ARIAN PERSPECTIVE

Monthly Newsletter by

ARIA
Association of Registered Investment Advisers

#ARIATRULYCARES | BECOME A MEMBER | CONTACT US

www.aria.org.in

ARIA
Association of Registered Investment Advisers

CHAIRPERSON'S NOTE

RENU MAHESHWARI

It is interesting to note the RIA bashing, mostly by non-RIAs.

It is important, then, to address the misconceptions that have long clouded the narrative around Registered Investment Advisors. Too often, sweeping generalizations are made based on the experiences of a few, while the broader evolution and impact of the fiduciary model are often overlooked. The reality is more nuanced.

From a broader vantage point, it becomes clear that the RIA story is not one of mere survival, but of gradual yet undeniable progress. Over the past decade and more, the very existence of RIAs—despite initial scepticism from both the market and the industry—have validated the regulator's vision. What was once perceived as an experimental model has been quietly laying the foundation for a more robust, ethical and client-centred financial ecosystem.

This evolution reflects more than regulation; it marks a shift in mindset. Advisors now embody a higher standard of care, cultivating relationships rooted in trust rather than transactions. Clients, in turn, are learning to value the independence, depth, and transparency offered by fiduciary advice, which stands in stark contrast to legacy models driven by commissions or product sales.

Viewed from this vantage, the momentum surrounding RIAs is not accidental but hard-earned. Each challenge—whether it be market inertia, the slow embrace of fee-based compensation, or the quest for skilled professionals—has contributed to the resilience and credibility of the industry. The ongoing collaboration between RIAs, regulators, and education providers underscores a shared commitment to elevate financial advice as a true profession, one capable of reshaping capital flows, fostering entrepreneurship, and delivering genuine value to clients.

(cont)

CHAIRPERSON’S NOTE

RENU MAHESHWARI

In essence, the journey of RIAs demonstrates that enduring change is neither swift nor easy, but it is possible—and profoundly rewarding—for those committed to integrity and client-centricity.

Over the past five years on the ARIA Board and advocacy committee, I engaged with a wide range of people through SEBI's working groups, the Industry Standard Forum, the Intermediary Advisory Committee of SEBI, NISM Advisory Committee, and other forums. Across all discussions, there is unanimous agreement: fiduciary, client-centric financial planning and investment advisory is essential. This profession has the potential to transform lives, boost sustainable capital inflows, and generate significant entrepreneurship and employment opportunities for educated individuals.

As we cultivate this new landscape, we must continue to foster education—not only for aspiring advisors but also for the clients themselves. Awareness is the first step toward empowerment, and as more people recognize the value of unbiased, client-focused guidance, the demand for such services will inevitably grow. The road ahead may seem long, but every step taken by early adopters lays the foundation for a healthier, more resilient financial ecosystem.

RIA is a knowledge industry and requires skilled and qualified people to build it. It needs time to inculcate behavioral change in masses. In time, the narrative will shift from questioning the viability of advisory practices to celebrating their impact. The seeds we plant today, nurtured by perseverance and collaboration, will yield a harvest of trust, prosperity and opportunity for generations to come.

Warm regards,
Renu

IDEA BOX

SOUMITRA SENGUPTA
Founder and CIO - Lamron Analysts

Did Galileo give us an insight into the markets

It is one of the most famous stories from science. Around the year 1589, the famous scientist and astronomer from Tuscany, Galileo Galilei, climbed the leaning tower of Pisa and dropped two balls, one heavy and another light, from 183 feet. According to the received wisdom of the day, mainly from Aristotle, the heavier ball should have fallen to the ground faster than the lighter ball. Except that it didn't. Galileo observed that both the balls hit the ground at the same time.

It is an enchanting story, but historians dispute whether Galileo actually performed the experiment or just described it theoretically. Nevertheless, the principles laid down challenged the existing beliefs of the day and laid the foundation for Newton's laws of motion.

But why am I talking about this? Because I recently came across a post put out by the firm Capitalmind which dealt with the decline in stocks during the most recent market decline from September 2024. The note is interesting because it posits that there is no difference in the declines across PE ratios. The post is set out below:

(cont)

ARIA
Association of Registered Investment Advisers

IDEA BOX

SOUMITRA SENGUPTA

Founder and CIO - Lamron Analysts

The recent decline has not been limited to High PE stocks.

