



APOLLO HOSPITALS ENTERPRISE LIMITED

Regd. Office : No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028

General Office : Ali Towers, III Floor, No.55 Greaves Road, Chennai - 600 006

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an EXTRAORDINARY GENERAL MEETING of the Company will be held on Saturday, the 22nd day of January 2011 at 11.00 a.m. at Chinmaya Heritage Centre, Tapovan Hall, 2nd Floor, No.2, 13th Avenue, Harrington Road, Chetpet, Chennai - 600 031 to transact the following business:

SPECIAL BUSINESS:

Item No.1:

Increase in the Authorised Share Capital

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased by Rs. 250,000,000/- (Rupees Two Hundred and Fifty million only), from Rs. 850,000,000/- (Rupees Eight Hundred Fifty Million only) to Rs. 1,100,000,000/- (Rupees One Thousand One Hundred Million only) by authorizing the creation of 50,000,000 (Fifty million) new Equity Shares of Rs.5/- (Rupees Five only) each ranking pari passu with the existing equity shares of the Company in all respects."

Item No.2:

Amendment to the Memorandum of Association of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, upon Resolution No. 1 above pertaining to increase in the Authorised Share Capital becoming effective, Clause V of the Memorandum of Association of the Company be altered by substituting the existing Clause V thereof by the following :-

The Authorised Share Capital of the Company is Rs.1,100,000,000/- divided into:

- i) 200,000,000 equity shares of Rs.5/- each; and
- ii) 1,000,000 preference shares of Rs.100/- each

with or without voting rights with a power to consolidate or subdivide into such classes and to increase or reduce the capital whenever the circumstances warrant."

Item No.3:

Amendment to the Articles of Association of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, upon Resolution No.1 above pertaining to increase in Authorised Share Capital becoming effective and pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Articles of Association be altered by deletion of the existing Article 4 and substitution in place thereof the following Article as Article 4.

The Authorised Share Capital of the Company is Rs.1,100,000,000/- divided into:

- i) 200,000,000 equity shares of Rs.5/- each; and
- ii) 1,000,000 preference shares of Rs.100/- each

with or without voting rights with a power to consolidate or subdivide into such classes and to increase or reduce the capital whenever the circumstances warrant."

Item No.4:

Raising of funds through Qualified Institutional Placement (QIPs) scheme

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

- a) **"RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ("SEBI ICDR Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized to issue, offer and allot in one or more tranches equity shares/ fully convertible debentures/ partly convertible debentures/ non convertible debentures with warrants/ any other securities which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers ("QIBs") as per the SEBI ICDR Regulations, whether or not such QIBs are Members of the Company, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at such price or prices, as the board may determine on the relevant date, in accordance with SEBI ICDR Regulations and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised through issue of such QIP Securities shall not exceed in the aggregate a sum of Rs. 9,000 million (Rupees Nine Thousand Million only), including premium if any as may be decided by the Board, to investors as mentioned above."
- b) **"RESOLVED FURTHER THAT** the relevant date for the determination of applicable price for the issue of the QIP Securities, excepting Non-Convertible Debentures with or without Warrants, shall be the date on which the Board decides to open the proposed issue."
- c) **"RESOLVED FURTHER THAT** in the event that Non-Convertible Debentures (NCDs) with Warrants with a right exercisable by the Warrant Holder to exchange with Equity Shares of the Company are issued, the relevant date for determining the price of the equity shares of the Company, if any, to be issued upon exchange of the Warrants, shall be the date of the meeting on which the Board decides to open the proposed issue of the NCDs with warrants in accordance with the SEBI ICDR Regulations."
- d) **"RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares being *pari passu* with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document."
- e) **"RESOLVED FURTHER THAT** such of these Securities to be issued as are not subscribed may be disposed of by the Board to such persons in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law."
- f) **"RESOLVED FURTHER THAT** the issue to the holders of the Securities with equity shares underlying such securities shall be *inter alia*, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organization or restructuring in the Company or of the capital of the Company."
- g) **"RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described in paragraph (a) above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of marketing and institution / trustees / agents and similar agreements / to issue placement documents and to remunerate the Managers, and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."
- h) **"RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage / hypothecation / charge on the Company's immovable/ movable assets, both present and future, under Section 293(1)(a) of the Companies Act, 1956 in respect of the QIP Securities either on *pari passu* basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

