

Why do we need SEBI Registered Investment Advisors (RIA)

By AK Rao Personal Finance Advisory



AK Rao
Personal Finance Advisory
Your Goals. Our Guidance. Your Prosperity.

**Unbiased Advice.
Purposeful Planning.
Better Future.**

As a SEBI Registered Investment Advisor (RIA), I provide fee-only, conflict-free advice that is aligned to your goals and your life.

- Fiduciary Responsibility**
Your interests always come first.
- Fee-Only Advice**
No commissions. No hidden agendas.
- Holistic Financial Planning**
Investments, taxes, insurance, retirement and more — all aligned to your goals.
- SEBI Regulated**
Qualified. Certified. Accountable.

Because your financial future deserves more than just products.
It deserves the right advice.

- Investment Planning**
Smart strategies for long-term wealth creation.
- Tax Planning**
Keep more of what you earn.
- Retirement Planning**
Plan today for a worry-free tomorrow.
- Insurance Guidance**
Right coverage for you and your family.
- Estate Planning**
Secure your legacy. Protect your loved ones.

SEBI Registered | Fee-Only | Goal-Based | Holistic Financial Planning

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Ravi thought he was doing everything right.

At 42, he had a steady job, a decent salary, and what he believed was a “well-diversified” portfolio. His bank relationship manager called him regularly with “great opportunities.”

A friend helped him invest in mutual funds. An insurance agent convinced him to buy a few policies “for tax saving and wealth creation.”

On paper, Ravi looked financially sorted.

But one evening, while trying to calculate how much he needed for his daughter's education overseas, he hit a wall.

He didn't know:

- How much he had actually invested
- What returns he was getting
- Whether his investments matched his goals
- Or if he was even on track

Everything felt... scattered. That's when someone asked him a simple question:

“Do you have an advisor—or just people selling you products?”

That question changed everything.

The Missing Link: Advice vs Sales

In India, most people believe that financial advisors are needed only for the rich and wealthy, and others can manage with:

- Mutual fund distributors
- Insurance agents
- Bank relationship managers

There's nothing inherently wrong with these professionals. They play an important role.

But their primary function is selling—they earn when you buy a product.

Which means, structurally, their incentives are linked to selling what gives them more commission, not necessarily advising what is good for you.

And that's where the idea of a SEBI Registered Investment Advisor (RIA) becomes important.

SEBI RIA: A Different Kind of Professional

A SEBI Registered Investment Advisor is someone authorized by the Securities and Exchange Board of India to provide investment advice for a fee, while being legally bound to act in the client's best interest.

This is not just a label. It's a fundamentally different way of working.

- An RIA does not earn commissions from products.
- They don't get paid more for recommending one fund over another
- They don't have sales targets.

Instead, they get paid directly by the client. That single shift changes everything.

Because now, the question becomes:

- What is best for Ravi ?

NOT

- What can I sell to Ravi ?

When Ravi finally sat down with an RIA, the conversation felt unfamiliar.

- No product brochures.
- No urgency.
- No "limited period offer."

Instead, the advisor asked:

- What are your goals?
- When do you want to retire?

- What worries you financially?
- What does a “comfortable life” mean to you?

For the first time, Ravi wasn’t being sold something—he felt truly understood

What Makes an RIA Different?

As Ravi discovered, an RIA’s role goes far beyond investments. They look at your financial life as a whole:

- Income and expenses
- Assets and liabilities
- Insurance coverage
- Tax efficiency
- Long-term goals

They connect the dots. In Ravi’s case, the findings were eye-opening:

- He had **12 mutual funds**, many overlapping
- He was paying hidden commissions without realizing it
- His insurance policies were expensive and inefficient
- He had no clear retirement plan

Nothing was “wrong” individually, but together, it lacked direction.

The RIA Approach

The RIA didn't rush into action. Instead, they created a plan.

- Reduced his portfolio from 12 funds to 5
- Shifted investments to lower-cost direct options
- Replaced inefficient insurance with simple term coverage
- Built a goal-based investment strategy

The outcome wasn't dramatic overnight. But something more valuable happened: At the end of the exercise, Ravi knew:

- What he was investing for
- How much more he needed
- And whether he was on the right track

Why Isn't Everyone Doing This?

You might wonder—if RIAs are so effective, why aren't more people using them? The answer lies in how we perceive “cost.”

Most people hesitate to pay a fee for advice. What they don't realize is that they're already paying a much larger amount—just in ways they don't see.

Through:

- Mutual fund commissions
- Insurance commissions
- Hidden Product charges

These costs are often invisible, but over time, they significantly impact the returns.

The Reality Check

Here's where things get interesting.

India has: Crores of investors. Millions of distributors

But only about **1,300 SEBI Registered Investment Advisors**

That's an incredibly small number for a country of this size.

Which means:

- Genuine, commission-free advice is still scarce
- Most investors rely on agents and not advisors
- This gap is slowly closing—but we're still early in the journey.

Becoming an RIA: Not an Easy Path

Part of the reason for this scarcity is that becoming an RIA isn't easy.

And that's by design. To qualify, one must:

- Have relevant educational qualifications
- Clear certification exams
- Possess years of experience
- Meet net worth requirements
- Follow strict compliance and audit standards

This ensures that when you work with an RIA, you're dealing with someone who is:

- 👉 Qualified
- 👉 Regulated
- 👉 Accountable

So, Who Should Work with an RIA?

If you:

- Have multiple investments but no clarity
- Feel unsure about your financial future
- Want a structured, personal plan
- Prefer unbiased advice

Then an RIA can make a significant difference. Not because they will give you “better products”, but because they will help you make **better decisions**.

Final Thought

In personal finance, the biggest risk is not market volatility. It’s misguided decisions driven by incompetent advice. A SEBI Registered Investment Advisor doesn’t eliminate risk. But they do something far more valuable: They bring clarity, structure, and alignment for your financial goals.

And in the long run, that’s what truly builds wealth.

