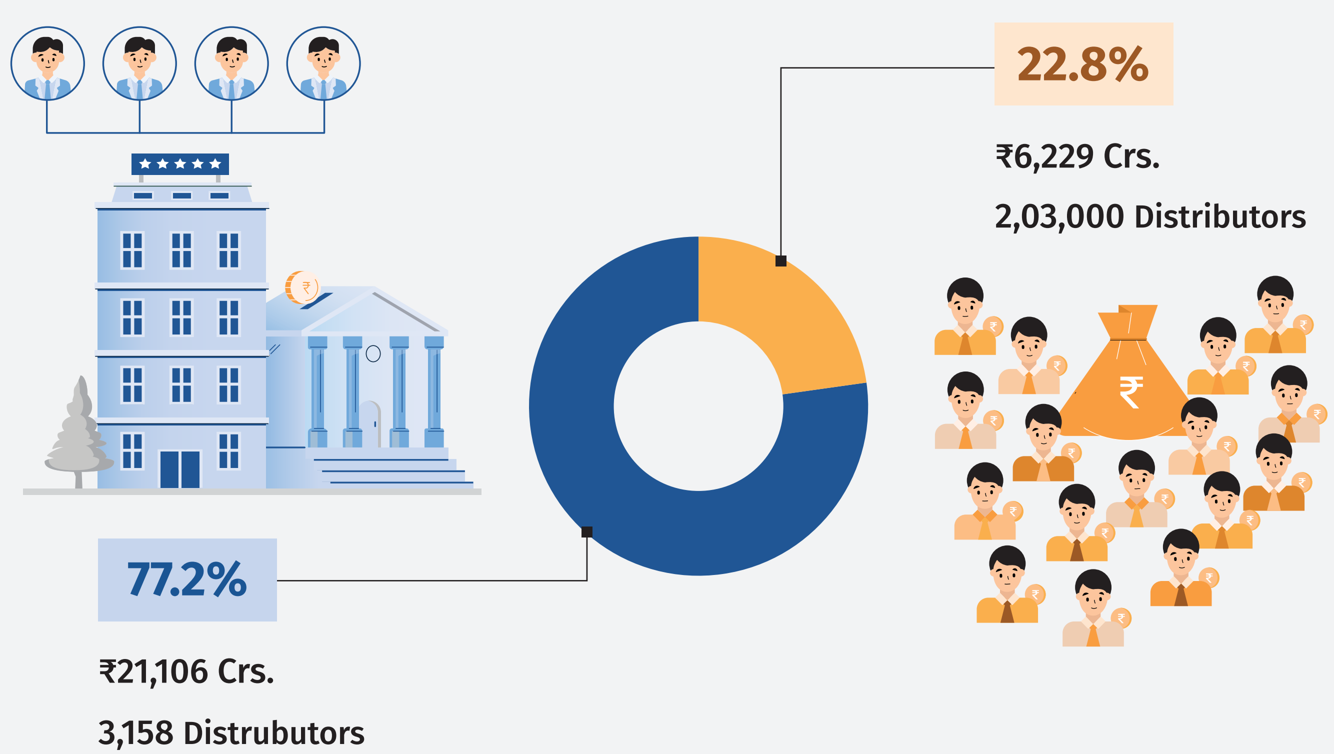
1.3 How Much Does India's Average Mutual Fund Distributor Earn

India's mutual fund industry has had a decade most industries only dream of. Assets grew more than 5x, closing FY2024-25 at ₹65.74 lakh crore of assets under management (AUM), and the commissions paid to distribute those funds reached an estimated ₹27,335 crore for the year. The catch is who collected them. The 3,158 distributors large enough to appear in the commission disclosures of the Association of Mutual Funds in India (AMFI), a group led by banks, national wealth managers and fintech platforms, took ₹21,106 crore of it: 77.2% of every commission rupee paid. The remaining ₹6,229 crore was shared by an estimated 2.03 lakh smaller mutual fund distributors (MFDs), which works out to ₹3.07 lakh of gross commission each, before a single business cost. The industry boomed. The typical distributor watched it happen.



