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# Foundation of Independent Financial Advisors

January  
2022



We are proud to announce new members

Member Category	Member No.	Type	Organisation	Member Name	Location
General	02366	Ind	Anil Kumar Prajapati	Anil Kumar Prajapati	Jabalpur
General	02367	Ind	Devki Nandan Kachhi	Devki Nandan Kachhi	Jabalpur
General	02368	Ind	Santosh Kushwaha	Santosh Kushwaha	Jabalpur
General	02369	Ind	Payal Bhavesh Thakkar	Payal Bhavesh Thakkar	Mumbai

### Photos of New Members



**Mr. Anil Kumar Prajapati**  
02366



**Mr. Devki Nandan Kachhi**  
02367



**Mr. Santosh Kushwaha**  
02368



**Ms. Payal Bhavesh Thakkar**  
02369



On 28th Jan 2022, Mr. Hemant Rustagi, CEO, Wiseinvest Pvt Ltd. conducted knowledge sharing session through zoom webinar.

**Topic :** How To Scale Up Your Business

There were more than 151 IFA's who attended the session.

**Please find the recording link of the knowledge session :**

**Video Link:**

<https://youtu.be/eXalxnTrxrQ>

**Audio Link:**

<https://fifaindia.org/uploads/audios/member/audio-recording-session-of-Hemant-Rustagi-28th-Jan-2022.m4a>

# Interesting developments and facts

## Yearly Flows

	SIP	FPI
2017	59,482	51,253
2018	88,607	-33,013
2019	98,612	1,01,120
2020	97,033	1,70,260
2021	1,14,012	26,951
Cumulative 5 years	4,57,746	3,16,571

(Fig in ₹crore)

Source: AMFI, NSDL, complied by ETIG

## Spending of every one rupee spent



Source: Forbes

## Government spendings !



# How to deal with worried clients during market volatility?



Experts say the first step is to make investors aware of the market's nature so that corrections do not come as a shock for them.

When times are good and the markets are flying high, investors tend to forget that volatility is a normal part of the investment cycle. However, many investors panic when they see volatility in their investment portfolio.

As an MFD, you would have probably received calls from some of your clients worried about the recent sell-off in the market. A client overpowered with emotions is difficult to deal with. This is why experts recommend that MFDs should keep their clients prepared for such scenarios beforehand.

"In any investment, it's important that investors are aware of the potential risks. Even if things look all rosy at the time of investment, you should apprise investors about the negative scenarios that may come up later on," said Lovaii Navlakhi of International Money Matters.

He said that dealing with clients can become even more difficult during tough market situation if the on-boarding was done on the basis of false promises.

"It all depends on what you have told them beforehand. If you on-board by promising stable or high returns then you are more likely to receive such calls," he added.

Rushabh Desai of Rupee With Rushabh Investment Services feels that the best way to avoid facing such scenarios is to ensure that clients have practical expectations and are aware of the nature of the market.

"We have to manage their psychology. None of us, be it MFDs, RIAs or fund managers, have any control on the market. All we can do is keep investors prepared for such scenarios. Explain to them why markets are falling and what can happen in the near future," Desai said.

"If the goals are nearing then clients have a reason to worry. In such cases, investors should take an appropriate call to minimise losses," he added.

A whitepaper by LPL Financial lists five steps to prepare clients for market volatility and help them weather the storm. Here are they:

### **Educate Early**

Start educating your clients at the very beginning of your relationship with them and continue to emphasize important tenets in every meeting and interaction. Even if you think clients understand how investing and market cycles function, they need to know how you view historical performance, current market cycles and the appropriate way to respond.

### **Communicate Early And Often**

Once you have laid the foundation for clients through education both at the beginning of the relationship and in ongoing meetings reinforce your message through ongoing communications.

Your communications do not have to be long or involved, even one to two paragraphs that explain your position on current and market events is enough to reassure clients that you are on top of things and care about them.

### **Be Proactive**

When market volatility hits, do not wait for clients to call you; instead, reach out to them immediately and let them know you are aware of what is happening and prepared for any contingency.

If you are doing regular emails or blogs, push out a special edition as soon as possible with your thoughts on the situation.

### **Counsel, Counsel, Counsel**

When times get tough, you'll need to put on your counsellor hat and coach clients through the uncertainty.