- i) **"RESOLVED FURTHER THAT** without prejudice to the generality of the above, the QIP Securities may have such features and attributes or any terms or combination of terms to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to the payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for the issue of additional equity shares or variation of the conversion price of the QIP Securities during the duration of the securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the securities that are not subscribed."
- j) **"RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

Item No. 5:

Preferential Allotment of warrants convertible into equity shares to Promoters.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the applicable regulations of the Securities and Exchange Board of India (SEBI), listing agreement entered into with the Stock Exchanges and subject to the consent/approval, if any required, of any other authorities/institutions and subject to any conditions and modifications as may be prescribed by them while granting any such approval, consent, permission or sanction and agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 3,276,922 warrants (hereinafter referred to as "**Warrants**") on a preferential basis to Dr. Prathap C Reddy, one of the Promoters of the Company with each warrant convertible into one equity share of the Company of nominal value of Rs.5/- each at a price of Rs. 472.46 which includes a premium of Rs. 467.46 per share, which price is not less than the price calculated in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI ICDR Regulations") for preferential allotment of equity shares/warrants and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment."

"RESOLVED FURTHER THAT the '**relevant date**' in relation to the issue of Warrants in accordance with the SEBI ICDR Regulations, would be **23rd December 2010**, being the date 30 days prior to the date of passing of this resolution."

"RESOLVED FURTHER THAT the issue of Warrants, if any, as above, shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the sole option of the warrant holder) at any time within a period of 18 months from the date of allotment of warrants.
2. Each Warrant shall be convertible into one equity share of nominal value of Rs.5/- each at a price of Rs. 472.46 which includes a premium of Rs. 467.46 per share, which price shall not be less than the price calculated in accordance with the SEBI ICDR Regulations for preferential allotment of shares.
3. The Warrant holder shall, on the date of allotment of warrants, pay an amount equivalent to 25% of the total consideration per warrant.
4. The Warrant holder shall, on the date of allotment of equity shares pursuant to the exercise of option against each such warrant, pay the balance 75% of the consideration.
5. The amount referred to in (3) above shall be non interest bearing and shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of the warrants.
6. The number of warrants and the price per warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI ICDR Regulations for corporate actions such as bonus issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.
7. The lock-in of shares acquired by exercise of warrants shall be applicable for a period of three years from the date of allotment of the shares."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares issued pursuant to conversion of the warrants with any Indian stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of warrants and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to

seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of the warrants and that the said equity shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects pari passu with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any whole time Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution".

By Order of the Board
For Apollo Hospitals Enterprise Limited

Place : Chennai
Date : 9th December 2010

S.M. Krishnan
General Manager – Project Finance
and Company Secretary

Notes:

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, ("The Act") in regard to the Special Business set out in Item Numbers 1, 2, 3, 4 & 5 is annexed hereto.
2. **A Member entitled to attend and vote at the Extraordinary General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company or the Secretarial Department at Ali Towers, III Floor, No. 55 Greaves Road, Chennai – 600 006 not less than 48 (Forty Eight Hours) before the commencement of the Meeting.**
3. Members are requested to notify any correction / change in their name / address including pin code number immediately to the Company's Registrar / Depository Participants. In the event of non availability of Members' latest address either in the Company's records or in the Depository Participant's records, members are likely to miss notices and other important correspondence sent by the Company.
4. Members are requested to mention their folio number / Client ID Number (in case of demat shares) in all their correspondences with the Company's Registrar in order to reply to their queries promptly.
5. Members are requested to bring the Notice of the Extraordinary General Meeting to the Meeting along with the attendance slip and hand over the attendance slip duly filled in at the entrance of the meeting hall.

Explanatory Statement
(Pursuant to Section 173(2) of the Companies Act, 1956)

The following explanatory statement, pursuant to Section 173(2) of the Act sets out the material facts relating to the business mentioned in the accompanying notice dated 9th December 2010.