Distribution remains a real livelihood, and a small group of distributors earns very well from it. The averages, though, point at a problem no single good year can fix. This analysis follows that problem through AMFI's own data: where the industry's commissions now collect, why a solo, commission-only practice has stopped scaling, and what the most durable opportunity in front of a distributor actually is.

Where the Commissions Actually Went

A ₹27,335 crore pool sounds like plenty to go around. AMFI's commission disclosures for FY2024-25, split by the type of distributor, show how unevenly it landed.

DISTRIBUTOR CATEGORY	COMMISSION (₹ CRS.)	ENTITIES	AVG. AUM PER ENTITY (₹ CRS.)	AVG. ANNUAL INCOME PER ENTITY
Wealth managers & corporate MFDs	11,629	1,591	830	₹7.31 cr
Banks & bank-associated brokers	6,330	50	17,531	₹126.60 cr
Fintech platforms	458	43	1,351	₹10.65 cr
Individual MFDs, AMFI-disclosed	2,689	1,474	190	₹1.82 cr
Smaller / non-disclosed distributors*	~6,229 (est.)	~2,03,042	3.68	~ ₹3.07 lakh
Total	**27,335**	**~2,06,200**	–	–

*Source: *Non-disclosed commission (~₹6,229 cr) is a residual: total ₹27,335 Crs. minus all AMFI-disclosed segments (₹21,106 cr), divided across ~2,03,042 distributors below the disclosure threshold. Commission and AUM figures are for FY2024-25. Source: AMFI Commission Disclosure Database FY2024-25; AMFI Vision Paper 2025; 1 Finance Magazine.*

The far-right column decides the story. A bank or bank-linked broker collected ₹126.60 crore on average for the year. A disclosed wealth-management firm averaged ₹7.31 crore. The 2.03 lakh distributors below AMFI's disclosure line averaged ₹3.07 lakh, about ₹25,600 a month, before tax, software, travel or a single client meeting. Same industry, same products, and a gap wide enough to describe two different trades.

The 3,158 disclosed names break into 1,684 institutions and 1,474 individual MFDs that meet AMFI's disclosure thresholds. Together, they took 77.2% of all commissions paid; the other 2.03 lakh distributors shared what was left. Rising retail money did not soften the split. Inflows through systematic investment plans (SIPs) reached ₹2.89 lakh crore in FY2024-25, up 45% on the year, and the trail that money generates settled mostly

at the top of the same table. The concentration runs inside the disclosed group too: the 50 bank channels averaged ₹126.60 crore each for the year, about 70 times the ₹1.82 crore averaged by the 1,474 disclosed individual MFDs.

A useful benchmark for that ₹3.07 lakh comes from India's most familiar commission sales force. The Life Insurance Corporation of India (LIC) paid ₹24,968.55 crore to its 14.87 lakh individual agents in FY2024-25, an average of roughly ₹1.68 lakh per agent. Both averages mix full-time professionals with dormant licence holders, and both describe the same shape: a commission pyramid with a wide, thin base. LIC's agent base is about seven times the size of the MFD register, yet its average lands in the same few-lakh range, a shape common across commission-paid sales forces, mutual funds included.

The Cliff Sits at ₹100 Crore

Among individual MFDs, the dividing line is sharp, and it sits at ₹100 crore of AUM. AMFI discloses the commissions of the larger distributors, those that clear its thresholds on assets, branch network or commission earned, and in FY2024-25 only 1,474 individual MFDs appeared in that list. Sorted by book size, the disclosure data shows a cliff, with a steep drop where the disclosed tiers end.

AUM BUCKET	ENTITIES	TOTAL AAUM (₹ CRS.)	COMMISSION (₹ CRS.)	COMMISSION RATE	AVG. ANNUAL INCOME PER MFD
> ₹1,000 Crs.	10	14,558	140.99	0.97%	₹14.10 crs.
₹500–1,000 Crs.	43	29,570	272.03	0.92%	₹6.33 crs.
₹100–500 Crs.	1,216	2,19,107	2,094.80	0.96%	₹1.72 crs.
< ₹100 Crs, AMFI-disclosed	205	16,588	181.36	1.09%	₹88 lakh
Smaller / non-disclosed distributors*	2,03,042	7,48,103	6,229 (est.)	0.83%	₹3.07 lakh

