

Riding India's Wealth Management Wave – Perspectives from Arpita Vinay, MD & Co-CEO of Spark Private Wealth

Spark Capital, a Chennai-based mid-market investment banking and financial services company, last year took a major leap forward in its ambitions to become a top-tier wealth management firm, appointing private wealth and asset management experts Arpita Vinay and S Ganashyam as MDs & co-CEOs of the group's Spark Private Wealth operation. They brought great experience and a successful track record of working in tandem – holding the title of MD and Co-Heads at their former firm, Centrum Wealth. Spark Capital itself dates back to 2002 when it was founded originally as an investment banking advisory platform. Spark Private Wealth itself in its current form arrived about three years ago and has since built up AUM approaching USD3 billion. The concept was to leverage the group's research strengths, knowledge and understanding of capital markets and investment banking and asset management expertise to deliver a high-quality, bespoke wealth management proposition to the growing ranks of HNIs, the UHNI community and family offices. Through its multi-family office proposition, the wealth arm also offers a forward-looking and holistic approach to these clients, providing comprehensive portfolio monitoring, investment management, as well as comprehensive estate planning & structuring advice and tax advisory services. The business is on a remarkable growth trajectory – they are hiring fast and hope to count over 130 RMs by April this year, whereas a year earlier that number stood at only 20. Hubbis met recently with Arpita to learn how she and her Co-CEO are ramping up the business across India.

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ARPITA VINAY
Spark Capital

Hubbis has enjoyed hearing the articulation of many valuable insights from Arpita over many years during her 10-year tenure at leading Indian wealth firm Centrum Wealth, where from 2021, she held the title of MD and Co-Head. While there, she led Centrum Wealth to

become one of the better-known players in India's fast-growing and rapidly maturing wealth management market.

Arpita certainly brings significant and broadly-based pedigree to Spark PWM across the HNI, UHNI and mass affluent segments - before joining Centrum Wealth, she had been Head of Premier Banking at HSBC, responsible for managing one of the

largest affluent banking propositions in the country.

Family-centric

According to its literature, Spark Private Wealth offers a holistic proposition that integrates the Spark Group's Equity Research DNA and Investment Banking and Asset Management expertise to curate bespoke solutions for their clients. Spark PWM was formerly known as Spark Family Office and Investment Advisors (India), which gives some indication of its inclination and history helping very wealthy Indian families, business owners & promoters, family offices, new age entrepreneurs and CXOs to preserve, build and transition their wealth across the generations.

"We offer integrated and complementary capabilities in asset management, investment banking, and multi-family services to add up to a significant depth of proposition in wealth management," she reports.

Building fast

Arpita explains that Spark PWM's AUM is approaching USD3 billion, and the firm is in an expansionary phase, expecting to count more than 130 RMs and more than 300 staff in total by April this year. "We are driving very rapid growth," she says. "In April 2023, the number of RMs

was just 15 and we were only about 60 strong employees in total."

The firm works with clients in the HNI/UHNI segment of USD1-10 million in investible wealth, and many clients of far greater wealth who are served largely through their multi-family office offering which focuses on clients/families with investible wealth greater than USD 10 Mn. Today, Spark PWM is present in key Indian cities, including Mumbai, Delhi, Chennai, Bengaluru, Hyderabad, Ahmedabad and Pune.

Bringing it all together

Arpita explains more about how their key services fit neatly together for the types of clients they serve. Highlighting the needs of substantially wealthy clients, perhaps those who might have realised a sale in full or part of their businesses, she notes that they have key and well-established expertise and protocols around investment management, including the articulation of the Investment Policy Statement (IPS), on due diligence of products and ideas, consolidation, and reporting and financial advisory.

She explains that Spark PWM focuses heavily on high quality advice and investment curation across the public and private

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domains and covering domestic and global assets. Their offering is backed by a robust Investment Policy Framework supported by research and superior execution to create, manage, and monitor portfolios to meet customer needs and investment objectives.

Best-in-class curation

Moreover, Arpita says that with its open-architecture platform, the team provides best-in-class solutions from industry-leading investment managers and specialists. “We take ownership of all these key facets of a client’s approach to investments, guiding and nurturing portfolio construction, maintenance, monitoring and review towards the right practices in terms of wealth creation/preservation, the attainment of return objectives, and we take complete accountability for advisory across their entire portfolio,” she explains.

