

Offering transparency and options to the masses

Kunal Bajaj, Founder and Chief Executive Officer at Clearfunds, tell us the story behind the rapidly growing online platform, which claims to sell the maximum number of mutual funds on a direct basis in India.



KUNAL BAJAJ
Clearfunds

CLEARFUNDS WITH A STRAIGHTFORWARD PRINCIPLE, according to Bajaj. “To be different from the private banks.”

“Our founding motto is something I’ve picked up from one of [American investor] Charlie Munger’s speeches, where he said that ‘We will not sell anything that isn’t in the best interest of our customers.’”

Clearfunds has that as a company motto. “What we do is we make sure we’re completely transparent in the way we operate,” he says.

“We sell only direct funds, which effectively means that the customer avoids that commission on any mutual fund he purchases.”

That commission is passed on back to the customer in the form of a higher NAV, adds Bajaj.

“The opportunity that we’re looking at is to be able to bring financial services for the masses,” he says. “We have 1.2 billion people [in India], not every one of them has a bank account yet, and 99% has probably never owned a financial product outside of a bank account or a savings deposit.”

Bajaj points that the Indian middle class is only now starting to invest on a regular basis into equities and debt. “We’re now seeing a billion dollars coming into mutual funds every single month in the form of systematic investment plans.”

The opportunity, thus, is endless, according to Bajaj. “We’ve built our company around making sure that investment advice is accessible to everyone,” he says. “We want to remove all the biases and self-interest that goes with any financial advice and also make sure that we are the cheapest cost provider.” ■