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## **Accel Partners and Horizen Ventures invest \$1M in tea e-tailer Teabox**

March 18, 2014 | Sainul K Abudheen



Bangalore- and Singapore-based AsianTeaexpress Pte Ltd, the company behind speciality tea e-tailer Teabox, has secured around \$1 million in a seed round of funding from Accel Partners India and Singapore-based Horizen Ventures, an early-stage VC fund focused on India-based technology and internet firms.

The capital will be used to add new features such as subscription services to its portal, and expand the business to other countries.

“Although tea exports have been steadily increasing in the recent years, the time to market continues to be inordinately high. And since freshness and quality of tea deteriorates significantly with time, we believe that our technology back-end supported by supply chain infrastructure and innovations will help us reach the end customers in a much shorter period of time,” Teabox CEO Kaushal Dugar said.

Teabox was set up in 2012 by Dugar, who holds a bachelor’s degree from the Singapore Management University. Prior to founding the e-commerce venture, he worked at KPMG Singapore as a senior associate & corporate finance analyst. He had previously worked with various government agencies, private corporations across Southeast Asia and the Middle East on long-term corporate strategy development and corporate finance projects.

Teabox provides fresh Indian tea chosen by team experts online and ships them to customers all over the world. With its fulfilment centre in Darjeeling, Teabox sources premium tea directly from the plantations. The company says it has a selection of over 100 varieties of tea, chosen from over 75 plantations in Darjeeling, Assam & Nilgiri.

Teabox claims it ensures freshness of the products by vacuum packing the tea within 24-48 hours of production and shipping within the next 24 hours. The buyers receive the packs within three-five business days. The firm says it has already delivered 5 million cups of tea to people in over 65 countries, including regions such as Federated States of Micronesia, Chile, Argentina, Fiji and Ural mountains (Siberia).

“The tea industry, which is expected to touch \$40 billion in turnover, is ready for disruption. Global e-commerce can circumvent the existing value chain and enable tea producers to

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connect with customers directly world over. We see great potential in Teabox becoming the next global tea brand from India,” said Prashant Prakash of Accel Partners.

Accel Partners has been quite active this year and has invested in almost half a dozen firms already. Early this month, the VC firm invested in Vinculum Solutions, a SaaS-based software products developer for e-commerce and multi-channel retailers. Earlier, it invested \$800,000 in Chennai-based ChargeBee, which provides cloud-based subscription billing and recurring billing solutions to small and medium enterprises in India and abroad. Early this year, Accel Partners participated in a \$2 million funding round in mobile publishing platform MobStac. Previously, it co-invested with others in a \$5.7 million funding round in SureWaves, which offers a cloud-based media grid that enables large-scale aggregation of audiences across multiple television channels.