

PRESS RELEASE

**IFFCO divests 21.64 % stake of IFFCO-TOKIO to JV
Partner Tokio Marine**

Unlocks equity valuation in its successful Insurance Venture

To further expand its presence in agri-oriented businesses to serve Indian farmers

7th July, 2017; New Delhi : World's largest processed fertilisers Cooperative, IFFCO has agreed to divest its 21.64% stake in its insurance arm, IFFCO Tokio General Insurance Company Limited (IFFCO-TOKIO) to Joint Venture Partner, Tokio Marine Asia Pte Ltd (TM Asia). Along with IFFCO, Indian Potash Limited (IPL) will also sell its 1.36% stake to TM Asia. The decision to divest was made after Indian Government hiked the FDI limit in Insurance Sector to 49%.

Upon acquisition of 23% stake in IFFCO-TOKIO for Rs 2,530 crores, the shareholding of TM Asia will increase from 26% to 49%. Insurance Regulatory and Development Authority of India (IRDAI) has accorded approval for increasing shareholding of TM Asia.

IFFCO entered the Insurance Sector in the year 2000 after the opening up of the Insurance Business for private sector. One of the main objectives was to take insurance to the doorsteps of Indian villages and farmers. Leveraging IFFCO's strong network and brand recognition across India, IFFCO-TOKIO has become one of the most respected private sector General Insurance Companies in India with a strong brand presence.

Dr. U.S. Awasthi, Managing Director, IFFCO said "this is a good opportunity for IFFCO to unlock the valuation of its investment in IFFCO-TOKIO by sale of its part shareholding. This transaction would help IFFCO in raising the required capital to focus on more agri-businesses and to better serve the interests of the Indian farmers in the fast changing agriculture sector in India."

Dr. Awasthi further said “even after the divestment, IFFCO will continue to exercise control in the business affairs of IFFCO-TOKIO in compliance with IRDA’s Guidelines on ‘Indian Owned and Controlled’ Insurance Companies.”

Mr. Arthur Lee, the Chief Executive of TM Asia said “the additional share purchase is in line with Tokio Marine Group’s international business strategy to achieve sustainable growth and profit expansion as well as enhance diversified business portfolio through capturing growth opportunities in emerging countries.”

Mr. K Srinivas Gowda, Chairman, IFFCO-TOKIO said, “With continuous high economic growth and increasing middle income population, the Indian insurance market is expected to grow rapidly. By further utilizing Tokio Marine’s expertise and know-how in insurance sector from diverse geographies, IFFCO-TOKIO aims to increasingly provide high quality products and services that meet customer needs and contribute to the further enhancement in business and profitability of the company in non-life insurance sector in India.”

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