*AAUM (average assets under management) is the mean of opening and closing AUM for the year. *Non-disclosed commission is a residual estimate; average income = commission ÷ entities in each bucket. Source: AMFI Commission Disclosure FY2024-25; 1 Finance Magazine.*

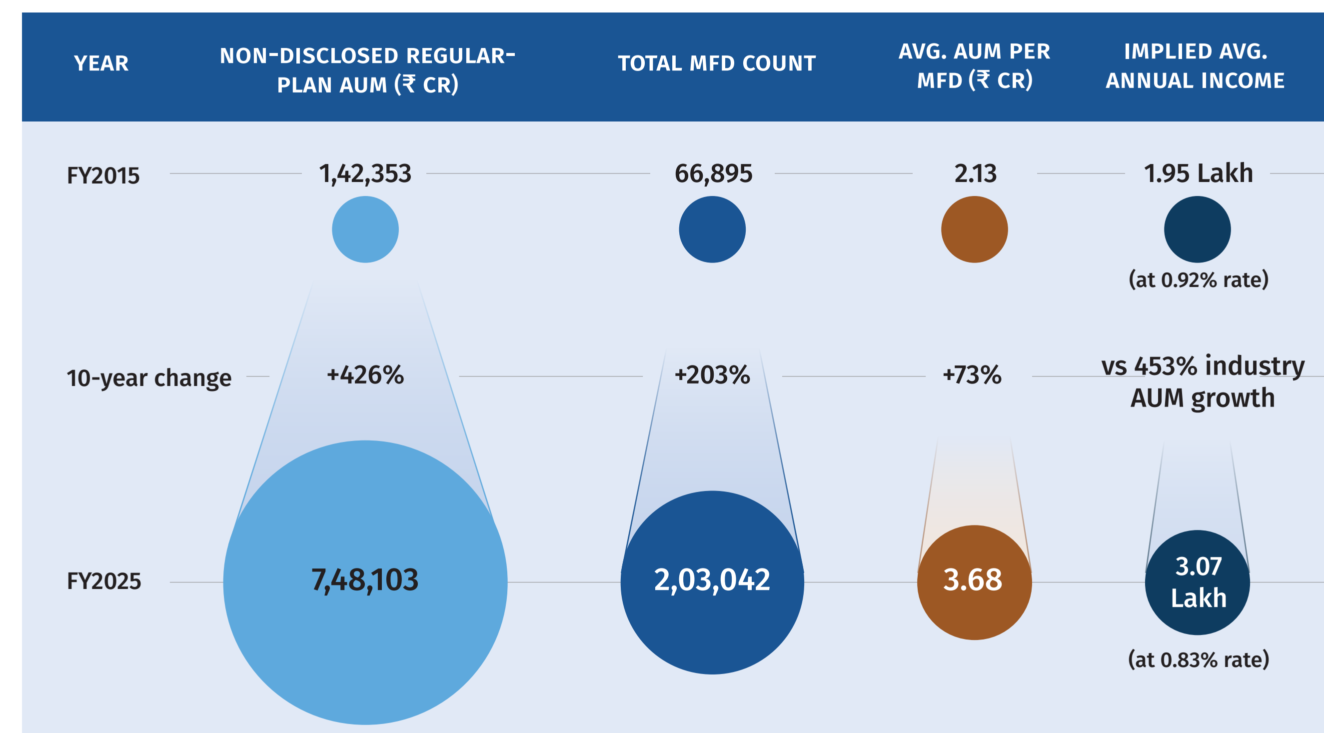
> *The cliff is at ₹100 crore of AUM. Above it, 1,269 MFDs earn between ₹1.72 crore and ₹14 crore. Below it, 2.03 lakh distributors average ₹3.07 lakh. There is no meaningful middle.*

Above ₹100 crore of AUM sit 1,269 individual MFDs. Their average annual incomes start near ₹172 lakh and reach roughly ₹14 crore for the ten largest books. Below the line sit the other 2.03 lakh, more than 99% of individual distributors by count, on an average of ₹3.07 lakh. Between the two tiers there is almost nothing. Even the lowest disclosed rung sits far above that floor: the 205 individual MFDs just under the ₹100 crore line average about ₹88 lakh a year, close to 29 times the typical non-disclosed distributor.

