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Shriram Group to foray into general insurance

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Shriram Group, a Chennai-based diversified group, is planning to start general insurance operations in South-Asian countries. The group said it would rope in private equity and local partners, in each country for the proposed foray. The group has a life and non-life insurance companies each, along with a South African partner, in India.

Shriram Group Chairman and Founder R Thyagarajan said, "We will take general insurance to Asian regions. The

company will be operational in Philippines by end of this year and will also foray into Indonesia. We plan to pump in around Rs 100 crore in these two countries".

The company plan to rope in private equity partners and local partners to expand in other countries including, Malaysia, Thailand and Vietnam. The company had set a target to foray into these countries over the next 2-3 years, he said.

The group had joined hands with South Africa-based Sanlam to float a life insurance company in 2006 and a general insurance company in 2008

in India.

At the end of four operations, as on March 31, the top line in terms of cumulative annual premium equivalent (APE) achieved by Shriram Life Insurance Company (SLIC) was Rs 727 crore, said Akhila Srinivasan, managing director, SLIC.

"So far we were harnessing human resource and a network of group's chit fund company, which has around 1,000 officers, 42,000 employees, three million customers and 65,000 agents and the focus has been south India".

The company would venture into other parts of the coun-

try, which would be managed by Sanlam and its target customers would be mutual fund investors mainly, she added. The company plans to add 250 branches in these new regions.

"SLIC has been a profitable entity in the first three years of operations. There was a dip in the fourth year due to the company's focus on expansion, which we plan to continue in the fifth year. We will consolidate in the sixth year," said Akhila Srinivasan.

Thyagarajan said the target for the life insurance company is around Rs 1,500 crore APE in 4-5 years. "We will infuse Rs 100 crore over the next two

years to support the target," he said. Currently, the company has a capital of Rs 125 crore.

Commenting on Shriram General Insurance Company (SGIC), promoted by Shriram Group along with Sanlam, its Managing Director J S Gujaral said since July 2008 the company had sold 666,000 policies and has 50 branches, which is expected to reach 100 by next year.

The company has 1000 officers, another 1000 will be added by end of next year. During the first full year of commercial operations, SGIC has written gross premium of Rs 416.93 crore.