In many cases, clients just need reassurance that their strategy is right for them and you have the expertise necessary to see them through.

### **Make Adjustment As A Last Resort**

If clients need you to do something, a good first step is to readdress risk tolerance.

Go through a risk tolerance questionnaire with clients again and explain the impact of switching to a model with a different risk tolerance.

## CITY WISE Mutual Fund AUM Weight: Rank &amp; % Change as of 31 DECEMBER 2021

TOP-100 Cities		Color Codings >>		T-30 in Dec' 21			T-30 in Mar' 21	Rank rise (>=+5)		Rank Drop (<=5)		NEW	
Locations	DEC' 21	Approx	Aprx 1 Yr	AUM Rank			Locations	DEC' 21	Approx	Aprx 1 Yr	AUM Rank		
Sort: by AUM Wt	AUM Wt	AUM (Cr)	AUM Chg	Dc'21	Dc' 20	Chg		AUM Wt	AUM (Cr)	AUM Chg	Dc'21	Dc' 20	Chg
MUMBAI	30.98	1168781	14.3%	1	1	0	KOTA	0.10	3761.4	51.5%	52	58	6
DELHI	12.76	481396	21.7%	2	2	0	BHAVNAGAR	0.10	3757.6	34.7%	53	52	-1
BENGALURU	5.46	205989	26%	3	3	0	ANAND	0.10	3753.8	35.2%	54	56	2
PUNE	4.13	155812	20.4%	4	4	0	GORAKHPUR	0.09	3395.4	22.1%	55	55	0
KOLKATA	3.80	143362	14.9%	5	5	0	GANDHINAGAR	0.09	3391.7	56.2%	56	65	9
AHMEDABAD	3.36	126763	22.0%	6	6	0	BELGAUM	0.09	3387.9	22.1%	57	57	0
CHENNAI	2.68	101108	15.2%	7	7	0	MADURAI	0.09	3384.1	21.5%	58	53	-5
HYDERABAD	1.77	66777	25.1%	8	8	0	KALYAN	0.09	3380.3	37.2%	59	64	5
VADODARA	0.82	30936	33.0%	9	9	0	NAVSARI	0.08	3018.2	22.4%	60	63	3
JAIPUR	0.73	27541	32.5%	10	10	0	MORMUGAO	0.08	3014.4	21.8%	61	60	-1
SURAT	0.64	24145	25.5%	11	11	0	SILIGURI	0.08	3010.6	39.0%	62	67	5
LUCKNOW	0.64	24141	31.9%	12	12	0	HOSUR	0.08	3006.8	40.1%	63	73	10
NAGPUR	0.62	19618	31.7%	13	13	0	VAPI	0.08	3003.1	21.1%	64	59	-5
KANPUR	0.49	18486	26.8%	14	14	0	ROURKELA	0.08	2999.3	21.3%	65	61	-4
INDORE	0.39	14714	28.2%	15	16	1	HUBLI	0.08	2995.5	38.9%	66	70	4
COIMBATORE	0.38	14336	24.9%	16	17	1	MORADABAD	0.08	2991.7	21.1%	67	62	-5
NASIK	0.36	13582	4.2%	17	15	-2	VIJAYWADA	0.08	2988.0	39.0%	68	72	4
PATNA	0.36	13578	41.2%	18	20	2	MARGAO	0.07	2640.9	22.7%	69	71	2
LUDHIANA	0.34	12827	25.3%	19	19	0	VALSAD	0.07	2637.1	22.0%	70	68	-2
CHANDIGARH	0.33	12450	38.4%	20	23	3	TIRUCHIRAPALLI	0.07	2633.3	22.0%	71	69	-2