The arithmetic of crossing over explains why so few manage it. At the non-disclosed segment's blended commission rate of roughly 0.83%, grossing even ₹12 lakh a year takes about ₹14.5 crore of AUM, nearly 4x the average book. Reaching the ₹100 crore line means growing that average book roughly 27x. Few warm networks stretch that far.

A Decade of Growth That Skipped the Individual

One bad year would be survivable. This pattern has held for ten. Between FY2015 and FY2025, Regular-plan AAUM grew 426%. The average individual MFD's book grew 73%.



Source: AMFI AAUM data (regular plan), FY2015 and FY2025; AMFI Vision Paper 2025; Cafemutual (FY2015 MFD count); 1 Finance Magazine. The 453% industry figure uses total point-in-time AUM (all plans) and is not directly comparable with the AAUM-based columns.

In rupee terms, the average distributor's implied gross income moved from about ₹1.95 lakh to ₹3.07 lakh. After a decade of inflation, that is no raise at all. And the denominator kept growing: the distributor register nearly tripled, from about 66,895 to 2.03 lakh, while the bulk of the new assets settled with institutional channels. The arithmetic is plain: the regular-plan assets left to this segment grew 426% over the decade, but the head-count sharing them grew 203%, so the average book crept from ₹2.13 crore to ₹3.68 crore even as the industry around it multiplied.

At the Top, the Same Names for a Decade

The same decade that stalled the average distributor barely disturbed the top. Rank the corporate distributors, the banks and national platforms that sit above the individual MFDs, by commission, and nine of the ten largest in FY2024-25 were already among the disclosed leaders in FY2014-15. Fifteen of the top twenty were. The field of disclosed corporate distributors grew more than fourfold over the decade, from 379 to 1,684, yet the names at the summit barely moved.

DISTRIBUTOR	RANK 2015	COMMISSION 2015 (₹CRS.)	AVG AUM 2015 (₹CRS.)	RANK 2025	COMMISSION 2025 (₹CRS.)	AVG AUM 2025 (₹CRS.)	10Y COMM. CAGR
HDFC Bank	**1**	329.0	29,968	3	1,083.4	1,54,320	+13%
Axis Bank	**2**	304.1	14,534	5	765.7	93,737	+10%
NJ IndiaInvest	**3**	303.4	18,050	1	2,608.1	2,27,080	+24%
IIFL Wealth (now 360 ONE)	**4**	286.1	20,373	11	219.1	37,525	-3%
Kotak Mahindra Bank	**5**	255.0	23,820	9	416.7	57,992	+5%
ICICI Bank	**6**	248.0	18,422	7	511.6	71,940	+8%
Citibank	**7**	229.0	22,262	—	—	—	—
ICICI Securities	**8**	159.1	12,253	6	679.5	81,988	+16%
Standard Chartered Bank	**9**	143.8	12,072	12	194.0	28,967	+3%
SPA Capital Services	**10**	141.6	19,567	81	19.3	6,503	-18%
HSBC	**11**	98.4	17,250	10	227.0	33,902	+9%
Bajaj Capital	**12**	77.4	5,626	16	151.7	17,873	+7%
IndusInd Bank	**13**	73.8	2,356	32	55.2	6,749	-3%
Prudent Corporate Advisory	**14**	69.9	4,731	4	1,058.4	99,591	+31%
State Bank of India	**15**	69.4	10,231	2	1,513.7	2,30,371	+36%
Deutsche Bank	**16**	61.5	7,515	26	73.6	13,180	+2%
DSP Merrill Lynch	**17**	60.9	11,122	—	—	—	—
Karvy Stock Broking	**18**	60.9	5,056	—	—	—	—
JM Financial Services	**19**	60.6	15,840	18	128.3	18,989	+8%
Darshan Securities	**20**	56.2	10,541	—	—	—	—

Source: AMFI commission disclosure, FY2014-15 and FY2024-25; 1 Finance Magazine. Figures in ₹ crore; CAGR is the 10-year commission growth rate. IIFL Wealth is now 360 ONE; Citibank, DSP Merrill Lynch, Karvy and Darshan Securities are no longer disclosed.

