

Thomas Cook India raises Rs 184 cr via IPP route

Travel services firm Thomas Cook India today said it has raised Rs 184 crore by selling promoter stake to comply with market regulator SEBI's public shareholding norms.

The share sale was carried out through Institutional Placement Programme (IPP), post which the shareholding of its promoter, Fairbridge Capital (Mauritius) in Thomas Cook (India) has been reduced from 87.1% to 75%, the company said.



Commenting on the development, Thomas Cook India Managing Director Madhavan Menon said: "We chose the IPP route to ensure our compliance with recent SEBI guideline of limiting promoter shareholding to 75%."

The IPP was oversubscribed by 22% and received bids for Rs 224 crore, against the issue size of Rs 184 crore, he added.

Against a price band of Rs 50.50 to Rs 53.50 per share, the issue closed at Rs 53.50 per share. The issue size amounted to 13.89% of the post issue revised paid up share capital, the company said.

The shares were bought by various domestic and foreign investors, including Prudential Life Insurance Co, Citigroup Global Markets, Morgan Stanley and India Capital Fund, among others, it added.

"The equity infused via this IPP is planned to be utilised by us to complete the earlier announced acquisition of a 74% stake in IKYA Human Capital Solutions," Menon said.

As per the norms stipulated by Sebi, privately promoted companies are expected to have public shareholding at 25 percent by June 2013.

The company currently operates in over 101 cities across over 253 locations (including 27 airport counters).

Shares of Thomas Cook India today closed at Rs 53.50 per scrip on BSE, down 0.28% from its previous close.