Item Nos. 1, 2 and 3 :-

The present Authorised Share Capital of the Company is Rs. 850,000,000/- divided into:

- i) 150,000,000 equity shares of Rs.5/- each; and
- ii) 1,000,000 preference shares of Rs.100/- each.

Keeping in view the future requirements of the Company, the Authorised Share Capital of the Company needs to be increased appropriately.

Therefore, it is proposed to increase the Authorised Share Capital of the Company from Rs 850,000,000/- (Rupees Eight Hundred Fifty Million only) to Rs. 1,100,000,000/- (Rupees One Thousand One Hundred Million only) by authorizing the creation of 50,000,000 (Fifty million only) new Equity Shares of Rs. 5/- (Rupees Five only) each.

Thus after addition of 50,000,000 new Equity Shares of Rs.5/- each, the Authorised Share Capital of the Company will be as under:-

- i) 200,000,000 equity shares of Rs.5/- each; and
- ii) 1,000,000 preference shares of Rs.100/- each

Any such new Equity Shares subsequently issued shall rank pari passu in all respects with the then existing Equity Shares of the Company.

Consequently Clause V of the Memorandum and Article 4 of the Articles of Association of the Company require amendments.

The Resolutions at Item Nos. 1, 2 and 3 are therefore, placed for approval of the members.

Memorandum of Interest

None of the Directors of the Company is concerned or interested in these resolutions.

Item No. 4:-

In order to enable the Company secure funding for expansion of its activities, finance working capital requirements and general corporate purposes, the Board of Directors of the Company at its meeting held on 9th December 2010 approved the proposal to issue equity shares / fully convertible debentures / partly convertible debentures/non convertible debentures with warrants/any other securities which are convertible into or exchangeable with equity shares in any combination thereof as may be finalized by the Board or Committee thereof, up to a sum of Rs. 9,000 million (Rupees Nine Thousand Million only) in the aggregate through a Qualified Institutional Placement ("QIP") issue to Qualified Institutional Buyers ("QIBs") as detailed in the resolution at Item No.4 of the Notice.

The proposed Special Resolution seeks the enabling authorisation of the Members of the Company to the Board of Directors (Board), without the need to seek any further approval from the Members, to undertake the QIP issue with the QIBs in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ("SEBI ICDR Regulations").

Pursuant to the above, the Board may, in one or more tranches, issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The said QIP issue by the Board shall be subject to the provisions of the SEBI ICDR Regulations (as amended from time to time) including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The term "stock exchange" means any of the recognized stock exchanges in which the equity shares of the same class of the Company are listed and in which the highest volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date. The Relevant Date for the determination of applicable price for the issue of the QIP Securities excepting Non-Convertible Debentures with Warrants, shall be the date of the meeting in which the Board/Committee of Directors of the Company decides to open the proposed issue. In case of issue of Non-Convertible Debentures with Warrants with a right exercisable by the Warrant Holder to exchange with Equity Shares of the Company, the relevant date for determining the price of the equity shares of the Company, if any, to be issued upon exchange of the Warrants, shall be the date of the meeting in which the Board decides to open the proposed issue of the NCDs with Warrants. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by the issue of QIP Securities shall not exceed in the aggregate a sum of Rs. 9,000 million (Rupees Nine Thousand Million only).

The Securities issued under the QIP issue pursuant to offer may, if necessary, be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities.

Under the proposed Special Resolution, consent of the shareholders is sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with Stock Exchanges in India where the Company's Securities are listed.

Section 81 of the Companies Act, 1956 and clause 23 of the Listing Agreement provide, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders decide otherwise.

Since the Special Resolutions proposed may result in issue of Equity Shares of the Company otherwise than to the members of the Company, consent of the Shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and the Listing Agreements.

Your Directors therefore recommend the said resolution for your approval.

Memorandum of Interest

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding, if any.