> *"The individual MFD cannot cross ₹100 crore because a warm network eventually runs out. Above that line, the seats were taken a decade ago.*

And they grew. Of the 379 corporate distributors disclosed in 2015, 173 are still disclosed, and the median survivor more than tripled its book. NJ IndiaInvest, third in 2015, is now the single largest commission earner of any distributor in India, individual or corporate, at ₹2,608 crore. State Bank of India climbed from fifteenth to second, Prudent from fourteenth to fourth. Through it all, the top ten held just over half of every commission rupee paid to the corporate channel, 53% in 2015 and 51% in 2025. The grip did not loosen.

The handful of names that fell away were not beaten by a newcomer. Citibank left Indian retail and sold its book to Axis, already in the top five. IIFL Wealth rebranded to 360 ONE. DSP Merrill Lynch's wealth arm went to Julius Baer. The one true collapse, Karvy, was a fraud rather than a competitive loss.

Over ten years, almost no outsider broke in and pushed an incumbent out, and the little turnover there was kept the money inside the same circle.

This is the ceiling above the cliff. The individual MFD cannot cross ₹100 crore because a warm network eventually runs out. Higher up, the constraint changes shape but points the same way: the summit is held by incumbents running bank branches, broking arms and national platforms that a decade of organic effort cannot replicate, and their scale compounds year after year. A distributor starting today arrives a decade late to a table where the seats were taken long ago, and the occupants have only grown larger since.

The Rate Survived the Decade. The Book Stayed Small.

The obvious suspect for stagnant income is the commission rate. The record mostly clears it. The commission rate, gross commission as a share of average assets, drifted over the decade rather than collapsing, and for two segments it recovered.

SEGMENT	FY 2015 RATE	FY 2020 RATE	FY 2025 RATE	READING
Banks	1.12%	0.53%	0.72%	Partial recovery, likely from a mix shift towards equity funds, which pay higher trail than debt.
Wealth managers & corporate MFDs	0.78%	0.65%	0.88%	Strongest recovery; equity-heavy books and scale lift the blended rate.
Individual MFDs (overall)	1.05%	0.84%	0.96%	Broadly stable across the decade.
Individual MFDs, < ₹100 cr bucket	1.87%	1.21%	1.09%	Steepest compression of any segment; see below.

Commission rate = gross commission ÷ total AAUM per segment. Source: AMFI Commission Disclosure Database FY2015, FY2020 and FY2024-25; 1 Finance Magazine analysis.

For individual MFDs as a whole, the rate moved from 1.05% to 0.96% in ten years. That drift costs the average book about ₹33,000 a year. The small base costs it everything else: even at the more generous FY2015 rate, a typical ₹3.68 crore book grosses under ₹3.87 lakh a year. A healthy rate on a small book is still a small income.

The one segment where the rate truly fell is the smallest disclosed bucket, from 1.87% to 1.09%, and much of that story is regulatory. From 2018, AMFI allowed extra trail on inflows from beyond the top 30 cities, the B-30 incentive, and for many smaller-city distributors it was a meaningful slice of income. The Securities and Exchange Board of India (SEBI) placed the incentive in abeyance from 1 March 2023 over concerns about how it was being used. Smaller-city distributors, with modest books and no institutional buffer, absorbed that cut directly.

A narrower replacement was announced in November 2025 and took effect on 1 March 2026: up to ₹2,000, paid once, for each new investor from a B-30 city, and for each new woman investor anywhere, capped at 1% of first-year inflows and payable only after the money stays invested for a year. It rewards real new business. But it pays once; the trail it replaced paid every year.

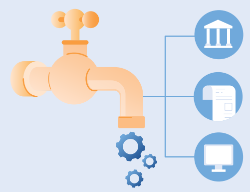
Why the Solo Model Stopped Scaling

Beneath this rate arithmetic sit four constraints that no individual distributor can change.

First, revenue scope. Trail is earned only on mutual fund assets mapped to an ARN (AMFI Registration Number), so the rest of a client's financial life can be serviced but never billed.

Second, regulation has tightened in one direction: upfront commissions were banned in 2018, and the B-30 trail went in 2023.