Decline Not Limited to High PE Stocks

Median Return since Sep '24 by PE decile

PE Decile	# Companies	P/E Sep '24	P/E Now	Return % Since Sep '24
1 (cheapest)	183	8.8	6.7	-20.4
2	182	16.5	13.4	-18.3
3	182	22.1	17.5	-20.8
4	182	27.6	22.4	-16.7
5	182	33.4	27.7	-17.9
6	183	41.4	33.4	-18.7
7	182	51.3	41.8	-19.3
8	182	65.4	53.9	-19.4
9	182	90.7	74.9	-18.0
10 (most expensive)	183	218.2	192.6	-19.5
NA	633	NA	17.9	-19.3
Universe	**2,456**	**37.4**	**30.9**	**-19.0**

NA: -ve or unavailable Earnings. Excludes Lenders and Insurance.
Table: Capitalmind • Source: Bloomberg

capitalmind

In the study done by Capitalmind, stocks were divided into ten groups. All the groups consisted of about 183 stocks and so were equal in terms of the number of stocks. The groups were sorted based on their pe ratios. The lowest group (also the cheapest using the valuation metric) had an average pe of 8.8 in September 24 while the highest group (the most expensive) had a pe ratio of 218.2 in the same period.

The average pe ratios of the 10 groups of stocks were then looked at around February 2025, which was the period of the general market decline. Surprisingly, there was no perceptible difference in the percentage decline amongst the different groups of stocks. Like Galileo's balls, all stocks fell at the same rate.

(cont)

IDEA BOX

SOUMITRA SENGUPTA

Founder and CIO - Lamron Analysts

Conventional wisdom would have it that the stocks with the highest pe ratio (most expensive stocks) should decline the most, certainly more than the stocks with the lowest pe ratio (cheapest stocks). But this appears not to be the case. In fact the cheapest stocks, declined from a pe ratio of 8.8 to 6.7, while the stock returns were -20.4%.

On the other hand, in the case of the most expensive stocks, the pe ratio declined from 218.2 to 192.6. The returns of this group of stocks during this period was - 19%. So there you have it, the most expensive group of stocks fell less during this period than the cheapest stocks.

Valuation models appear to work well in calm waters but do get tossed around when the storm brews. Most of the stocks fell at the same rate, with the stocks in the 4th decile (pe ratio 27.6) being an outlier, falling the least at 16.7%. During this period of extreme market stress, the markets appear to have ignored valuation metrics and declined to the same extent across the board.

This defies conventional beliefs just as Galileo's experiment did nearly 500 years ago.

NOTE FROM ADVOCACY COMMITTEE

1. Actions to make CEFCOM a smooth process to enable industry-wide registration were discussed.

2. MF Lien - BSE will do lien marking and cannot be done by IA. Process to mark Lien electronically is being discussed with RTA & SEBI and will be released before 15th Aug

3. 1600 Series - SEBI will represent to TRAI basis ARIA representation which will exempt most IA's basis the criteria suggested .

4. Scores complaint on Impersonation - Complaint on impersonation can be adjusted from total complaints if any on the website disclosure on complaints.
Circular link for same- https://www.sebi.gov.in/legal/circulars/jun-2025/investor-charter-for-investment-advisers_94354.html

NOTE FROM NEW MEMBERSHIP COMMITTEE

Highlights from ARIA's RIA Clinic for Aspiring RIAs – 24th July

We're delighted to share that ARIA's RIA Clinic for aspiring Registered Investment Advisers, held on Thursday, 24th July, witnessed an enthusiastic turnout with 185+ participants from across the country.

The session opened with ARIA Chairperson Ms. Renu Maheshwari, who powerfully articulated the importance of becoming a Registered Investment Adviser (RIA). She highlighted the professional and ethical advantages of the RIA framework and encouraged attendees to take the leap and join this growing community.

This was followed by detailed presentations from ARIA's New Membership Committee volunteers, Mr. Thejus Palathingal and Mr. Abubakar Siddique. They provided a clear, step-by-step overview of:

1.Eligibility criteria

2.Regulatory requirements

3. Fee structure

4.Application process

They also shared valuable insights on the various practice models available under the RIA framework, helping participants assess which path best aligns with their career goals.

The session concluded with a lively Q&A segment, moderated by CA Sanjay Kadel, where numerous practical concerns were addressed. The interactive format ensured that participants left with greater clarity, confidence, and direction for their RIA journey.

We extend our heartfelt thanks to our volunteers and partners for their continued support in ARIA's initiatives—and to all attendees for making the session truly impactful through their questions and active engagement.