Taking the ‘Big Picture’ perspective

Alongside this bespoke investment management offering, the firm provides estate planning & structuring advice, and what Arpita terms ‘adjacent’ services that are fully attuned to the client’s individual and family situations, as well as with their own business ownership situations. They also have an in-house team of experienced professionals to help with tax advisory and work with external parties to help as well.

She explains that all these elements also fall tidily within the firm’s family office proposition, which has been designed to provide comprehensive portfolio advice and monitoring, bespoke investment management, and comprehensive Estate Planning & Tax Services for ultra-HNI families.

Key Priorities

Arpita reports that her number one mission for the next 12 to 24 months is to smartly execute on plans to scale the firm dramatically. “What was a 60 member-strong business last April will by this April [2024] be a 300 member-strong firm, so we need to ensure that we execute those plans and that we meet that expansion internally with better technology, processes, systems and strategies,” she explains.

Expanding the product offering is another key priority. She reiterates that the firm operates with the premise of open architecture and best-in-class product curation and as it scales up, the business therefore also needs to expand its suite of products – including more offshore products - to cater to the rising number of clients and expectations. The product suite also includes completely new offerings for clients, such as providing insurance brokerage, for which they have applied for the relevant domestic license.

Technology is another core mission, but this is not a new priority, having been consistently front of mind for many years, and then coming into even sharper focus during the global pandemic.

“Nowadays, technology for us is far more about design, for example developing a super app that will address and bypass the multiple logins that clients now have to go through at different points,” she explains. “We are now well beyond technology as hygiene, and more into imaginatively designed technology that offers genuine differentiation in the eyes of our clients. In short, technology is of huge importance to us. We have a significant team focused on that, and we are elevating our sights all the time.”

The holistic approach to UHNI needs

“We facilitate a complete alignment of their interests. where the firm’s experts can holistically address the multi-faceted challenges facing these ultra-wealthy families,” Arpita reports.

Indeed, she notes there are very often many complex strands intertwined that are all unique to each client and family. These will often include key challenges around transitioning wealth and businesses to the next generations and involve important considerations such as family and family business governance, and covering areas

such as professionalisation, succession structuring and also conflict resolution.

Understanding the nuances

“There are numerous nuances and personal issues to consider and address in so many of these situations,” Arpita comments. “But we have deep expertise in these areas, and we also work closely with some of the finest practitioners and external specialists in curating the right approaches and to help devise family charters and the right structures to execute proper planning.”

Arpita says she has a great love of articulating robust estate planning & structuring, and based on her considerable experience, highlights the family charter as a crucial element in the articulation of the type of robust approach to professional, near institutional-level planning. "In my experience, the charter needs to be written and expedited very professionally and enacted quickly," she comments. "Otherwise, momentum is lost, and it too often just sits gathering dust."

Win-win

She says that both the clients and Spark PWM benefit from having this type of expertise they offer, allied to the core investment management and investment banking capabilities. "Not many firms can offer this type of holistic approach to the challenges that very wealthy Indian families typically face," she states.

She expands on this comment, noting that she is convinced that it is a major advantage for these families and also their businesses to have one set of eyes watching over all these different objectives and helping devise corporate advisory and family solutions that are intertwined and that work both for today and the future.

Up close and personal

"And it is a great advantage for us, as well," she reports. "All these matters are really very close to the heart of the founders and promoters; accordingly, there is great value in us embedding ourselves in these deep

and very important engagements with our clients."

She highlights a hypothetical case of a younger, perhaps more technology-centric entrepreneur. This individual might, for example, have partly monetised their first business and could be seeking help in taking that business to the next growth phase, allied to the objectives of their new shareholders. Or they might perhaps be seeking out their next personal business challenge if they have sold out in full. Or they might want to professionalise or institutionalise the ownership and control of the family business and also family assets within a single-family office structure.

Opening doors, seeing new avenues

Arpita explains that these types of engagements open the doors to the firm being able to connect closely to the founders and the key family or family business members and then devise bespoke solutions for them.