BHOPAL	0.32	12073	25.6%	21	21	0	BILASPUR (CG)	0.07	2629.6	69.9%	72	92	20
RAJKOT	0.31	11695	25.7%	22	22	0	BHARAUCH	0.07	2625.8	22.5%	73	74	1
BHUBHANESHWAR	0.29	10941	46.9%	23	25	2	KHARGHAR	0.07	2622.0	40.9%	74	76	2
GUWAHATI	0.27	10186	26.3%	24	24	0	BARIELLY	0.07	2618.3	40.9%	75	77	2
RANCHI	0.26	9809	31.8%	25	26	1	ASANSOL	0.07	2614.5	41.2%	76	79	3
UDAIPUR	0.25	9432	-10.6%	26	18	-8	CUTTACK	0.07	2610.7	40.7%	77	78	1
JAMSHEDPUR	0.24	9054	32.7%	27	27	0	BOKARO	0.07	2606.9	41.2%	78	81	3
DEHRADUN	0.21	7923	27.7%	28	28	0	JAMMU	0.07	2603.2	40.8%	79	80	1
VARANASI	0.20	7545	35.2%	29	30	1	SALEM	0.07	2599.4	41.3%	80	83	3
ALLHABAD	0.19	7168	35.9%	30	32	2	THRISSUR	0.07	2595.6	41.6%	81	85	4
AGRA	0.18	6791	21.7%	31	31	0	PANVEL	0.06	2263.6	23.7%	82	86	4
AURANGABAD	0.18	6787	28.8%	32	34	2	SOLAPUR	0.06	2259.8	5.6%	83	75	-8
COCHIN	0.18	6783	36.7%	33	36	3	MIRA ROAD	0.06	2256.1	22.8%	84	84	0
VISAKHAPATMAN	0.18	6780	21.4%	34	29	-5	AJMER	0.06	2252.3	23.3%	85	87	2
RAIPUR	0.17	6414	21.7%	35	33	-2	PATIALA	0.06	2248.5	23.3%	86	88	2
JALANDHAR	0.16	6036	21.7%	36	37	1	JALGAON	0.06	2244.8	23.3%	87	89	2
PANAJI	0.16	6033	14.6%	37	35	-2	BURDWAN	0.06	2241.0	45.3%	88	94	6
DHANBAD	0.15	5659	21.6%	38	38	0	HOWRAH	0.06	2237.2	46.3%	89	98	9
THIRUVANANTHA	0.15	5655	40.2%	39	42	3	AMBALA	0.06	2233.4	-28.0%	90	48	-42
AMRITSAR	0.14	5282	21.6%	40	40	0	ALIGARH	0.06	2229.7	45.2%	91	96	5
JODHPUR	0.14	5278	21.6%	41	41	0	AMRAVATI	0.06	2225.9	2.6%	92	66	-26
BHILAI	0.14	5274	41.7%	42	43	1	SANGLI	0.05	1886.3	23.6%	93	99	6
MANGALURU	0.13	4904.5	5.5%	43	39	-4	SHIMLA	0.05	1882.6	2.2%	94	82	-12
MEERUT	0.13	4900.7	31.9%	44	45	1	MUZAFFARPUR	0.05	1878.8	23.6%	95	101	6
JAMNAGAR	0.12	4527.2	21.7%	45	44	-1	JHANSI	0.05	1875.0	23.6%	96	102	6
JABALPUR	0.12	4523.5	21.8%	46	46	0	PANIPAT	0.05	1871.3	21.6%	97	95	-2
KOLHAPUR	0.12	4519.7	32.4%	47	47	0	GUNTUR	0.0495	1867.5	23.3%	98	103	5
DURGAPUR	0.11	4150.0	34.0%	48	50	2	KARNAL	0.0494	1863.7	20.6%	99	93	-6
GWALIOR	0.10	3772.7	35.1%	49	51	2	UDUPI / MANIPAL	0.0493	1859.9	22.1%	100	100	0
MYSORE	0.10	3768.9	35.4%	50	54	4	NRIs & OVERSEAS	3.76	141853	33.3%	NA	NA	NA
AHMEDNAGAR	0.10	3765.2	21.5%	51	49	-2	TOTAL MF AUM		37.73LCr	21.6%			