Item No. 5:-

a. Objects of the issue:

To part fund the expansion of its activities, finance additional working capital requirements and general corporate purposes, the Company proposes to issue 3,276,922 warrants convertible into equity shares on a preferential basis to Dr. Prathap C Reddy, one of the Promoters of the Company.

b. Proposal of the Promoters/Directors/Key Management Personnel of the issue to subscribe to the Offer :

Dr. Prathap C Reddy, one of the Promoters of the Company, intends to subscribe up to 3,276,922 warrants proposed to be issued.

c. Shareholding Pattern :

(i) Pre Issue

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	32	23,546,314	20,133,768	20.57	19.05
(b)	Central Government/State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	4	17,901,524	17,870,324	15.64	14.49
(d)	Financial Institutions/ Banks	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-
	Sub Total(A)(1)	36	41,447,838	38,004,092	36.21	33.54
2	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any Others(Specify)	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	36	41,447,838	38,004,092	36.21	33.54
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/UTI	18	674,121	672,121	0.59	0.55
(b)	Financial Institutions/Banks	10	10,536	6,640	0.01	0.01
(c)	Central Government/State Government(s)	1	323,708	323,708	0.28	0.26
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Insurance Companies	7	3,517,246	3,517,246	3.07	2.85
(f)	Foreign Institutional Investors	91	29,750,187	29,750,187	25.99	24.07
(g)	Foreign Venture Capital Investors	-	-	-	-	-
(h)	Any Other(specify)	-	-	-	-	-
	Sub-Total (B)(1)	127	34,275,798	34,269,902	29.94	27.74
2	Non-Institutions					
(a)	Bodies Corporate	679	1,817,971	1,779,217	1.59	1.47
(b)	Individuals					
i	Individual shareholders holding nominal share capital up to Rs.1 lakh	29,709	7,670,333	4,554,800	6.70	6.21
ii	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	13	395,416	254,766	0.35	0.32
(c)	Any Other (specify)					
(c-i)	Trusts	13	117,970	260	0.10	0.10
(c-ii)	Directors & their Relatives	8	106,206	106,106	0.09	0.09
(c-iii)	Non Resident Indians	1,067	2,034,601	431,893	1.78	1.65
(c-iv)	Overseas Corporate Bodies	1	16,199	16,199	0.01	0.01
(c-v)	Clearing Member	184	70,164	70,164	0.06	0.06
(c-vi)	Hindu Undivided Families	322	133,984	133,984	0.12	0.10
(c-vii)	Foreign Corporate Bodies	3	26,378,238	26,378,238	23.05	21.34
	Sub-Total (B)(2)	31,999	38,741,082	33,725,627	33.85	31.35
	Total Public Shareholding (B)=(B)(1)+(B)(2)	32,126	73,016,880	67,995,529	63.79	59.09
	TOTAL (A)+(B)	32,162	114,464,718	105,999,621	100.00	92.63
(C)	Shares held by Custodians and against which Depository Receipts have been issued	1	9,105,000	9,105,000	NA	7.37
	GRAND TOTAL (A)+(B)+(C)	32,163	123,569,718	115,104,621	NA	100.00

(ii) Post Issue

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	32	29,912,478	20,133,768	24.52	22.82
(b)	Central Government/ State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	4	17,901,524	17,870,324	14.68	13.66
(d)	Financial Institutions/ Banks	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-
	Sub Total(A)(1)	36	47,814,002	38,004,092	39.20	36.48
2	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any Others(Specify)	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	36	47,814,002	38,004,092	39.20	36.48
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	18	674,121	672,121	0.55	0.51
(b)	Financial Institutions / Banks	10	10,536	6,640	0.01	0.01
(c)	Central Government/ State Government(s)	1	323,708	323,708	0.27	0.25
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Insurance Companies	7	3,517,246	3,517,246	2.88	2.68
(f)	Foreign Institutional Investors	91	29,750,187	29,750,187	24.39	22.70
(g)	Foreign Venture Capital Investors	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-
	Sub-Total (B)(1)	127	34,275,798	34,269,902	28.10	26.15
2	Non-Institutions					
(a)	Bodies Corporate	679	1,817,971	1,779,217	1.49	1.39
(b)	Individuals					
i	Individual shareholders holding nominal share capital up to Rs. 1 lakh	29,709	7,670,333	4,554,800	6.29	5.86
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13	395,416	254,766	0.32	0.30
(c)	Any Other (specify)					
(c-i)	Trusts	13	117,970	260	0.10	0.09
(c-ii)	Directors & their Relatives	8	106,206	106,106	0.09	0.08
(c-iii)	Non Resident Indians	1,067	2,034,601	431,893	1.67	1.55
(c-iv)	Overseas Corporate Bodies	1	16,199	16,199	0.01	0.01
(c-v)	Clearing Member	184	70,164	70,164	0.06	0.06
(c-vi)	Hindu Undivided Families	322	133,984	133,984	0.11	0.10
(c-vii)	Foreign Corporate Bodies	3	27,519,230	26,378,238	22.56	20.99
	Sub-Total (B)(2)	31,999	39,882,074	33,725,627	32.70	30.43
	Total Public Shareholding (B)=(B)(1)+(B)(2)	32,126	74,157,872	67,995,529	60.80	56.58
	TOTAL (A)+(B)	32,162	121,971,874	105,999,621	100.00	93.06
(C)	Shares held by Custodians and against which Depository Receipts have been issued	1	9,105,000	9,105,000	NA	6.94
	GRAND TOTAL (A)+(B)+(C)	32,163	131,076,874	115,104,621	NA	100.00

