

Thomas Cook to merge with Sterling Holiday in Rs.870-crore deal

Mumbai:

Tour operator Thomas Cook (India) Ltd said on Saturday it will merge its operations with resort owner Sterling Holiday Resorts India Ltd in a deal valued at Rs. 870 crore (\$140 million).

The deal will be structured in a multi-stage process in which 100 shares of Sterling will be swapped for 120 shares of Thomas Cook (India).

Thomas Cook, in a statement, said it will first make a preferential allotment for 23.24 per cent of Sterling at about Rs. 190 crore and will then purchase another 23.63 per cent of Sterling for Rs. 270 crore.

This will be followed by a mandatory open offer for buying up to 26 per cent stake for Rs. 230 crore. Thomas Cook will also have the option to buy an additional 7.2 per cent for Rs. 63 crore.

The merger, which is expected to close by the fourth quarter of 2014, will give Thomas Cook access to Sterling Resorts' 19 properties in 16 holiday destinations across India.