

THE OWNERSHIP STRUCTURE OF SRI LANKAN COMPANIES

Lalith P Samarakoon

ABSTRACT

This study examines the ownership structure of firms listed in the Colombo Stock Exchange as at the financial year-end 1997/98. Empirical evidence suggests that share ownership in Sri Lanka is highly concentrated. A small number of shareholders with large shareholdings control a significant portion of voting rights. Small shareholders' ownership tends to decrease with firm size. Individual shareholders constitute a relatively large proportion of shareholders and their equity ownership is relatively low. Institutional shareholders account for a small proportion of shareholders and their equity stake is relatively high. The study also finds that local shareholders constitute a large percentage of shareholders who account for high shareholding. Foreign shareholders' ownership is small. Further, a majority of directors hold shares in their respective firms.