"They are looking for the right concepts and greatly value our ability to curate bespoke ideas for them," she says. "In the past 6 to 9 months we have worked on five such complex and holistic types of engagements, creating solutions for families and family offices that truly work for all key parties."

She turns her gaze away from this very wealthy type of family client who might even have a family office structure in existence, or perhaps in mind, to focus the next portion of

the conversation on their typical HNI client, someone with the equivalent of USD1- 10 million to invest.

"They are usually price-conscious and time-poor," she explains. "They want portfolios that are sophisticated, robust, and cost-efficient to assemble, including lower-fee passive strategies, as are relevant to the client's investment objectives, investment horizon, investment experience and risk orientation. They have key return objectives in mind. They want the optionality to execute trades online or via human engagement, so clearly, we need to offer both elements and thereby provide the best and most robust digital solutions as well as deliver optimised customer experiences. Additionally, they often have certain needs relating to the next generations, such as creating a will and planning more thoroughly for the future with some basic structures. We address all these needs and objectives."

Wind in the sails...

Arpita draws the discussion to a close by reminding us how Spark PWM's growth trajectory is being rocket-fuelled by India's economic growth and the rise of its financial markets. "But despite all the powerful and different winds in our sails, we still need to be selective, focused and disciplined, and to make sure we address the real needs of our clients, both for today and the future," she concludes. "The future is bright, and we are ready to grasp it with both hands." ■

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Getting Personal with Arpita Vinay

With a long and successful career in finance and wealth management, it is not surprising that Arpita is highly regarded, and has received several awards for her work and contributions.

An Electrical Engineer and MBA Finance from Faculty of Management Studies (FMS) Delhi, Arpita also holds the STEP Professional Postgraduate Diploma in Private Wealth – a course that focused on cross boarder succession, international taxation and family business advisory.

She takes an active interest in estate and succession planning and is a member of the Indian chapter of STEP, an international body of trust and estate planning professionals and the International Tax Planning Associates (ITPA). She is also a regular speaker in wealth management, family office and alternative product forums and seminars.

She grew up in Bokaro, an industrial city in the state of Jharkhand and which houses one of the largest steel plants in the country. She studied engineering at university and first worked as an engineer for Tata Steel at their Jamshedpur plant before studying for her MBA. She still remembers those early years in heavy industry and soon handling a team of 40 as amongst her most important formative times.

“I had to traverse the challenges of being a woman in India in engineering and heavy industry, which was really difficult but immensely rewarding, offering me in retrospect a great platform for my later career,” she explains.

After her MBA, she joined HSBC in 2004 as a management trainee and rose through the ranks rapidly to head up the Premier Banking team. She then joined Centrum in 2011 and rose to become MD and Co-Head in 2021, then signing on with Spark PWM during 2023.

She has one daughter, aged 17, who will head off to university next year. She greatly enjoys meditation and follows the Hatha School of Yoga, which focuses heavily on resilience and overcoming adversity. “I profess not to be very religious, but yoga and meditation have been a big part of my life, helping me with my career and personal life,” she says. “I believe it is essential to find time for these moments of reflection and to build mental fortitude.”

She also enjoys quiet times reading at home and says she reads roughly one book a week. A recent favourite was ‘America’s Bank’, on the history of the Federal Reserve. Another was by Ben Horowitz titled ‘Hard Thing About Hard Things’, and she also enjoyed ‘Uncommon Service: How to Win by Putting Customers at the Core of Your Business’, which she says was all about how businesses can only be exceptional in a few areas, and hence how selectivity and perspective are vital for smart strategies.

Last time Hubbis interviewed Arpita at length, she explained that travel is a great passion. Trips to far-flung places such as Bolivia, Peru, Zambia, Latvia, Lithuania and Iceland are amongst the many countries she has visited. “I love exotic and fascinating places and new cultures,” she says. “Travel is wonderful for expanding one’s horizons.”

She shares her passion for travel with her husband Pritesh Vinay, a finance professional who is part of the senior management team of a large Indian conglomerate. They collaborate on researching destinations and come up with travel plans right down to the minutest detail. Together, they have explored over 50 countries. One of the more enjoyable trips came in 2023 when she visited Cancun in Mexico.