

Actis contemplating sale of Sterling Hospitals

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Singapore: India based Private equity (PE) major Actis Capital is said to be considering a sale of Ahmedabad-based Sterling Hospitals back to its founder Girish Patel and his family after a top bidder for the hospital chain lowered its acquisition price, news reports said.

Azim Premji and Temasek-backed HealthCare Global (HCG) had bid over Rs 450 crore after Sterling's controlling shareholder Actis mandated Kotak Investment Banking to sell the company. However, ten days back, the Bangalore-based cancer care specialist dropped its offer price to Rs 325 crore, citing profitability concerns post a due diligence process, sources cited earlier told The Times of India.

Actis owns an 80 percent stake in Sterling Hospitals leaving the rest with the Patel family, which had ceded majority control to the former in 2006. Now, Actis is contemplating a sale back after its two successive attempts to find a buyer for Sterling Hospitals have gone bad.

Sterling Hospitals operates about 1,000 beds across Ahmedabad, Vadodara, Rajkot, Bhavnagar and Mundra SEZ in the prosperous western state of Gujarat. It had reported Rs 275 crore in revenues and Rs 25 crore of operating profit last fiscal.