorn valuation from investors like Alpha Wave Global. Ruchi Kalra leads Oxyzo, which has a net worth of Rs 2,600 crore.

While it is part of the OfBusiness group, Oxyzo was spun out as a separate entity in March 2022.

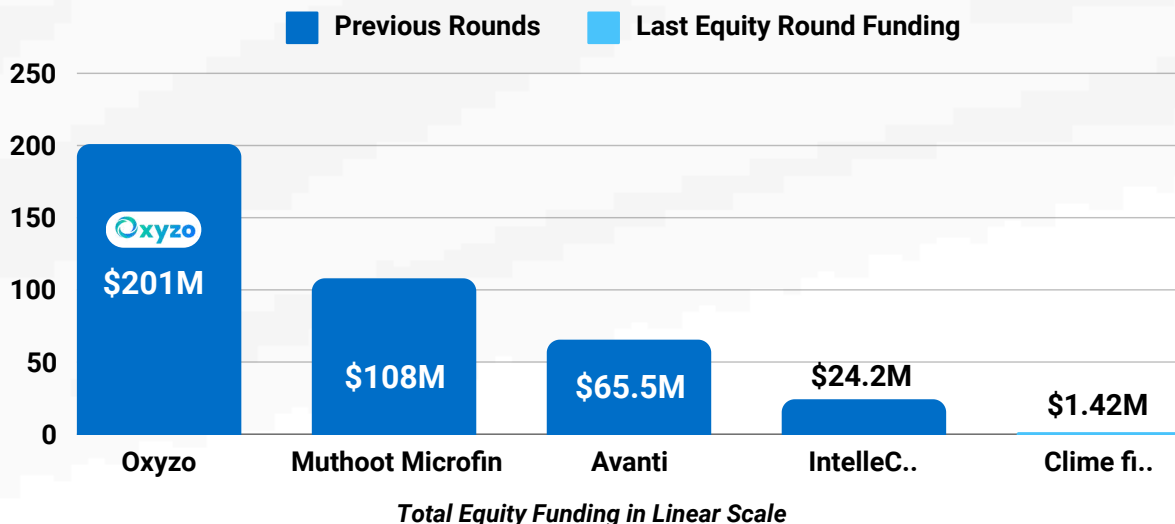
The company closed FY24 with a net worth of Rs 2,600 crore and gross NPA of 1.02%. Around 30% of its net assets are in the unsecured category. According to a report released by credit rating agency ICRA in September last year, Oxyzo works with 40 lenders including 27 banks.

As of the first half of FY24, Oxyzo had a total AUM (assets under management) of 5,238 crore. The lending company is focused on small and medium enterprises which use OfBusiness for a large part of their business. It offers short duration loans and businesses typically revolve the credit line through a cycle multiple time.

Latest Market Share:



Total Competitors by funding:



IS THE FUNDING WINTER FINALLY OVER FOR INDIAN STARTUPS? EXPLORE THE LATEST BUDGET UPDATES!

BY CA MAYANK DESAI

As the Union Budget 2024 was unveiled, startups and angel investors across the nation eagerly awaited the government's plans to bolster the entrepreneurial ecosystem. This year's budget has introduced significant changes, aiming to foster innovation and investment.

SUPPORT FOR STARTUPS

The Union Budget 2024 has introduced several initiatives to support startups, ensuring a conducive environment for innovation and entrepreneurship:

1. Abolition of Angel Tax:

To foster the entrepreneurial spirit and support innovation, the so-called angel tax has been abolished for all classes of investors. This move is expected to significantly reduce the tax burden on startups and encourage more investments from angel investors.

2. E-Commerce Export Hubs:

To enable startups and traditional artisans to sell their products in international markets, e-commerce export hubs will be established in a public-private-partnership (PPP) mode. These hubs will facilitate trade and export-related services under a seamless regulatory and logistic framework, boosting the global reach of Indian startups.

ENHANCEMENTS FOR MSMEs

The budget places significant emphasis on the growth and competitiveness of MSMEs, recognizing their crucial role in the economy:

1. Credit Guarantee Scheme:

A new credit guarantee scheme for MSMEs in the manufacturing sector will be introduced. This scheme aims to facilitate term loans for MSMEs for purchasing machinery and equipment without collateral or third-party guarantees. The self-financing guarantee fund will provide up to ₹100 crore in guarantee cover per applicant.

2. Increased Mudra Loan Limits:

The limit for Mudra loans under the 'Tarun' category has been enhanced to ₹20 lakh from the current ₹10 lakh. This increase aims to provide greater financial support to MSMEs, enabling them to expand their operations and achieve growth.

3. SIDBI Branches in MSME Clusters:

SIDBI (Small Industries Development Bank of India) will open 24 new branches this year to expand its reach to serve all major MSME clusters.

This expansion aims to provide direct credit to MSMEs and enhance service coverage to 168 out of 242 major clusters within three years.

4. TReDS Platform Enhancement:

To facilitate MSMEs in unlocking their working capital, the turnover threshold for mandatory onboarding on the TReDS (Trade Receivables Discounting System) platform has been reduced from ₹500 crore to ₹250 crore. This measure will bring 22 more CPSEs and 7,000 more companies onto the platform, improving the liquidity and financial health of MSMEs.