SESSIONS CONDUCTED IN THE MONTH OF JULY 2025

ARIA MEMBERSHIP DETAILS

MEMBERS AS OF 31ST JULY 2025

	Membership Category	Members as on Jun 30, 2025	Members as on July 31, 2025
1.	INDIVIDUAL - ANNUAL MEMBERS	123	127
2.	INDIVIDUAL - LIFE MEMBERS	21	21
	Total Individual	**144**	**148**
3.	NON- INDIVIDUAL - ANNUAL MEMBERS	104	105
4.	NON- INDIVIDUAL - LIFE MEMBERS	29	30
	Total Non-Individual	**133**	**135**
5.	ASSOCIATE - ANNUAL	17	15
6.	TOTAL MEMBERSHIP - ANNUAL	244	247
7.	TOTAL MEMBERSHIP - LIFE	50	51
	GRAND TOTAL	**294**	**298**

KNOW YOUR BOARD MEMBERS

RENU MAHESHWARI

Chairperson

AMIT KUKREJA

Vice Chairperson

KAVITHA MENON

Treasurer

BIHARILAL DEORA

HARSH ROONGTA

LOVAII NAVLAKHI

SHAILENDRA KUMAR

TARUN BIRANI

VIVEK REGE

ARIA
Association of Registered Investment Advisers

KNOW YOUR COMMITTEES

MEMBER ENGAGEMENT COMMITTEE

BOARD MEMBERS

Kavitha Menon

VOLUNTEERS

Abhishek Mittal
Akhilesh V Gokaraju
Jay Thacker
Jigar Patel
Monica Malkani
Nitin Sawant
Sridevi Ganesh
Suresh Sadagopan
Upasana Mondal

NEW MEMBERSHIP COMMITTEE

BOARD MEMBERS

Tarun Birani

VOLUNTEERS

Abubakr Siddique
Hrushikesh Kale
Indrani Banerjee
Kanika Shah
Sachin Walavalkar
Sushilkumar Pardeshi
Thejus Palathingal

PARTNER ENGAGEMENT COMMITTEE

BOARD MEMBERS

Amit Kukreja
Lovaii Navlakhi
Tarun Birani
Vivek Rege

VOLUNTEERS

Hemendra Gandhi
Jay Thacker
Jitendra Solanki
Kharanshu Parikh
Pranjali Madnani
Shefali Garg

ADVOCACY COMMITTEE

BOARD MEMBERS

Biharilal Deora
Harsh Roongta
Kavitha Menon
Renu Maheshwari
Shailendra Kumar
Vivek Rege

VOLUNTEERS

Viraj Padhye
Vivek Pai

WARIA

BOARD MEMBERS

Renu Maheshwari

VOLUNTEERS

Ratnasri Karra

KNOW YOUR COMMITTEES

MEDIA COMMITTEE

BOARD MEMBERS

Lovaii Navlakhi
Tarun Birani
Kavitha Menon

VOLUNTEERS

Ananya Roy
Kalpesh Ashar
Mansi Bhogal
Prakash Praharaj
Prashanth Sekhar
Priyadarshini Mulye
Roshni Nayak

VOLUNTEER PROGRAMME COMMITTEE

BOARD MEMBERS

Biharilal Deora
Renu Maheshwari

VOLUNTEERS

Akhilesh Jain
Hemendra Gandhi
Jigar Patel
Sridevi Ganesh

TECHNOLOGY/ WEBSITE COMMITTEE

BOARD MEMBERS

Amit Kukreja
Shailendra Kumar

VOLUNTEERS

Abhijit Talukdar
Vipin Khandelwal

ACCOUNTING AND FINANCE

BOARD MEMBERS

Amit Kukreja
Kavitha Menon
Vivek Rege

KNOW YOUR COMMITTEES

ADVOCACY SPECIAL PROJECTS

VOLUNTEERS

Abhishek Banerjee

Chinmay Harshad Kelkar

Dr. Neelakantan Pillai

Gaurav Goel

SPECIAL PROJECTS

VOLUNTEERS

Ashwin Albert DSouza

Pooja Chaubey

Ratnasri Karra

Rahul Jaju

Robins Joseph

Roshni Nayak

Sachin Walavalkar

Shrimohan Maheshwari

Varun Girilal

SENIOR EXECUTIVE ASSISTANT

Collyn Mascarenhas

PROJECT COORDINATOR

Shraddha Mhamunkar

THANK YOU

Call Us
+91 89767 68683/ 89767 68684

Website
www.aria.org.in