

# A Family Office: In its own words

Anant M. P. Shah explains the history of the Meghraj Group and the MP Family Office

**To tell the story of the Meghraj group you need to start with the Indian community in East Africa. That community, spread over Kenya, Tanzania, Uganda, Rwanda and Burundi is thriving and well-established in business. While the population of Indians is less than 1% of the total population, the community makes a substantial contribution to the East African economy. Many of the large industrial, trading, manufacturing and services business are owned by families from the Indian community.**

The Indian community however, was not always so prosperous. The history of the Indians who migrated from India to East Africa shows how a generation of pioneering entrepreneurs that was subject to extreme poverty in India was able to grow businesses in East Africa; they started from nothing and changed the course of history, both for the generations that succeeded them and the whole region.

Many of the early settler families from India were from the states of Gujarat and Punjab. The first settlers were recruited by the British Empire from the mid-1890s as indentured labourers to work on the construction of the railways in Kenya and Uganda.

After World War I, there was a further stream of young Indians, particularly from Gujarat, that travelled to East Africa in search of new opportunities. They would make the 50-day journey on a traditional dhow sailing vessel often in cramped conditions and with limited supplies. The dhows had to follow the coastline of India and Africa as they often broke down or were sometimes attacked by pirates.

## Mr Meghji Pethraj Shah

Meghji Pethraj Shah (M.P. Shah), the founder of what would later be named Meghraj Group made the journey from Jamnagar, Gujarat to Mombasa, Kenya in 1919, at the age of 15. Like most of his co-travellers, he faced a life with little opportunity in rural India, and

like many ambitious people at that time, made the decision to leave his family behind and travel to Kenya in the hope of finding better economic prospects. A family acquaintance was already in Mombasa, and had promised him a job. He started working in a shop, where he learned bookkeeping. He saved his salary to give himself a small starting capital, and then at the age of 17 he set up his own business, which started in retailing and wholesaling and then expanded into other sectors including manufacturing and financial services.

Over the next 30 years, Mr Shah established more than 50 businesses, initially in Kenya and then in Uganda, Tanzania and India. M.P. Shah was entrepreneurial and opportunistic, and set up and invested in a variety of businesses. He was able to grow his businesses successfully, and became one of the leading figures in the Gujarati community in Kenya.

“M.P. Shah believed in the principle of **Aparigraha**, which is the concept of limiting possessions to what is needed for the family and putting the rest to better use

From 1953, Mr Shah decided that he wanted to focus his time, efforts and money to giving back to society. He had always been involved in fundraising for charitable causes such as the drought in Jamnagar in the 1930s. However, from 195, he retired from the active management of his businesses and started selling off all his companies. All future income and most of his capital and time were allocated to his charitable trusts. His main focus was on education and healthcare. There were two main reasons why Mr Shah took such a strong interest in philanthropy. First, as a follower of the Jain faith, M.P. Shah believed in the principle of Aparigraha, which is the concept of limiting possessions to what is needed for the family and putting the rest to better use. Second, there was a natural sense of giving back to the communities from where he had come and where he had built his businesses.

Over the next decade, M.P. Shah financed the building of more than a hundred hospitals, medical facilities, colleges and schools, mainly in Gujarat and Kenya. He moved the family to India for three years, and then moved to London in 1957. The rest of his life until he passed away in 1964, was dedicated to philanthropy.

Author



Anant M. P. Shah

## The Next Generations

The two sons of M.P. Shah started a financial services business in London in 1973, which is today called Meghraj Group. The Group's name is taken from a combination of Mr Shah's name ("Megh"ji) and his father's name (Peth "raj").

Like M.P. Shah, his sons also identified gaps in the market particularly associated with the lack of financial services in the UK from a trusted name that catered to families from the East African Indian community that had either moved to the UK or were still living in East Africa, but requiring financial services for their business and personal requirements internationally. This led to the Group expanding in the 1970s and 1980s into commercial and private banking, trust and company services, insurance and property investment and management.

In the 1990s, the third generation entered the family business, and the Group expanded into India where it established the Group's first investment banking business, a property services business and acquired a foreign exchange broking company. There was also a change in focus in the early 2000s in the UK when the banking business was wound down (with all depositors repaid in full) and the Group focused on fiduciary services, investment banking and property related services. More recently the Group has expanded its investment banking business, built an infrastructure consulting business, and exited the property business.

After almost 60 years, the family has also gone full circle and returned to East Africa with the establishment of an onshore fiduciary services business and a corporate finance business in Kenya. Even though the family had not had any business on the ground in Kenya in the intervening period, it was in constant contact with the market through established family relationships and Meghraj Group's existing client relationships. It was therefore, a relatively easy decision for the Group to promote the businesses in Kenya.



The family's investment arm, MP Family Office, also takes its name from Meghji Pethraj Shah's name.

### Philanthropy

The family has continued the philanthropic efforts started by M.P. Shah, which remain at the heart of the family's activities. The family's charitable giving, through the Meghraj Charitable Foundation and M.P. Shah Charitable Foundation, is focused on supporting educational and healthcare institutions in Gujarat, Kenya and UK. Much of the charitable giving is being used to renovate and rebuild the institutions that M.P. Shah originally helped to build.

In addition to direct charitable giving, the family members are also actively involved in venture philanthropy, whereby they utilise their experience, time and contacts to assist with charitable causes, organisations, projects and programs. The concept involves the transfer and application of business skills to the charitable domain to create a long term, sustainable and measurable impact. Many of the family members participate in venture philanthropy and are advisors or trustees to a number of charities operating in India, East Africa and the UK.

The family estimates that:

- Approximately 35,000 people directly benefit at any given point in time from the institutions the family has built
- More than 10,000 doctors have been trained in medical training institutions funded by the family
- The current value of the donations, land and buildings of the institutions that have been established is in excess of \$250m.

Throughout the journey the family has taken from India to East Africa to UK and now back to East Africa, M.P. Shah's principles of philanthropy have always remained at the heart of the MP Family Office. The family's values on philanthropy can be summarised in the following quote:

*I shall pass through this world but once. If, therefore, there be any kindness I can show, or any good thing I can do, let me do it now: Let me not defer it nor neglect it, for I shall not pass this way again. ■*

