

Publication: The Financial Express	Edition: All
Date: 28 March 2023	Page: 03

Aditya Birla Capital sells insurance broking arm

Samara Capital to buy biz for ₹455 cr

SIDDHANT MISHRA
& JOYDEEP GHOSH
Mumbai, March 27

ADITYA BIRLA CAPITAL (ABCL), the holding company of the financial services business of Aditya Birla Group, will exit its insurance

broking business by selling Aditya Birla Insurance Brokers (ABIBL) to Samara Capital for an upfront payment of ₹455 crore.

Further, under the share purchase agreement (SPA), the company and Infocyper (the other shareholder) may receive an additional consideration after completion of five years from the closing which is conditional upon the fulfilment of certain conditions under the SPA.



In a statement to the stock exchanges on Monday, the company said: "The board of directors of the company at its meeting held today i.e. 27 March, 2023, has approved the sale of its entire stake in Aditya Birla Insurance Brokers Limited ("ABIBL") (a non-material subsidiary of the company) subject to requisite approvals."

Continued on Page 4

Aditya Birla Capital sells insurance broking arm

FE had reported in December that Aditya Birla Capital has put ABIBL on the block and Samara Capital was in the race to acquire it. The company told the exchanges that ABIBL is being purchased by Edme Services, which is part of the Samara Capital Group and an affiliate of Samara Alternate Investment.

"The execution of a share purchase agreement ("SPA") between the company, ABIBL, Infocyper India Private Limited ("Infocyper", the other shareholder of ABIBL) and the purchaser, for sale of entire 100% of the issued and paid-up share capital of ABIBL to the purchaser... ("proposed transaction"), at an enterprise value of ₹4,550,000,000 on a cash-free and debt-free basis, and subject to closing adjustments on the terms set out in the SPA," the exchange notification said.

ABIBL's FY22 revenues stood at ₹684 crore and profit after tax (PAT) at ₹64.85 crore, according to the holding company's annual report.

ABIBL provides integrated insurance broking and advisory services to companies and individuals. It also provides reinsurance solutions to insurance companies based in India, South Asia, West Asia and South-East Asia. It is present in 11 locations across India and has over 350 employees, according to the company website.

According to sources, the new management under CEO Vishakha Mulye is looking to restructure the company and exit some of the businesses where scalability is an issue.

While ABIBL has been around for almost two decades, it wasn't able to scale up its business due to high competition from other players who were willing to do business for even 1-2% of brokerage. Also, ABIBL was dependent for business from group firms.

Aditya Birla Capital's shares on Monday closed at ₹147, up 2%.