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TPG, General Atlantic to bid for Fortis Healthcare, SRL

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The transaction would involve TPG and General Atlantic acquiring a 26% stake in Fortis Healthcare



Private equity firms TPG Capital Inc and General Atlantic Pvt. Ltd have formed a consortium to acquire a controlling stake in Fortis Healthcare Ltd and its subsidiary SRL Diagnostics Pvt. Ltd.

The transaction would involve TPG and General Atlantic acquiring a 26% stake in Fortis Healthcare, which would trigger an open offer, going by Indian regulations.

The deal could value Fortis at about Rs 12,000 crore, a shade above its current market cap at Rs 11,444 crore. Additionally, SRL could be valued at Rs 4,500-5,000 crore.

It seems that Daiichi Sankyo has given its consent to proceed with the Fortis deal. Both PE firms and the sellers have taken all parties, including Daiichi Sankyo, into confidence. TPG, which has been driving this transaction, also seems comfortable with the legalities.

Daiichi Sankyo and the Singh brothers have been locked in a court battle over the sale of Ranbaxy Laboratories since 2013 and the Japanese pharma giant was trying to stop the sale of Fortis Healthcare on the grounds that it would hinder its ability to enforce an arbitration award.