Note :-

- (i) The above pre-issue shareholding pattern has been prepared on the basis of shareholdings as on 3rd December 2010
- (ii) The post-issue shareholding pattern has been arrived at :-
 - (a) After considering the allotment of 1,140,992 equity shares to International Finance Corporation, Washington on 9th December 2010.
 - (b) On the assumption that the entire 3,089,242 warrants allotted to Dr.Prathap C Reddy, one of the promoters of the Company on 12th June 2010 would be converted into equity shares.
 - (c) On the assumption that the entire 3,276,922 warrants proposed to be issued to Dr. Prathap C Reddy, one of the Promoters of the Company would be converted into equity shares.

d. Time within which the allotment shall be completed:-

The Company will complete the allotment within 15 days from the date of passing of the resolution by the shareholders, or the date on which the Company obtains all applicable Government approvals for consummating the transaction contemplated herein, whichever is later. The shares will be issued in electronic (dematerialized mode) and actual credit to the demat account of the Proposed Allottee shall be made within 15 days from the date of listing of the equity shares with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, Mumbai.

e. The Identity of the proposed allottees, the percentage of post-preferential issue capital that may be held by them and change in control, if any, in the issuer, consequent to the preferential issue.

The warrants convertible into equity shares are proposed to be issued to Dr. Prathap C Reddy, one of the Promoters of the Company who will consequently be holding 9,525,464 equity shares constituting 7.27% of the post preferential issue capital, assuming that:

- (i) the entire 3,089,242 warrants allotted to Dr. Prathap C Reddy, on 12th June 2010 would be converted into equity shares.
- (ii) the entire 3,276,922 warrants proposed to be issued to Dr. Prathap C Reddy, would be converted into equity shares.

f. Change in control/Board Composition:-

There will not be any change in control or in the Board of Directors of the Company. The existing promoters of the Company will continue to be in control of the management.

g. Issuer's Undertaking :

The undertaking(s) required to be furnished/disclosed in the Explanatory Statement to the Notice, under the SEBI ICDR Regulations, relating to re-computation of price and lock-in securities till the re-computed price is paid by the allottee(s) will not be applicable to the Issuer as the issuer's equity shares are listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, being the recognized stock exchanges for more than the minimum period as specified under the said regulations.

h. Auditors' Certificate:-

M/s. S. Viswanathan, Chartered Accountants, Chennai, Statutory Auditors of the Company, have certified that the preferential issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations for preferential issues. A copy of the certificate is being placed before the shareholders.

The above resolutions are in the interests of the Company and therefore, recommended by the Board for approval by the Shareholders.

Memorandum of Interest

Dr. Prathap C Reddy, Director of the Company may be deemed to be interested in this resolution. Ms. Preetha Reddy, Ms. Suneeta Reddy, Ms.Shobana Kamineni and Ms. Sangita Reddy, Directors of the Company may also be deemed to be interested in this resolution, as they are related to Dr. Prathap C Reddy.

By Order of the Board
For Apollo Hospitals Enterprise Limited

Place : Chennai
Date : 9th December 2010

S.M. Krishnan
General Manager – Project Finance
and Company Secretary