Third, SEBI's expense-ratio slabs shrink trail rates automatically as schemes grow, a compression built into the rules.



Fourth, the industry's shared plumbing, BSE STAR MF, MF Utilities and the registrar portals, makes transactions and reporting cheap, but nothing in that stack solves the problem that actually decides growth: client acquisition. Brand, lead flow, content and a marketing budget are exactly what banks and platforms deploy at scale, and exactly what a one-person practice cannot fund.

Competition changed shape over the same decade. Direct plans, which pay no distributor at all, grew 847% between FY2015 and FY2025 against 399% for regular plans, lifting their share of industry assets from 31% to 46%. Every rupee that moves direct is trail that never reaches any distributor, large or small.

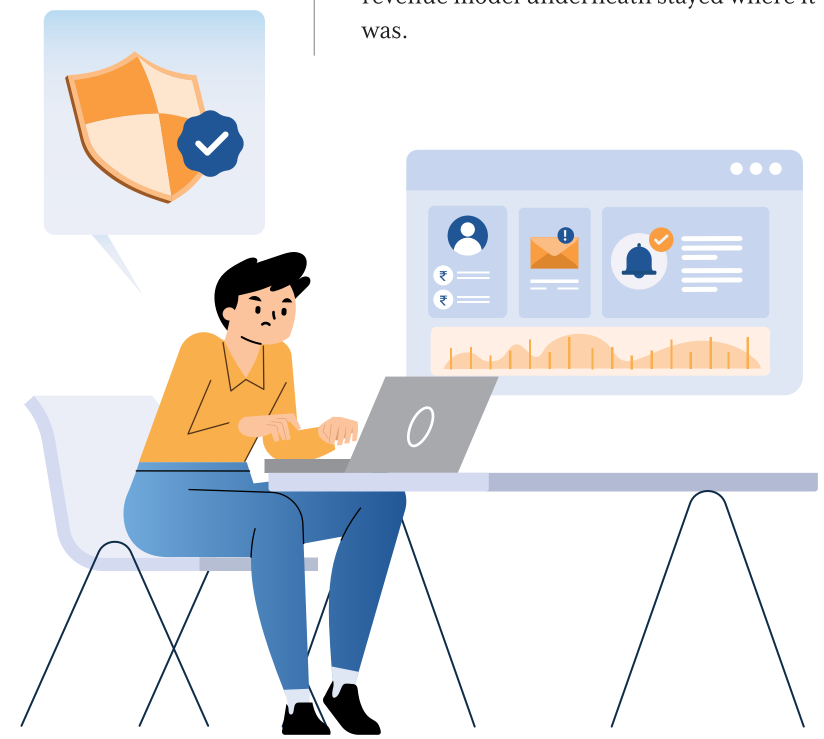
> *An MFD managing ₹10 crore in AUM earns roughly ₹8 to 9 lakh gross. After statutory deductions and compliance costs, technology, acquisition costs and income tax, take-home is closer to ₹6 to 7 lakh.*

Regulation Made the Industry Safer and the Distributor Smaller

The structural account matches what distributors say themselves. In conversations held for this analysis with practising MFDs across Maharashtra, Gujarat, Delhi, Uttar Pradesh, Madhya Pradesh and West Bengal, the consistent theme was acceptance of the rules, paired with exhaustion at their arithmetic.

Few argued against regulation itself. Lower expense ratios, tighter commission norms, stricter disclosure and growing direct-plan awareness have made investing safer and cheaper, and most of the distributors interviewed said so plainly. Their complaint was narrower: each of those changes also shaved the margin that once kept a small practice afloat, and nothing has replaced it.

Banks and platforms absorb such cuts through volume. The solo MFD has no buffer to absorb them with. The same few basis points must fund client acquisition, servicing, reporting, compliance and the distributor's own take-home. The responsibilities attached to the licence kept growing; the revenue model underneath stayed where it was.



What Gross Trail Hides

Every figure so far is gross, and gross flatters this business. Consider a distributor who has built a respectable ₹10 crore book, nearly 3x the segment average. It grosses roughly ₹8 to 9 lakh a year. Strip out 18% goods and services tax (GST), ARN renewal and recertification, portfolio and reporting software, the cost of finding and meeting clients, office overheads and income tax, and take-home lands closer to ₹6 to 7 lakh. A decade of relationship-building, a book nearly 3x the average, and the result is a modest salary without the security of one.

