

India gets its 100th unicorn in neobank platform Open

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NEW DELHI: India on Monday welcomed its 100th unicorn, which is Bengaluru-based neobank platform Open, that raised fresh funds as part of its Series D round, taking its valuation to \$1 billion.

The new round was led by Mumbai-based investment firm IIFL and existing investors Tiger Global, Temasek and 3one4 Capital also participated in the round, the company said in a statement.

"We see a lot of synergies with IIFL especially on leveraging the lending book, as we are getting ready to launch innovative products like revenue-based financing, early settlement, working capital loan and business credit cards to SMEs on our platform," said Anish Achuthan, co-founder and chief executive of Open.

The neobank platform is being used by more than 20 lakh businesses in the country, and it processes over \$30 billion worth transactions every year.

According to the Bengaluru-based management consulting firm Redseer, the \$31 billion fintech market in India is set for a disruption with the emergence of neobanks.

Neobanks are bridging the gap between the services that traditional banks offer and the evolving expectations of customers in the digital age.

Open, which has raised about \$187 million to date, is aiming to unveil three new products, revenue-based financing Flo, early settlement card offering Settl and working capital lending Capital soon.

The neobank platform startup is aiming to disburse \$1 billion through its new products.

As the third largest fintech ecosystem in the world after the US and China, the Indian fintech market is poised for further disruption with the emergence of neobanks.

Overall, Indian startups raised more than \$10 billion during the first quarter of 2022, up from \$5.7 billion in the same period in 2021, according to data from Venture Intelligence.

The January-March quarter also saw as many as 14 startups becoming unicorns.