



Thomas John Muthoot

Towering across sectors

The Muthoot Pappachan Group, with a strong presence in sectors as varied as financial services and alternate energy, is a trusted brand name

By Anuroop Sundar

The Muthoot Pappachan Group, rated among India's most trusted brands in The Brand Trust Report, India Study, 2012, has an esteemed presence in towns and cities across India. With roots in the business since 1887, the Muthoot Pappachan Group has broadened its horizons to various sectors over the years but the core interest of the company still remains in the financial services segment. The group undertook a rebranding exercise in early 2010 in which it changed its identity. The new logo and the unique blue colour denotes trust and safety and also reinforces the distinctiveness of the Muthoot Pappachan Group. Given the potential of the gold loan sector, the company has seen an aggressive rise in new players over the past couple of years. Though the competition is climbing up rapidly, Muthoot Fincorp Ltd, a mass provider of finance in the form of gold and other loans, considers it a good phase for the industry. "Overall, it has benefited us in a great way. With more companies joining us in the sector, the awareness about gold loans is going up in a good way and that's definitely a positive sign for the sector," says Muthoot Pappachan Group Chairman & MD, Thomas John Muthoot.

Muthoot Fincorp Ltd, the flagship company of the group, with strong fundamentals, is a proactive Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India. Being a recognised name in Kerala has always helped the Muthoot Pappachan Group gain trust at an overwhelming pace. The higher demand for gold and jewelry,

especially in the south Indian states, crafted an appropriate platform for the company that serves 40,000 customers a day on an average. "Since we have a strong base in South India, the focus is on spreading our roots to other parts of the country and further increasing our customers in the state," explains Thomas George Muthoot, Group Director & MD of Muthoot Capital Services. "Though we have already proclaimed our presence in the national circle, we need to advance more in the northern and western markets. In mid Nov 2011, Muthoot Fincorp launched its new marketing campaign with the brand proposition of transforming lives - Jab Zindagi Badalni Ho, with the intent of further enhancing the brand's visibility nationally."

Muthoot Fincorp's time-honoured experience, expertise and stronghold in the semi-urban and rural areas have empowered the company to provide quick, customised financing options and investment products, maximising returns to its clients. The loan products of Muthoot Fincorp Ltd are uniquely structured to serve people who do not have easy access to mainstream commercial banks. Muthoot Fincorp has been successful in bringing in dynamic professionals from various industries to create a corporate structure that is strategically aligned to meet the objectives of the company.

Taking over the family business and taking it to the next level is expected from every Muthoot family member. "We have been involved in the business right from college days," says Thomas Muthoot, Executive Director-Strategic Initiatives, Muthoot Pappachan Group. "So taking over the family business was always likely to happen. Apart from gold loans and financial services, we are today a diversified entity with interests in real estate and hospitality, alternative energy, automotive & IT infrastructure."

Muthoot Fincorp Ltd, with a paid-up capital of Rs 181.25 crore and a net owned fund of Rs 824 crore (as on December 31, 2011), caters for the financial needs of retail and institutional customers on a larger scale. The company's focus is on providing a host of financial services through a wide network of over 1,800 branches across the country. It has a diverse mix of retail offerings catering to the various needs of the customers including gold loans, investment advisory services, money transfer, forex and insurance.

MPG Hotels and Infrastructure Ventures is a progressive, new age real estate and hospitality assets developer with its headquarters in Trivandrum, India. The company is currently developing 6 hotels to be operated by international brands as well as commercial and residential spaces in various Indian cities.

The company focuses its real estate investments and developments across various asset classes. MPG Hotels and Infrastructure Ventures has formed strategic alliances with leading international brands and service providers to ensure that it optimizes its investment returns.

Vivanta by Taj, Kovalam, Muthoot Skychef & the under construction Hilton Garden Inn in Trivandrum & Chennai are prominent Muthoot ventures in the hospitality business.

Being environmentally-conscious is part of the sustainability motto of MPG Hotels and Infrastructure Ventures and all the projects the company initiates adopts a number of commendable energy-saving parameters. The hospitality projects ensure the re-use of treated water from the sewage treatment plant for flushing toilets and HVAC chillers. The company's residential as well as hospitality projects use treated water for irrigation of landscaped areas, besides using water-efficient fixtures for bathrooms, cool roofs to avoid heat island effect and, rain water harvesting.

Apart from the pioneering public-private enterprise IT park, Technopolis, that is home to companies like Sutherland Global Services (P) Ltd, Williams Lea and Cognizant Technologies, The Muthoot Pappachan Group invested in clean sustainable energy as early as 1993 with wind farms in Kanyakumari, Tamil Nadu. With a vision for a greener, healthier India, Muthoot Alternate Energy Resources is committed to the conservation of conventional energy sources by seeking alternative ones.

The group has forayed into vehicle dealership as well. Muthoot JLR, an exclusive dealer for the Jaguar and Land Rover range of premium cars, Muthoot Yamaha and Muthoot Honda, which showcase an entire range of bikes, are setting new standards of excellence in service and customer relations.

The Group also launched a housing finance company, sensing that there are not too many players in the particular segment right now. The Muthoot Housing Finance

Company aims to empower low-income households in urban and semi-urban areas to realise their dreams of owning a home. The target clients include people from the sector that lacks proper income documentation to avail home loans from banks. In its first phase, the company has started operations in Mumbai, Chennai and Ahmedabad. The next phase will focus on Delhi and Pune.

The group embarked on the micro finance business in 2010 and it is now a growing portfolio, catering to the weaker sections of the society. Through Muthoot Mahila Mitra loans, it provides income generating loans of Rs 8000-Rs 15000 to women entrepreneurs under Joint Liability Group programs, targeting households located in rural areas, semi urban areas and urban slums. Through its Swarnavsham product, it offers an opportunity for these women entrepreneurs to purchase "gold bars" in installments. Over 2,22,000 women have benefited

till date through this initiative. The Shreejyoti programme motivates and funds aspiring women entrepreneurs at grassroots level. The programme, in association with Accion International, is now present in three states in the country and is poised to become a nationally significant activity.

The Group also actively promotes sustainable development, responsibility towards the environment and uplift of local communities where it operates, identifying and promoting local talent. The Muthoot Pappachan Foundation was formed in memory of the Group's founder, the late Muthoot Pappachan. A leading supporter of sports and cultural initiatives, the foundation also focuses on community development projects like offering scholarships for basic and higher education in sponsored villages and spearheading women's empowerment programmes.

"Our overall plan is to reach out to people across all walks of life and serve their varied needs," says Thomas John Muthoot. "We always try to keep up with changing business environments and work towards meeting the objectives of the company."



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