For the average distributor, on a ₹3.68 crore book and ₹3.07 lakh of gross trail, the same deductions close in far sooner.

The ceiling has a specific cause, and it is client acquisition. Nearly every distributor starts with the warm network: family, friends, colleagues. That circle is usually good for the first few crores of AUM and rarely good for much more. Past it, growth needs a recognisable brand, steady referrals, content or a heavy local presence, and funding those engines takes capital that a ₹3 lakh gross income cannot spare. Many registrations settle where the warm network ends, active on paper while the practice behind them stays quiet.

> *The commission model, as it stands, pays best for the part of the job that is becoming a commodity.*

Distribution Still Works, With Scale or a Niche

Distribution still pays, and for a small group it pays exceptionally well. The fairest reading of the data keeps that in view, because the practitioners who thrive below the ₹100 crore line follow recognisable patterns.

Some own a niche: a profession, a community, a single city where referrals compound and clients stay for years. Referral density and client loyalty substitute, at least partly, for the acquisition machinery that banks and platforms buy with capital. Others run a hybrid practice, adding insurance, the National Pension System (NPS), alternative-product referrals or explicit planning fees to regular-plan trail, so the practice earns from more of the work it already does.

Across both routes the lesson is the same. Revenue scope and differentiation, more than AUM alone, separate a working practice from a registered one. The model the data is hardest on is the narrowest one: commission-only, regular-plan trail only, median-sized book, no niche.

When Execution Becomes a Commodity, Advice Becomes the Moat

All of which sharpens the real question: what is a distributor paid for? Routing money into a regular plan is work a zero-cost app now finishes in seconds. Building a financial plan around a person's goals, taxes, insurance, liabilities and behaviour is work no app has replaced. Three forces keep widening that gap: direct plans outgrowing regular plans, passive funds taking share, and expense ratios compressing by regulatory design. Each erodes the economics of execution and leaves the value of advice untouched. The commission model, as it stands, pays best for the part of the job that is becoming a commodity.

The two models monetise different things, and the difference runs through every dimension of the practice.

DIMENSION	PRODUCT-LED DISTRIBUTION	ADVICE-LED MODEL
Revenue source	Trail commission on regular-plan MF AUM	Advisory fee linked to the relationship or assets under advice
Client perception	A distributor who enables product access	A financial guide or planning partner
Exposure to direct plans	High; new flows can move to direct	Low; the advisor can recommend direct plans and charge for advice
Exposure to expense-ratio compression	High; commission tracks scheme expense structures	Low; the fee is independent of scheme costs
Value delivered	Product selection, transactions, SIP servicing, reviews	Goal planning, asset allocation, behavioural guidance, wider decisions
What gets monetised	The regular-plan MF book alone	The client's whole financial life

