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Tokio Marine Raises Stake in IFFCO-Tokio JV to 49%

Press Trust of India

New Delhi: Japanese major Tokio Marine has hiked its stake in non-life insurance venture IFFCO-Tokio to 49% by acquiring additional shares in the company for ₹2,530 crore.

Cooperative fertiliser major IFFCO had entered into general insurance business in joint venture with Tokio Marine in 2000. While Tokio Marine had 26% stake in the JV, IFFCO had 72.64% and Indian Potash Ltd (IPL) had 1.36%. "Tokio Marine has purchased total 6,19,43,945 shares of IFFCO-Tokio from

IFFCO and IPL for a total consideration of ₹2,530 crore," IFFCO managing director US Awasthi said.

As per the agreement, IFFCO has transferred 5,82,81,173 shares of IFFCO-Tokio to Tokio Marine for ₹2,380.4 crore while IPL sold 36,62,772 shares for ₹149.6 crore. The shares of face value of ₹10 per unit were sold at ₹408.43 per share to Tokio Marine. IFFCO has earned about 20 times more than on its original investment. The three promoters — IFFCO, IPL and Tokio Marine had invested ₹560 crore in the company. Now the company is valued at ₹11,000 crore.