INCENTIVES FOR ANGEL INVESTORS AND INVESTORS

The budget introduces several measures to attract and facilitate investments, particularly from angel investors and venture capital funds:

1. Abolition of Angel Tax:

As mentioned earlier, the abolition of the angel tax for all classes of investors is a significant step towards making investments in startups more attractive. This measure is expected to encourage more angel investors to fund early-stage startups, providing them with the necessary capital to grow and innovate.

2. Reduction in Corporate Tax for Foreign Companies:

To attract foreign capital, the corporate tax rate on foreign companies has been reduced from 40% to 35%.

This reduction is expected to make India a more attractive destination for foreign investors, providing a boost to various sectors including startups and MSMEs.

3. Simplification of Capital Gains Tax:

The capital gains tax regime has been simplified. Short-term gains on certain financial assets will now attract a tax rate of 20%, while long-term gains on all financial and non-financial assets will attract a tax rate of 12.5%. This simplification aims to reduce the tax burden on investors, encouraging more investments in startups and MSMEs.

The Union Budget 2024 demonstrates a strong commitment to fostering a robust startup ecosystem, empowering MSMEs, and attracting investments. By abolishing the angel tax, enhancing credit schemes, expanding support through SIDBI, and simplifying tax regimes, the budget aims to create a conducive environment for innovation, growth, and economic development. These measures are expected to significantly boost the entrepreneurial landscape, drive economic growth, and position India as a global hub for startups and MSMEs.



B2B: HOW TO BUILD A PROFITABLE E-COMMERCE STRATEGY (WRITTEN BY: MICHAEL CUNNINGHAM)

Michael Cunningham's book, "**B2B: How to Build a Profitable E-Commerce Strategy**," is highly regarded in the field of B2B e-commerce strategy. Here's a review based on its key themes and insights:

KEY THEMES

1. Strategic Framework:

Cunningham emphasizes the importance of having a clear strategic framework when developing a B2B e-commerce strategy. He discusses how businesses can align their online initiatives with broader organizational goals to ensure profitability and growth.

2. Customer-Centric Approach:

The book underscores the significance of understanding and catering to the specific needs of B2B customers. It explores how e-commerce platforms can be tailored to enhance customer experience and satisfaction, ultimately driving sales and loyalty.

3. Technology Integration:

Cunningham addresses the role of technology in B2B e-commerce, advocating for the integration of robust e-commerce platforms, CRM systems, and analytics tools. He discusses how these technologies can streamline operations, improve efficiency, and facilitate data-driven decision-making.

4. Marketing and Sales Strategies:

The book delves into effective marketing and sales strategies tailored for the B2B environment.

It covers topics such as content marketing, SEO, lead generation, and the importance of relationship-building in driving long-term business success.

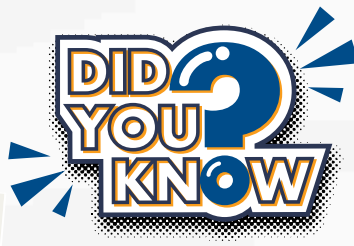
INSIGHTS AND PRACTICAL ADVICE:

- **Case Studies:** Cunningham includes case studies and real-world examples throughout the book, illustrating successful B2B e-commerce strategies implemented by various companies. These examples provide practical insights and actionable takeaways for readers.
- **Implementation Tips:** The author offers practical tips and step-by-step guides on how businesses can implement and optimize their e-commerce strategies. This includes advice on selecting the right technology partners, designing user-friendly interfaces, and measuring performance metrics effectively.

AUDIENCE AND RECEPTION:

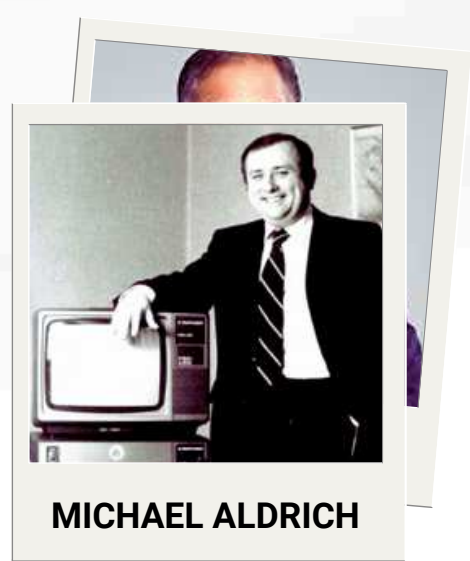
- "B2B: How to Build a Profitable E-Commerce Strategy" is well-received by both industry professionals and academics for its practical approach and comprehensive coverage of B2B e-commerce essentials.
- It's suitable for business leaders, marketers, and e-commerce professionals looking to enhance their understanding of B2B e-commerce dynamics and develop successful strategies for growth.

Overall, Michael Cunningham's book is praised for its clarity, actionable insights, and relevance in today's rapidly evolving B2B e-commerce landscape. It serves as a valuable resource for anyone involved in shaping or implementing B2B e-commerce strategies.



K. VAITHEESWARAN

K. Vaitheeswaran, widely hailed as the '**father of e-commerce in India**', co-founded India's first e-commerce company Fabmart.com (later rebranded Indiaplaza.com) in 1999.



MICHAEL ALDRICH

1979: **Michael Aldrich** invented electronic shopping (he is also considered as founder or inventor of eCommerce). This was done by connecting a transaction-processing computer with a modified TV through a telephone connection.



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