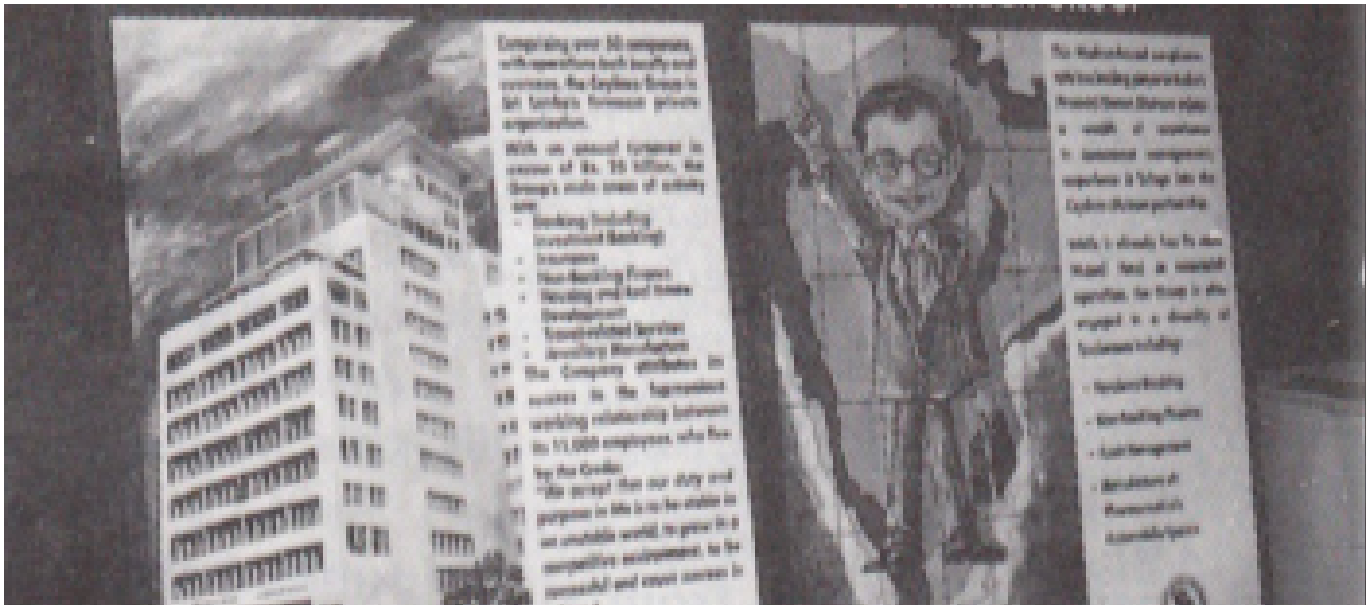


Ceylinco joins hands with Shriram



India has a glut of expertise which can be tapped for improving the field of financial service in Sri Lanka more particularly for things such as re-structuring of sick companies, says Mr. Hiran de Silva, General Manager of the Ceylinco Shriram Capital Management service Co (pvt.) Ltd., which is a joint venture between the Ceylinco group of companies and the Shriram group of india.

He said that his company hopes to engage in corporate finance activities which are basically fee-based such as sourcing of funds, doing feasibility studies, capital and financial re-structuring of sick companies, placement Of funds etc. with assistance

from the Shriram Group. The company which was launched in January this year has an issued capital of 20 million Sri Lankan rupees. The Ceylinco Group holds 60 percent of the share capital while the balance is held by the Shriram Group of India.

Among the new areas of business identified by the company as priority areas are fund management, corporate finance and selected merchant banking activities like operating leasing.

The fund management will include portfolio management, mutual funds, pension funds etc. ” We have already introduced a Portfolio Management Scheme for Sri Lankans where we manage your money to generate better returns on your investment. We guarantee the capital and also a minimum return of 20 percent interest”, said Mr. de Silva.

According to Mr. de Silva, the company also plans to take part in the privatisation programme by sourcing prospective investors to buy up c o m p a n i e s . “Our link with the Shriram Group will facilitate this because through them we will be able to approach all the big time financial companies which are represented in India”, he said.

The company also plans to launch and manage pension funds both in Sri Lanka and India which are directed at the common man. Meanwhile the attention of the company has been focused on the possibility of launching special pension funds for the non-resident Indians.

Mr Hiran de Silva said that his company is right now concentrating on money market instruments. “We also hope to do buying and selling of treasury bills which will help the development of the secondary market for treasury bills”. ‘Ceylect’, the creative portfolio management scheme which the company is currently engaged in promoting, is a scheme where money is invested in a diversity of money market instruments with guarantee of capital and a minimum return of 20 percent interest per annum.

This joint venture is believed to be the first in the financial services sector between Sri Lanka and India. The Shriram Group of India is a significantly large business enterprise with assets in excess of 10 billion Indian rupees, with a branch network spanning the whole of India. The core business of the group is financial services with diversification into industry.

Shriram is popular for its nonbanking financial services such as truck financing, chit funds leasing etc. and merchant banking activities such as mutual funds, capital and money market activities, corporate finance etc. The joint venture is expected to provide synergy through transfer of technology as well as reciprocating business due to the similarity of the core business activities of the partner. The two groups collectively manage funds in excess of Rs. 30 billion Sri Lankan rupees in terms of mutual funds, chit funds, gratuity and provident fund and customer deposits.