

Fairfax-controlled Qess to buy Aramark's Indian facility management unit

IKYA was renamed as Qess recently.

Bangalore-based business services provider Qess Group, a subsidiary of tour operator Thomas Cook (India) Ltd, has inked a deal to acquire NYSE-listed Aramark's Mumbai-based facility management arm for an undisclosed amount, as per a statement.



The two companies have signed definitive agreements for the acquisition of Aramark India Pvt Ltd, which is subject to statutory and regulatory approvals.

The acquisition will help Qess strengthen its position in India's facility management sector with an integrated offering spanning soft and hard services, pest control and catering, it said in the statement.

The future brand of the business will be decided by the new shareholders on or around the closing of the transaction.

“The company (Aramark) has a strong presence of niche areas of facility management where we expect to see rapid growth in future. This transaction will strengthen our position as a leading pan-India player in the integrated facility management space,” Ajit Isaac, chairman and managing director of Qess, said in the statement.

Aramark India is a facility management company with over 2,500 employees across nine states. The company offers services in hospitality and healthcare facility management.

Once the acquisition is completed, Qess' integrated facility management vertical would have an employee base of over 20,000.

Qess Group, formerly known as IKYA Group, is part of the multinational firm Fairfax Financial Holdings Group. It is held under Fairfax's Indian listed subsidiary- Thomas Cook India.

It provides services under four verticals - global technology, industrial asset management, integrated facilities management and people & services. The company currently has 90,000 employees and operates in 32 cities of India, the North America, Middle East and South East Asia. It has annual revenues of over Rs 2,400 crore.

Since its inception in 2007, the firm has done multiple acquisitions. Last year in June, IKYA acquired Chennai-based Hofincons Infotech & Industrial Services from Australian firm Transfield Services for an undisclosed amount.

In November, it also signed a definitive agreement with ultimate parent Fairfax Financial Holdings Ltd, to acquire 49 per cent stake in its US-based wholly-owned subsidiary MFXchange Holdings Inc. In 2013, it completed acquisitions of two companies—Avon Facility Management Services Pvt Ltd and Magna Infotech Pvt Ltd—by acquiring the remaining stake.

India Advisory Partners (India) LLP was the exclusive advisor to Aramark India on the sale of the business to Qess Corp.