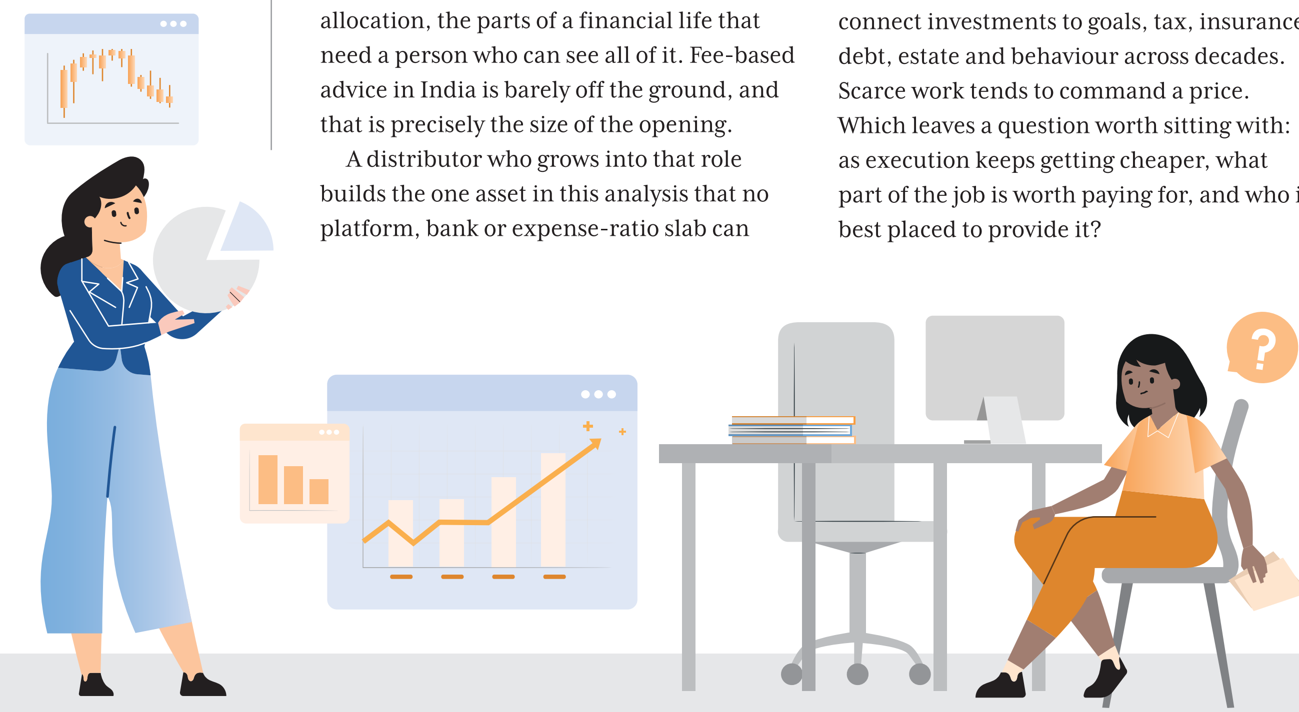
Source: 1 Finance Magazine

AMFI's own Vision Paper counts the Registered Investment Advisor (RIA) framework alongside SIPs and direct plans among the defining shifts of the past decade, because it gave fiduciary advice a legal home. The same paper counts roughly 1,000 RIAs in the country, against a distribution register about 200x that size, and projects retail mutual fund penetration rising from about 3.6% of the population in 2025 to 15% by 2047. A maturing investor base asks for more than transactions: goal planning, tax, estate and asset allocation, the parts of a financial life that need a person who can see all of it. Fee-based advice in India is barely off the ground, and that is precisely the size of the opening.

A distributor who grows into that role builds the one asset in this analysis that no platform, bank or expense-ratio slab can compress: a client relationship that is hard to replace.

Access Is Easy. Advice Is Scarce.

India has made mutual funds easy to buy. It has not yet made them easy to understand. Distribution reach widened enormously over the decade; guidance that ties a financial life together did not keep pace. For most investors, access stopped being the problem years ago. The scarce thing is someone who can connect investments to goals, tax, insurance, debt, estate and behaviour across decades. Scarce work tends to command a price. Which leaves a question worth sitting with: as execution keeps getting cheaper, what part of the job is worth paying for, and who is best placed to provide it?



About This Analysis

The commission and AUM figures draw on AMFI's commission disclosure database for FY2024-25, AMFI monthly industry data from FY2015 to FY2025, and the AMFI Vision Paper 2025 (AMFI and PwC). The ₹27,335 crore commission total is part-disclosed, part-derived: ₹21,106 crore is disclosed across 3,158 entities, and the residual ₹6,229 crore is allocated across the roughly 2.03 lakh distributors below AMFI's disclosure threshold, with the distributor count taken from the Vision Paper's 2024 base. LIC figures are from the LIC Annual Report FY2024-25, Schedule 2 (channel-wise commission), divided by total agents on roll; the LIC and MFD averages are computed on the same basis. The analysis also draws on informal conversations with 50 practising MFDs across six states, held between 22 and 28 May 2026.

Two caveats matter. The ARN register counts every registration, active or dormant, so segment averages blend full-time practitioners with inactive holders; they describe the economics of the field, not the income of every active professional. And AMFI's disclosure covers mutual fund trail only; an active multi-product practice typically earns from insurance, NPS or alternative products as well, so real take-home for working distributors runs higher than mutual fund trail alone.