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Tokio Marine raises stake in Indian JV to 49%

OUR BUREAU

New Delhi, July 7

Tokio Marine, a leading Japanese insurer, has raised its stake in its Indian joint venture unit, IFFCO Tokio General Insurance, to 49 per cent, the maximum extent allowed under Indian law.

Prior to this transaction, Tokio Marine Asia had a 26 per cent stake in the joint venture. The additional 23 per cent stake has been purchased for ₹2,530 crore.

Enterprise value

The enterprise value of IFFCO Tokio Marine, the fourth largest general insurer in India, is now pegged at ₹11,000 crore.

While IFFCO has divested a 21.64 per cent stake in IFFCO Tokio General Insurance for ₹2,380.40 crore, Indian Potash has sold its entire holding of 1.36 per cent for ₹149.60 crore. The transfer happened at a price of ₹408.43 per share.

The average cost for IFFCO for the 21.64 per cent stake stood at only about ₹120 crore, IFFCO officials said.

US Awasthi, Managing Director, IFFCO, said that the IFFCO Tokio General Insurance Board met on Friday and approved the share transfer.

With the additional 23 per cent stake buy, Tokio Marine Asia will have three more directors in the board, taking the total number of Tokio Marine directors to five.

IFFCO, which now has a 51 per cent stake, will continue to have six directors.

Taken together with the Managing Director and three independent directors, the total board strength now stands at 15.

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