
Avendus advises OfBusiness on Series C funding of Rs 200 crores, led by Creation Investments and Falcon Edge

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OfBusiness, a technology enabled SME financing platform, has raised INR 200 crore in Series C financing led by Creation Investments and Falcon Edge with existing investors Matrix Partners and Zodius Capital participating in the round. With this new round of funding, the company has raised a total of INR 500 crore of equity and debt funding till date. The Company has also raised debt lines from Kotak, Tata Capital, RBL Bank and Northern Arc amongst other lending partners. Avendus Capital was the exclusive advisor to the current transaction.

OfBusiness has created a new category of purchase finance for SMEs, aligned to the cash flow cycles for traditional sectors as manufacturing and infrastructure, enabling access to institutional credit as an alternative to high cost distributor financing. OfBusiness also differentiates itself by adding value to an SME's business beyond financing, through its raw material fulfilment and new opportunities platform (Bidassist). The fulfilment platform provides cost-effective procurement of raw material to SMEs and ensures guaranteed end use of funds for OfBusiness. This integrated offering enables higher business yield, repetitive loan transactions and better asset quality.

Asish Mohapatra, co-founder and CEO, OfBusiness said, "We are great believers in the potential of SME lending in India towards the core sectors of the economy that have high dependence on traders and distributors for working capital. With financial services partners such as Creation Investments and the right cost of capital through our debt lines, we will continue to bundle innovative lending and procurement solutions to address the growing needs of SMEs in India."

OfBusiness combines financing and a raw materials platform seamlessly through technology. Underwriting of loans is done by not only evaluating financial data of the SME, but also proprietary data contributed by the SME community of buyers and sellers. Amongst its other

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service offerings, OfBusiness has also developed a proprietary platform, Bidassist, to help SMEs discover new growth opportunities across public and private tenders.

OfBusiness has demonstrated strong growth (10X AUM growth over last year), portfolio health (GNPA ~ 0.5%) and bottom line profitability. The latest infusion of growth capital will be used by OfBusiness for continued rapid growth, greater financial leverage and scaling a robust profitable model.

Tyler Day, Director at Creation Investments said, “We are thrilled to partner with the OfBusiness team for the Company’s next stage of growth. OfBusiness has built an impressive suite of financing solutions tailored for the needs of SMEs in the manufacturing and infrastructure sectors, segments largely underserved by banks and traditional NBFCs. The scale and profitability that OfBusiness has achieved in such a short time is both a testament to the Company’s innovative products and the untapped potential of the SME sector in India. We are excited about the Company’s future and the opportunity ahead.”

Commenting on the fundraise **Vikram Vaidyanathan, Managing Director, Matrix India** added, “OfBusiness captures the SME’s need for repetitive purchase finance with a unique business model. Their proprietary data advantage is reflected in the increasing efficacy of underwriting and support from marquee banking partners. We’re privileged to partner at an early stage with Asish, Ruchi and Bhuvan to create an SME financial services platform and welcome the new investors to the partnership.”

Pankaj Naik, Co-head of Digital and Technology Investment Banking at Avendus Capital, said, “We believe OfBusiness is at the forefront of using technology to provide SME-centric product offerings to solve the twin problems of procurement and financing faced by the Indian ecosystem. The backing from Creation and Falcon Edge is testament to the potential of this industry and the unique business that the OfBusiness team has built, setting new benchmarks for SME lending in India while creating superior stakeholder value.”

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