Source:AMFI. Internal Research Analytics - Geojit Insights. AUM is only an approx. - if same wt. adj at 0.0001%

## 'India has one individual MFD for every 11400 people'

AMFI data shows that the MF industry has 1.18 lakh individual MFDs as on December 2021

There are lot of opportunities for MFDs in the financial distribution space as India has low per capita distributor to service investors.

AMFI's latest data shows that the MF industry has 1.18 lakh individual MFDs as on December 2021. Considering 1.35 billion population, a rough calculation shows that India has one MFD for every 11,400 people.

Overall, the MF industry has 1.26 lakh distributors including corporates. Of the total distributors, 87% or 1.09 lakh distributors are individuals, 8850 are senior citizens and 7700 are corporates.

Of the total MFDs, almost half are from beyond-30 (B30) locations. Data shows that 47% of ARN holders (58,900) reside in B30 areas as of December

2021. The rest 53% or 67,100 MFDs are based in top 30 locations.

While the aggregate number of folios is over 12 crore, the number of MF distributors currently registered with AMFI is just over 1.26 lakh and this number would be far lesser, if we factor in inactive distributors. An industry data shows that 35% of the total individual MFDs manage assets of over Rs.1 crore as on March 2021. These distributors can be considered active.

The total number of foot soldiers in the MF distribution is 2.67 lakh including employees of corporates and distributors.

This shows the immense opportunities for the MFDs in the financial distribution space in India.

## India has one individual agent for every 550 people

Life insurers have 24.50 lakh agents as on March 2021; 55% of them belong to LIC.

IRDAI data shows that the number of individual agents in the life insurance industry was 24.50 lakh as on March 2021. Considering 1.35 billion population, a rough calculation shows that India has one agent for every 550 people.

Overall, the life insurance industry has added a net of 1.80 lakh new agents in 2020-2021, resulting in 8% jump in the total agent count to 24.5 lakh, according to IRDAI's annual report 2020-2021.

In FY 2020-21, LIC has seen its agent count jumping 12% to 13.50 lakh from 12 lakh at the end of 2019-2020. The growth in agent count was subdued in case of private life insurers as their agent count went up by only 3%. They together added a net of 31,600 new agents.

The muted growth in private life insurers' agent count is a result of high termination rate. For every 10 new

additions, almost 9 existing agents have left private insurers in the last financial year.

Overall, there are now 24.50 lakh agents in the life insurance industry. The count is 8% higher from the total figure at the end of March 2020. Of the aggregate, 27% or 6.6 lakh agents are female.

Agent count of private general insurers rises 62%

In general insurance, the agent count of private insurers has risen 62% to 3.60 lakh in 2020-2021. Public insurers have witnessed their agent count declining 1% to 2.90 lakh.

Standalone health insurers (SAHI) have empanelled almost 2 lakh new agents and seen 7,000 terminations, resulting in a net 13% increase in agent count to 7.70 lakh.

Overall, general and SAHI insurers added a net of 2.20 lakh new agents in 2020-2021.



Insurance Agents Associated with Life Insurers				
(Number of Agents)				
Insurer	As on March 31, 2020	Appointment during 2020-21	Termination during 2020-21	As on March 31, 2021
LIC	12,08,826	3,45,469	2,00,487	13,53,808
Private Sector	10,69,639	2,83,343	2,51,713	11,01,269
<b>Total</b>	<b>22,78,465</b>	<b>6,28,812</b>	<b>4,52,200</b>	<b>24,55,077</b>

Insurance Agents Associated with General and Health Insurers				
(Number of Agents)				
Insurer	As on March 31, 2020	Appointment during 2020-21	Termination during 2020-21	As on March 31, 2021
Public Sector	2,92,356	19,426	22,434	2,89,350
Private Sector	2,23,141	1,53,833	15,926	3,61,048
Specialized Insurer	-	-	-	-
Stand-alone Health	6,81,145	1,96,037	7,204	7,71,906
<b>Total</b>	<b>11,96,642</b>	<b>3,69,298</b>	<b>45,564</b>	<b>14,22,304</b>

**We are open to  
contributions  
from our  
valued members!**

The editor is open for interesting contributions from our members. It can range from IAP programme snapshots or pictures/snippets of fun events conducted for investors, to fun anecdotes as well as any valuable inputs you would like to share!

**Please write to**

**[nisreen@moneyworks.co.in](mailto:nisreen@moneyworks.co.in)** to get featured in our next edition.



# Membership Renewal



Requesting members to make the renewal payment for this Financial Year 2021-22 .

Also appreciate those members who have not yet paid their outstanding fees to do so at the earliest.

You can make the payment through our

**Website :** [www.fifaindia.org](http://www.fifaindia.org)

**Username :** your registered email id

**Password :** pass@123

You can also download the **GrowFa app** from **Google Play Store** and make the payment.

In case if you face any difficulty, please email the query to [accounts@fifaindia.org](mailto:accounts@fifaindia.org) or get in touch with **Ronald** on mobile number **9867508393**



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