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Parsoli, RMoney launch scheme to lure Muslim investors

Bureau

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In a first-of-its-kind partnership with Parsoli Corporation Ltd, Reliance Money, a subsidiary of Reliance Anil Dhirubhai Ambani Group (RDAG), announced the launch of its first Shari'ah-compliant portfolio management schemes (PMS) for investors in India and West Asia.

The tieup was announced by Sudip Bandopadhyay, director and CEO, Reliance Money and Zafar Sareshwala, managing director and CEO, Parsoli Corporation. As per the agreement, Parsoli Corporation will work with Reliance Money to ensure compliance with the Shari'ah for relevant schemes being launched by Reliance Money.

"Shari'ah-compliant investment products need to follow a stringent code of investment guidelines which are in line with religious sentiments," said Sareshwala.

He added that there was a demand from the Muslim population for an investment option that did not violate their religious beliefs. "Looking at the large Muslim population in India, one needs to have a stronger partner to serve the targeted audience," he explained.

Around 58% of the total listed companies on the

Bombay Stock Exchange (BSE) and 84% of the companies on the Nifty-50 index are Shari'ah-compliant. "This is much higher than other Islamic countries like Pakistan, Bangladesh and Bahrain," pointed out Sareshwala. Out of the 13-crore Muslims in the country, less than 2 lakh have demat accounts. One aspect that has prevented them from participating is a religious ruling in the Shari'ah that bans investment in companies that are involved in alcohol, tobacco, pork and poultry-related products, banking, insurance, financial services, gaming, amusement parks, hotels, casinos, cinema, pornography and music. "Islam believes in the purity of income," Sareshwala said.

The partnership with Reliance Money will lure a large number of Muslims to invest. Reliance Money will be offering this PMS for Rs 5 lakh and replicating the charges as applicable to other customers in the existing PMS portfolio. The company plans to market these schemes extensively in India and West Asian countries.

According to Sudip Bandopadhyay, CEO and director, Reliance Money, "We have no estimate of how much funds we may raise through this scheme. But the partnership will prove to be fruitful as there is a need to tap these funds which are lying idle."

Bandopadhyay hinted that Reliance Money may plan to come up with similar schemes in the future. The scheme is not restricted to the Islamic investors alone, but the main focus is on those looking for such schemes.

"In Gujarat, Ahmedabad may not be a promising market, but we believe that South Gujarat and Saurashtra will take the lead," said Uves Sareshwala, joint managing director, Parsoli Corporation.