

# Edelweiss Financial to exit insurance broking JV for ₹308 crore

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NEW DELHI

Edelweiss Financial Services said it will exit the insurance broking business by selling its 70% stake in Edelweiss Gallagher Insurance Brokers Ltd. for ₹307.60 crore.

“The company has entered into an agreement to

divest its entire shareholding (currently 70%) in Edelweiss Gallagher Insurance Brokers Ltd., a subsidiary, engaged in the business of insurance broking to Arthur J Gallagher & Co.,” Edelweiss Financial Services said in a regulatory filing.

Gallagher, who previously

held 30% in the business, will now be acquiring the balance shares, taking its stake to 100%, as per the filing.

The company said as per the agreement, 37 lakh equity shares of ₹10 each, representing 70% of the paid up share capital of Edelweiss Gallagher Insurance Brokers

held by the company, is to be sold for a consideration of ₹307.60 crore.

In addition to the sale consideration, Edelweiss Financial Services will also be entitled to receive a deferred contingent consideration based on the future revenue of Edelweiss Gallagher Insu-

rance Broker.

Rashesh Shah, chairman, Edelweiss Group, said the sale will provide the firm “with the flexibility to reallocate capital and invest in scaling up our fast-growing life and non-life insurance businesses, making this a win-win for both of us.”