

Back In The Saddle

Posted on



Nimal Perera is a self-made man. He believes honesty, dedication and luck is the right combination for success. A straight talker and strategist with a daring spirit, he has made history in the Colombo Stock Market. Nimal Perera is confident about the turnaround in the Sri Lankan economy and encourages new entries. He has left an empire, and is now extensively focusing on investing in new areas of business through his investment firm NP Capital.

By Udeshi Amarasinghe and Keshini de Silva
Photography Mahesh Bandara and Menaka Aravinda

You have been quiet for a while; can you tell us what you have been working on during this time?

I was very tired as a result of my ceaseless contribution towards my previous professional commitments as the Managing Director of Royal Ceramics and my involvements in other companies in the Vallibel One group. I took a couple of months off to travel and spend quality time with my family. I am back, re-energised.

My friends and well-wishers from the industry have always been encouraging me to venture out on my own and to concentrate on developing my own line of business. That is exactly what I am doing now.

You have launched a new company, Dunimak, can you tell us the thinking behind this?

I have invested in Dunimak through NP Capital, an investment and venture capital firm I fully own. Dunimak is the manufacturing and trading arm of NP Capital. Through Dunimak, we cater to the construction industry fulfilling the requirements for Aluminium, surface materials such as ceramic and porcelain tiles, sanitary-ware and accessories. Dunimak will have its own manufacturing plant for Aluminium extrusion in the near future.

Last month NP Capital invested 250 million rupees in acquiring Arimac Lanka, a company specializing in digital disruption. In December 2017, I sold my entire stake of 97 per cent of

Mercantile Produce Brokers, one of the few tea broking companies in Sri Lanka which I acquired in 2014. I acquired Mercantile Produce Brokers for 250 million rupees and sold it at one billion rupees. At the time of the acquisition, the company was running at a loss and I managed to bring the company to great heights from the first year itself, making Mercantile one of the most profitable tea broking companies in the industry. At the time of the sale, Mercantile was making remarkable profits.

We Created History In The Country. I Believe, That In My Generation I Am The Person Who Has Acquired The Most Number Of Companies In Sri Lanka.

You are known to cause a stir, and get some excitement going in the market, what can you tell us about this?

In terms of the stock market, everyone knows how I performed and how I created sensations in the stock market while acquiring companies over the past 15 years. I have contributed immensely to the stock market.

I started at Sherman & Sons, I am still very thankful to the Directors, especially Mr Gihan De Silva. It was through him that I started stock market activities by purchasing 100 to 200 shares in companies. That helped me to become who I am today. After that I went out on my own for a couple of years, which was before I met Mr Dhammika Perera. Together, we made many acquisitions. We created history in the country. I believe, that in my generation, I am the person who has acquired the most number of companies in Sri Lanka. Everyone knows the list. I was able to build an empire for Mr Dhammika Perera as a result of his trust in me.

One of my first acquisitions was a ten per cent stake in NDB Bank. During that time, we met with intense resistance, NDB resisted our attempts to get a seat on the board, however we managed to get a board seat for Mr Dhammika Perera. Later, we sold the stake with a huge profit.

Traders On The Losing End Make Negative Remarks On The Subject. What Traders Have To Understand Is That In The Stock Market, You-Win-Some-You-Lose-Some. Key Is To Trade Wisely Within Your Limits.

No one thought that Hayleys could be touched let alone acquired, but I was able to acquire this for him. I was able to strategize; slowly, step by step, we acquired shareholder stakes and eventually managed to get a seat on the board as well. Hayleys is probably one of the best acquisitions in the country in the same league as the Aitken Spence acquisition by Mr Harry Jayawardena and Richard Pieris acquisition by Dr Sena Yaddehige. However, Hayleys as a company was more tightly held, and although no one thought it could be acquired, I believed we could. I am very happy that I am the person who was able to acquire that company for Mr Dhammika Perera.

However, I have now re-entered the stock market, and recently invested approximately 550 million rupees. This time I selected equities that are fundamentally strong for my investments.

What can you tell us about the current status of the stock market?

It is a very sensitive subject to touch upon. We have a herd mentality when it comes to stock trading. At the time that I was heavily engaged in trading, there were instances where I traded big sums worth, at times, more than today's daily turnover of the CSE.

Traders on the losing end make negative remarks on the subject. What traders have to understand is that in the stock market, you-win-some-you-lose-some. The key is to trade wisely within your limits.

A stock market like Sri Lanka needs a couple of big traders and investors. It is only then that small traders will follow. When they follow, the market moves, and then even the stocks with good fundamentals move. There are no leaders in the market at present, only people trading in good fundamentals. With that trend you can not have a fast moving stock market. Developed stock markets like New York, Hong Kong and London move fast with this mentality.

The Sri Lankan economy is finally stabilizing. There was a setback during the last two years, now however the economy has come back to the correct path. I believe in privatizing under-performing Government entities. The Government has had an injection of capital into the country. I believe the country will move forward through moves such as this. We now have a new Minister of Finance who has presented a progressive budget. I hope the budget too

helps the country to move forward.

Nimal Perera, is considered to be quite controversial. Why is that?

I do not know why I am considered controversial, but this is not the first time I am hearing this. For some unknown reason, I make it to the news. The only reason I can think is that I am outspoken, I speak from my heart. Some take offence at my actions and statements. But, honestly, I never take potshots at anyone. I am a futuristic person, I move fast. People who cannot keep up with my pace become resentful.

What's next for you?

My interest has always been in attracting rewarding investment opportunities. Basically my interest is now in going 'digital', because it is the future. Arimac Lanka is my latest acquisition, a company that has good potential. They are into Digital Disruption; Digital Disruption is "challenging existing business models through innovations and digitalization". I plan to bring Arimac to great heights and am certain of Arimac becoming one of the biggest digital companies in Sri Lanka. At the moment, we have 55 young employees, most are tech graduates and all of them are below the age of 30.

Life Has Its Own Way Of Making A Person Shine, You Just Have To Believe In Yourself And Work Hard.

Previously, I did not buy fundamentally strong stocks as I used to mainly buy tradable stocks. I have realised that I am now at a different level because I am not only a trader but also an investor and therefore I should not get into the pattern of trading and expecting profit overnight. Now I buy stocks with a long term outlook.

When I ceased my previous professional engagements in early 2017, few doubted my ability to make it on my own. But now the same "few" contact me to congratulate me on my re-entry, I thank them and tell that I never left. The only difference is that I now can live the life I always dreamt of. I spend more time with my family, travel and explore new countries, I read more and I do many things that brings real happiness.

Any message to the readers?

Be competitive, but stop being insecure of others' accomplishments. Life has its own way of making a person shine, you just have to believe in yourself and work hard.



