

# APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



20 May 2019

To  
Saurabh Singh  
Deputy Manager - Listing Compliance Department  
National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Mumbai - 400 051  
**NSE Scrip Code: APOLLOHOSP**

Dear Sir,

**Ref:** Letter dated May 16, 2019 received from the National Stock Exchange of India Limited

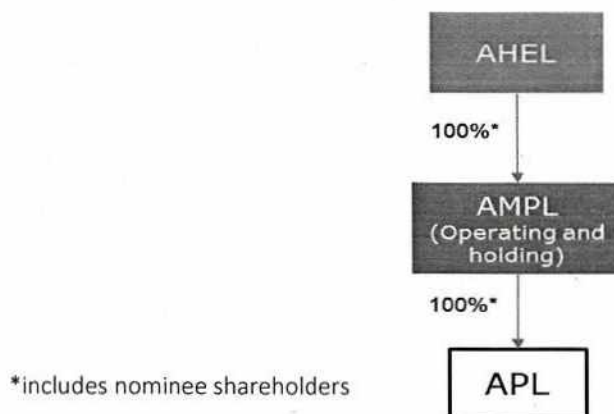
**Sub:** Requirements for in principle approval to Scheme of Arrangement between Apollo Hospitals Enterprise Limited ('AHEL' or 'Transferor Company') and Apollo Pharmacies Limited ('Transferee Company') and their respective shareholders (the Scheme).

Further to your letter dated May 16, 2019, we furnish the below explanation:

**Question:** Kindly provide rational for increase in post scheme paid up share capital of Apollo Pharmacies Limited pursuant to the Scheme.

**Answer:** It is proposed that, pursuant to the Scheme, the front-end standalone pharmacy business ('front end SAP') of AHEL shall be transferred as a going concern on a slump sale basis for a lump sum consideration to APL.

The existing shareholding structure of APL is as follows:



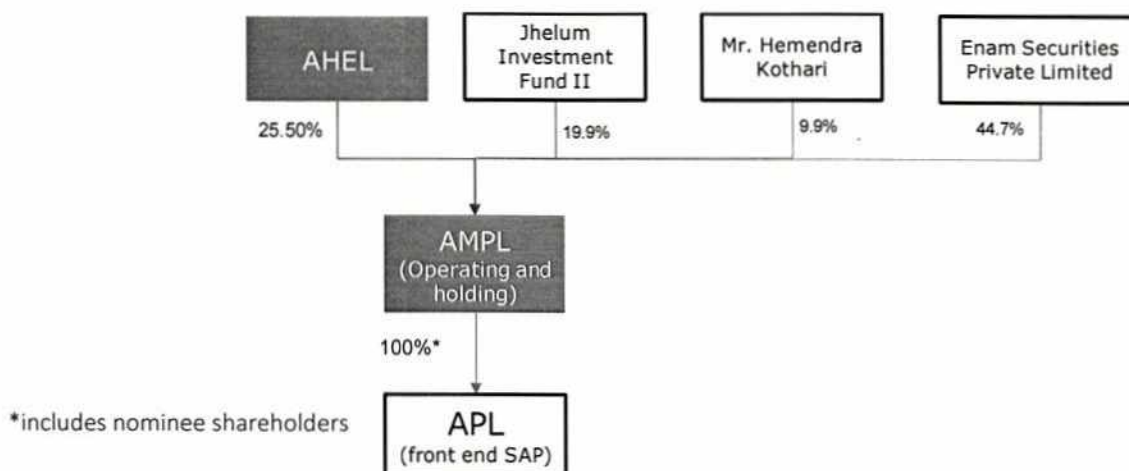
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Upon the Scheme becoming effective, AHEL with other identified investors viz. Jhelum Investment Fund 1, Mr. Hemendra Kothari and ENAM Securities Private Limited would invest ~ INR 143 crs in Apollo Medicals Private Limited ('AMPL') i.e. the holding company of APL. AMPL would in turn invest the funds raised from aforesaid investors into APL by way of equity shares, which would lead to an increase in the share capital of APL post the Scheme becoming effective. APL will use this proceeds to discharge part consideration for acquisition of the front end SAP from AHEL. Additionally, APL would borrow from banks/ financial institutions to discharge the balance consideration for the acquisition of front end SAP.

The indicative shareholding structure of APL post the Scheme is as under:



We trust the above clarifications meet with your requirements and accordingly request you to provide necessary **"No Objection"** at the earliest to enable us to file the Scheme with the NCLT.

Thanking you,

Yours faithfully,

For **Apollo Hospitals Enterprise Limited**

**S M Krishnan**  
Company Secretary and Compliance Officer

