

Revolut hires CEO for new India unit as it readies big investment

Article

UK-based neobank Revolut has [hired](#) Paroma Chatterjee to serve as CEO of its division in India, the first key figure in its measured expansion into the market. Chatterjee, who served in senior management roles at Indian financial companies such as Lendingkart and Airtel Money, will have several key responsibilities for building out the nascent subsidiary: hiring the

division's staff, executing Revolut's business strategy, and overseeing potential acquisitions and applications for licenses.

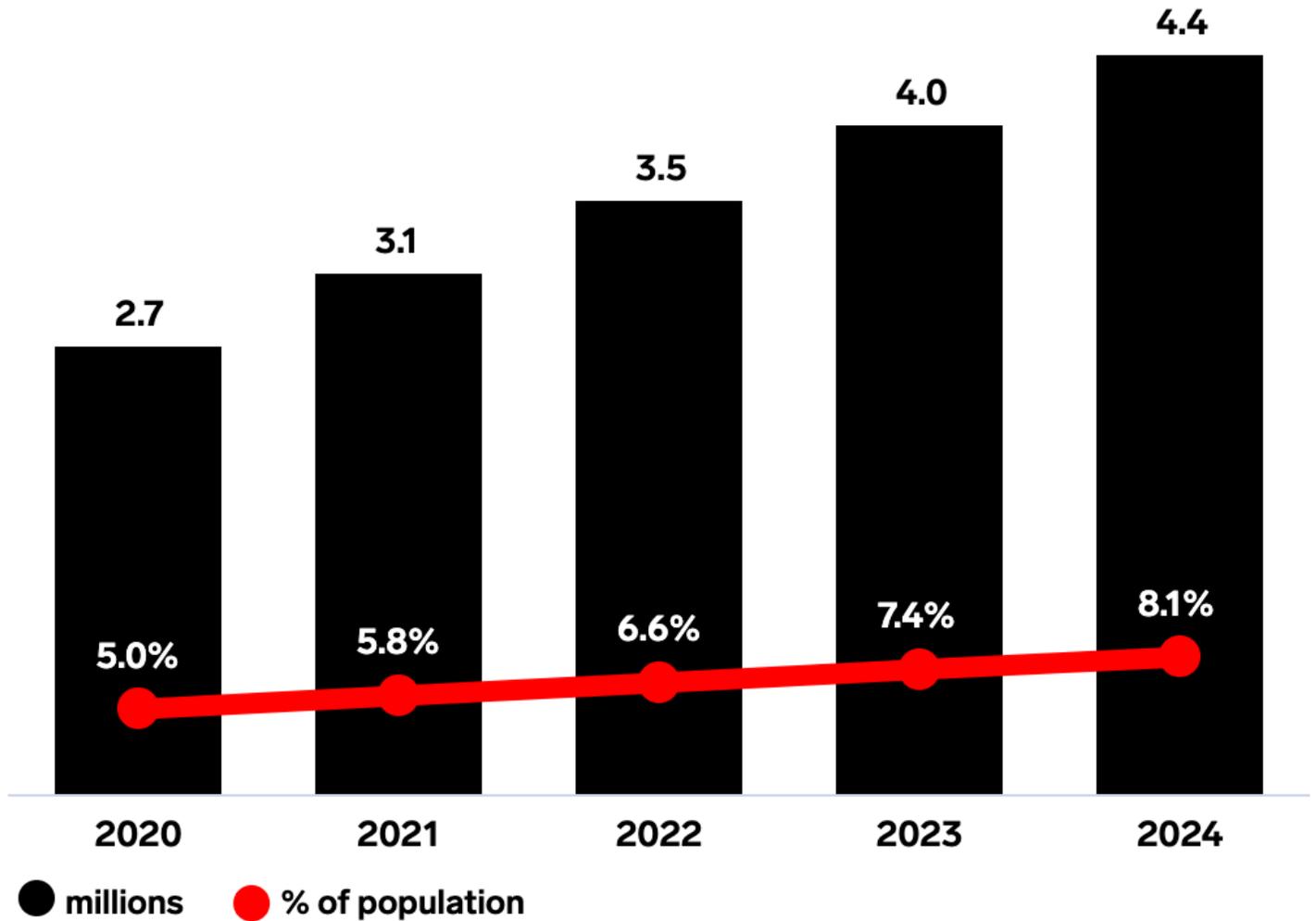
Chatterjee's hire builds on the neobank's decision to establish a foothold in India by offering remittances first. Revolut [unveiled](#) no-fee remittances as its first domestic product in February, subject to approval from the Reserve Bank of India. The neobank is exploring partnerships with local fintechs and banks to offer the service, and may broaden its scope to include overseas money transfers from India to markets including the US, Australia, and Europe, according to The Times of India. India is [among](#) the world's biggest remittance recipient countries; remittance inflows are [projected](#) to increase by 3.7% this year, reaching \$77.95 billion.

Revolut will make a significant investment in India but it is moving gradually. Nik Storonsky, the neobank's founder and CEO, recently [told](#) Business Insider India that it will make a \$25 million investment in its new market. However, it's not diving headfirst into the country: In addition to testing the waters with its remittance product, the company will initially focus on free products and then expand into paid offerings. Revolut is keeping its options open for its final product suite as well. While the neobank offers services like cards, insurance, and investing in existing markets, it didn't give a timetable for feature launches in India when it unveiled Chatterjee's hiring. To get moving, Revolut will apply for a banking and trade license, but Storonsky said that it may acquire a local fintech to expedite its licensing process.

Revolut's measured strategy is wise, given that India has market headwinds for neobanks and offers considerable potential for growth. Financial transactions are still [largely](#) in cash in the country—presenting difficulties for a digital-only bank—but the coronavirus pandemic is pushing Indians to go cashless. In fact, 47% of Indians plan to cut their cash usage following the pandemic, according to a YouGov [survey](#) conducted in June and July 2020. There's also potential for significant growth [because](#) nearly 500 million Indians with mobile phones do not have access to app-based products, suggesting that there will be a lot of new prospective customers as they upgrade their devices.

Revolut Bank Account Holders and Penetration

UK, 2020-2024



Source: eMarketer, June 2020

eMarketer | InsiderIntelligence.com