BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

IHH Healthcare, Temasek looking to buy majority stake in India's Medanta

February 6, 2018 | News

Both Temasek and Carlyle owned about 45 percent stake in Global Health with the remaining 55 percent belonging Trehan's family and other promoters, including co-founder Sunil Sachdeva



Malaysia's IHH Healthcare Berhad and Singapore investor Temasek Holdings are in separate discussions to acquire controlling interest in Global Health, the parent of Naresh Trehan-founded Medanta hospitals, in a deal valued at around Rs 5,800 crore ($900 million).

IHH Healthcare, the world's second-largest hospital chain by market value, is keen on becoming a strategic partner to Trehan, a well-known cardiovascular surgeon turned medical entrepreneur, who will retain significant minority ownership.

IHH is attempting to string together shares held by Carlyle, Temasek and the founding partners of Trehan all of which would give the acquirer majority shares.

Private equity investor Carlyle and Singapore state investor Temasek together own about 45% stake, leaving the remaining 55% with Trehan's family and other promoters, including co-founder Sunil Sachdeva.

However, Temasek in recent weeks has stepped into the fray, looking to buy out investors who are in exit mode. Temasek has been keen on acquiring a large private healthcare services provider in Asia's third-largest economy.

Medanta operates more than 1,600 beds, mostly from its large Gurgaon facility spread over 43 acres. Besides a few shareholders seeking exit, the company also needs fresh capital to expand footprint in newer markets such as Lucknow, Indore and Ranchi.

Sources mentioned earlier in this report said IHH was actively pursuing a deal with Medanta after its proposed acquisition of Fortis Healthcare suffered setbacks.

IHH was also eyeing a deal with Max Healthcare, in which South African partner Life Care is selling 50% ownership.

IHH is seeking to expand its footprint into northern states after gaining foothold in the west and south following the acquisition of Global Hospitals for $194 million three years ago.