

Publication: The Hindu
Date: Wednesday, August 5, 2009
Edition: Chennai
Page: 15

Mitsui Sumitomo bets on India

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CHENNAI: Mitsui Sumitomo Insurance Group (MSIG) of Japan has expressed its willingness to increase its equity capital in Cholamandalam MS General Insurance Company, its joint venture with the Murugappa Group. Indicating this at a press conference here on Tuesday, Toshiaki Egashira, President and Chief Executive Officer of Mitsui Sumitomo Insurance Group, said, "If the Indian Government permits, we are willing to increase our capital investment in this joint venture company in the future".

M. A. Alagappan, Executive Chairman of the Murugappa Group, said if and when it (the hike in equity of Mitsui) happened it would be done in

Willing to increase stake in Cholamandalam MS General Insurance

one-go. The equity capital of the joint venture now stands at Rs. 271 crore.

Mr. Egashira said India and China were the emerging markets in the world. Hence, MSIG would "utilise our managerial resources in India on a priority basis," he said. Asserting that the motor portfolio had a significant growth potential in India, he said MSIG would share its knowledge in areas such as profit management, sales promotion techniques and the like to help the joint venture expand its retail busi-

ness. The President said the Japanese group was committed to provide the joint venture customised technical expertise and also the training support.

Mr. Alagappan regretted that price de-tariffication had not been accompanied by de-regulation of products. He also decried the tendency to indulge in huge 'discounting' by newer players to garner market share. He was confident that the dust would settle down on the price front in the next couple of years. He also underscored the need to let the private insurers administer the motor pool themselves. S. S. Gopala Rathnam, Managing Director, Chola MS, expected the company to post marginal underwriting profit in 2010-11.