

Technology is simplifying the business of asset management in India

Kunal Bajaj, Founder and Chief Executive Officer at Clearfunds, tells Hubbis how technology on a citizen-level is changing the way asset managers do business in India.

AADHAR, INDIA'S MASSIVE UNIQUE IDENTITY scheme for its citizens is creating a wave of change for the asset management business in the country, according to Bajaj.



KUNAL BAJAJ
Clearfunds

“We see massive changes in the onboarding process,” he says, pointing to the use of Aadhaar, a 12-digit unique identity number issued to all Indian residents based on their biometric and demographic data, as the primary KYC (Know Your Customer) mechanism.

“Starting April 1 this year, that unique number will be linked to your bank account, to mutual fund investments, to insurance policies, and to phone numbers as well,” he says. This will, for the industry, bypass all the onerous paperwork that involved filling multiple forms, taking signatures and signing photographs.

According to Bajaj, under the new laws, the Aadhaar number is also a signature. “That means you can use that ‘Aadhaar signature’ for a number of things,” he says. “All that you need to do is send the customer a one-time password, which is used to verify his signature, and then you can use it to sign a bank document, a mandate, or a loan document.”

Bajaj says that the Aadhaar stack has evolved over the last couple of years. “What we are starting to see is Aadhaar being used for payments,” he says. “WhatsApp [the messaging platform] has just started to use an Aadhaar-based stack to make [P2P] payments completely seamless.” The opportunity for wealth tech companies like Clearfunds is therefore endless.

“I think banks haven’t even begun to understand the possibilities that there are out there and it’s companies like ours that are trying to use this technology at the cutting edge to make sure we give our customers the most seamless experience possible.” ■