

Thomas Cook to sell 5.42% in Qess Corp to raise Rs 600 cr

Integrated travel and travel related financial services player Thomas Cook India today said its board approved a fund raising plan of Rs 600 crore by divesting 5.42 percent stake in its subsidiary Qess Corp.

The company said the stake sale will be carried out through an offer-for-sale route. It has fixed a floor price of Rs 800 per share.

The company said the move is to meet Sebi regulations that require promoters to bring down their stake to 75 percent. Post-dilution, the combined promoter shareholding in Qess Corp (of Thomas Cook India and Ajit Isaac, CMD & CEO, Qess Corp) would be 75.38 percent.

Fairfax Financial Holdings, through Thomas Cook India Group, is committed to maintaining a controlling stake in Qess Corp, the company said in a statement.

The initiative is also aimed at retiring Thomas Cook long term debt, thus bringing down its financial costs and improving profitability and liquidity at both a standalone and group level.

"Our aim is to retire our long term debt and improve profitability; simultaneously increase our cash reserves, enabling us to effectively leverage opportune investments as and when they arise," Thomas Cook India Group chairman and managing director Madhavan Menon said.