



Pakistan's B2B eCommerce commercial center Dastgyr has reported bringing \$37 million up in a Series A subsidizing round drove by Pakistan's Veon Ventures, whose parent organization Veon claims Jazz in Pakistan.

Dastgyr has prior reported a \$3.5 million seed raise in 2021, and a \$500,000 interest in a heavenly messenger round in 2020, bringing the complete raise declared by Dastgyr to more than \$41 million. In this round, VEON contributed \$15 million which is its biggest interest in a startup in Pakistan.

Different financial backers in this round incorporate Zinal Growth Fund, DEG, Khwarizmi Ventures, Oman Technology Fund, Cedar Mundi Ventures, Reflect Ventures, Century Oak Capital, Haitou Global, GoingVC, Astir Ventures, K3 Ventures, Chandaria Capital, SOSV, Edgebrook Partners, EquiTie, Founders of Property Finder, Ayoconnect, and Quiquip, and senior administration of DoorDash.

Dastgyr was established in 2020 by Muhammad Owais and Zohaib Ali after their takeoff from Airlift when the pandemic hit. Dastgyr interfaces kiryana storekeepers to producers, wholesalers, and merchants through a commercial center model, and furthermore works its own stockrooms from where it serves retailers straightforwardly.

Dastgyr has since moved into new classifications like development and building material, and began the purchase presently pay-later help a year ago. The startup professes to have become 300% since its last financing and added in excess of 42,000 retailers across five urban areas.

Dastgyr's promoting and interchanges head, Saif Ali let Profit know that the objective for the raise was \$31 million, and that the round was oversubscribed to \$37 million. As per data accessible with Profit, Dastgyr had been currently raising this round since before December of a year ago.

Saif further revealed that \$25 million out of the all-out subsidizing is value raised while the excess has been raised as a convertible note. The startup shared no archives to affirm the subsidizing sum.

The new financing will be utilized to foster the tech stack and empower new elements, as well with respect to countrywide development.

The incongruences

B2B players like Dastgyr headed out to digitize neighborhood kiryana stores however have been asserting that the universe they could serve was 2 million retailers. While there are around 850,000 kiryana stores in Pakistan, as per the Pakistan Bureau of Statistics.

There are retailers in different classifications as well, for instance drugs and articles of clothing. Comprehensive, Pakistan's number of retailers by and large is 2 million.

For what reason does Dastgyr circumvent saying 2 million retailers in any event, when it just served kiryana stores? Since it in the long run intends to move to different classifications also. It has as of late moved into development and building materials where its opposition is Tiger Global-supported Zaraaye.

So out of the 2 million retailers market that it intends to take advantage of, Dastgyr professes to have included 42,000 retailers the stage as of late. In a past declaration, Dastgyr said it was working with 35,000 retailers then, at that point, which brings the complete number of retailers served to 72,000. Saif, nonetheless, says that the genuine number of retailers served by Dastgyr is much higher and that they have crossed the 100,000 imprints.

In any case, statistical surveying startup SurveyAuto CEO Dr Umair Saif has battled the quantity of retailers B2B new businesses guarantee to have onboarded is really not as much as what they guarantee. In a tweet, Saif referred to a review directed by SurveyAuto to plan the kiryana stores in Pakistan for SurveyAuto's own examination for FMCGs, and the discoveries were extremely incongruent with what B2B new companies have been guaranteeing.

As per SurveyAuto's exploration, out of the absolute 850,000 kiryana stores in Pakistan, under 20,000 of these retailers use B2B applications like Dastgyr, Bazaar, Tajir, and Retailo. Dr Saif's tweet has since caused a stir about the credibility of cases made by B2B new companies with regards to the quantity of retailers served by these new businesses.

Retailo professes to serve 50,000 retailers, however it has tasks in Saudi Arabia also. Jugnu on the other asserted in its most recent subsidizing declaration that it was serving 30,000 retailers.

Dastgyr declined to remark on Umar Saif's case.

There are different theories too that B2B players like Dastgyr position themselves as a commercial center when they as a matter of fact work like retailers.

Dastgyr says it works as a commercial center where kiriyana stores can arrange products from FMCG brands which are then conveyed to these stores by Dastgyr, and furthermore works stockrooms from where they convey straightforwardly to clients.

Saif says that larger part of their tasks (90%) depend on a commercial center model where they take orders from and just 10% is finished as a retailer. "There are some items that have to be warehoused. There are SKUs which are high running, there is volatility and price arbitrage. High running and high margin items are stocked but the core model is run as marketplace," says Saif.

#### The VEON organization

Dastgyr speculation is VEON Ventures' biggest interest in a Pakistani beginning up which can open up numerous opportunities for joint effort. However, Saif said that their arrangements are unsure with regards to what they would really be doing together.

Then again, Atyab Tahir, the CEO of JazzCash says that the "possibility really is that we are a digital financial services enabler in the market and when we talk about digitisation of cash in the economy, there is a large chunk of cash that SMEs have. The outreach Dastgyr is trying to build, we can be their embedded financial services partner."

To put it simply, for now, Dastgyr would have access to a large merchant base of Jazz and JazzCash to onboard them for eCommerce services. Wherever Jazz or JazzCash has an outreach, to couple with the merchant and agent network that Jazz and JazzCash have to be able to digitise the underlying financial services. We will enable the underlying digital payments, and Dastgyr will provide B2B eCommerce services to them," says Atyab.

"Pakistan's start-up ecosystem is at a critical juncture and only startups focused on addressing key challenges and adopting localized solutions will survive and thrive," said Aamir Ibrahim, CEO of Jazz. "This investment highlights VEON's commitment to scaling up Pakistan's digital economy and provides Dastgyr with a platform to build synergies with Jazz's subscriber base of around 75 million and with JazzCash, further integrating the startup into Pakistan's fintech ecosystem."

#### The opposition

Dastgyr's rivals in this space are all very much subsidized. Marketplace is subsidized as much as \$107.8 million as per its financing declarations, Taajir has reported raising \$22 million, Retailo has declared financing as much as \$45 million and Jugnu has reported \$24.4 million in gathering pledges up to this point.

The overall discernment among these new businesses is that the size of the pie is adequately large to oblige everybody and this moment, everybody is carrying retailers to advanced stages, and nobody is in direct rivalry with one another at the present time.

Then again, customary wholesalers have likewise understood the requirement for advanced benefits and have begun carrying out their own applications. One of Pakistan's greatest FMCG wholesalers, Burque Corporation, for example, has carried out an application called Raftaar for retailers, like these B2B new companies for request taking.

Saif concurs that the opposition is furious and this will prompt union. "This is the pattern we have seen in developing business sectors too illustration of which is African at the present time."

“Everyone is increasing digital customers which is increasing the pie overall “he says.