

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

**Minutes of the Eighty - Ninth Annual General Meeting of the Company held
on 17th April 2014 at 3.00 p.m. at the Birla Matushri Sabhagar,
19 Marine Lines, Mumbai – 400 020.**

Present:	Mr. D. S. Parekh	-	Chairman
	Mr. V. Thyagarajan	-	Vice Chairman
	Dr. H. B. Joshipura	-	Managing Director
	Mr. R. R. Bajaaj		
	Ms. A. P. Bansal		
	Mr. P. V. Bhide		
	Mr. S. Harford		
	Mr. M. B. Kapadia		
	Mr. N. Kaviratne		
	Mr. R. Krishnaswamy		
	Mr. P. V. Nayak		
	Mr. R. C. Sequeira		
	Mr. D. Sundaram		

Mr. A. A. Nadkarni	-	Company Secretary
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300 shareholders were present in person and 78 shareholders were present by proxy as per the names mentioned in the attendance slips submitted at the Meeting.

78 proxies for a total of 1848098 shares representing 2.2% of the equity share capital were laid before the Meeting. Five corporate representations for 6352762 shares representing 75% of the equity share capital, was also laid before the Meeting.

The Register of Directors' Shareholding and the Register of proxies together with the proxies were laid down before the Meeting.

The requisite quorum being present, the Chairman called the Meeting to order and welcomed the Shareholders of the Company.

The Chairman mentioned that except Mr. Anami Roy, who has expressed his inability to attend the meeting, all the other Directors are present for today's meeting.

With the consent of the shareholders present at the Meeting, the Notice convening the Meeting was taken as read.

Mr. Ajay Nadkarni, the Company Secretary, read out the Auditors' Report as directed by the Chairman.

The Chairman referred to his statement which was circulated to the shareholders at the meeting titled "The Values Based Corporation".

The Chairman then highlighted the major events of 2013. He informed that GlaxoSmithKline plc had made a voluntary cash open offer at Rs. 3100/- per share to the Shareholders and acquired 2,06,09,774 shares representing 24.33 % of the Share Capital and post the open offer GlaxoSmithKline plc now holds 75% of shares of your Company. GlaxoSmithKline plc also announced its plan to invest Rs. 864 crores by setting up a factory creating 250 jobs in India as a part of its continued commitment to ensuring access to medicines for the people of this country. When complete the new factory will make pharmaceutical products for the

Indian market upto 8 billion tablets and 1 billion capsules per year. The facility expected to be operational by 2017 will also include a warehouse, site infrastructure and utilities to support the manufacturing and packing of the medicines.

He informed the shareholders that your Company had a challenging year. The introduction of revamped Drug (Price Control) Order extending coverage of the National List of Essential Medicines impacted Sales in the second half of the year. The business was also impacted by the significant supply constraints through the year. In addition, during the second half of the year, a segment of the trade did not buy your Company's products and the Company believes that having regards to its internal plans, it would have lost a sales opportunity on this account in the region of Rs.180 crores. Despite the above, your Company enjoyed a leadership position in the therapy areas in which it provides healthcare solutions to patients. Your Company's leadership in the Dermatology therapy area has been maintained with market competitive growth in Betnovates, Tenovate and T- Bact. Your Company's cardio vascular presence was strengthened by launching "Cardio Check" in the diagnostics segment. In the Mass Specialty Business, market competitive growth was seen in Augmentin which recorded significant gain in market share. Mass Markets service is the largest patient pool of your Company and new offerings like Uricostat, in the treatment of Gout and Cefspan, an anti - infective, have all been accepted by patients and prescribers alike. In the area of preventive healthcare, GlaxoSmithKline Vaccines became the leading company in the private market for vaccines in India. The efforts of your Company in raising awareness about vaccines preventable diseases continued with increasing fervour.

As regards the Sales performance of your Company in the first quarter year of 2014, we have announced our results this afternoon. We continued to face supply shortages which, coupled with the new pricing policy introduced in the second half of the 2013, has affected this quarter Sales as compared to last year. Your Company's Net Sales declined by 5% this quarter and consequently there has been a decline in the Net Profit as well. The Net Sales for the first three months were Rs. 600 crores compared to Rs. 632 crores and the Profit Before Tax was Rs.148 crores compared to Rs. 240 crores and Profit After Tax was Rs.97 crores compared to Rs.169 crores. Your company has been one of the most affected by the new pricing policy, since major products like Augmentin, Calpol, Cetzine, Fortrum now form part of the essential medicines and come under price control. At the same time, your Company will get the benefit of annual price adjustments based on the whole sale price inflation, also, large products like Betnovate and Zinetac no longer remain under price control and your Company has the capability to take up the increase in the prices. Your Company is trying its best to mitigate the impact of the new policy on the 2014 Sales and manage the product supply situation which has been impacting our growth.

Resolutions for approval at this meeting

Chairman informed the shareholders of the resolutions proposed for the re - appointment of Ms. A. Bansal, Mr. P.V. Nayak and Mr. D. Sundaram who retire at the end of this meeting along with the appointment of Price Waterhouse & Co, Bangalore, Chartered Accountants, as the Auditors of the Company.

The Chairman informed the shareholders that the shareholding pattern, distribution of shareholding and equity history of your Company has been detailed on the page 22 & 23 of the Annual Report along with the report on Corporate Governance. He also mentioned that the cost of printing the Annual Report this year was Rs. 25 per copy as compared to Rs. 23 for last year.

The Chairman before concluding placed on record the Company's appreciation to all the Shareholders, Doctor community, Customers and Suppliers who have reposed confidence in the Company and to all the employees of the Company for their dedicated and sincere service.

The chairman then proposed the following resolution:

“Resolved that the audited accounts of GlaxoSmithKline Pharmaceuticals Limited for the year ended 31st December 2013 and the reports of the Directors and the Auditors thereon be and hereby approved and adopted”.

Seconded by: R. F. Batiwala

The Shareholders who addressed the meeting included Mr. H. Keshruwala, Mr. R. F. Batiwala, Ms. A. Maheshwari, Mr. R V Chari, Mr. B. Bakshi, Mr. P S Mapara, Mr. S. Krishnamoorthy, Mr. J. Martin, Mr. M. Martin, Mr. S. Khanolkar, Mr. T M Davar, Mr. D. Gandhi, Mr. A. Nalladaru, Mr. S. Shah, Ms. C E Mascarenhas, Ms. H. Pouredahi, Mr. B Pouredahi, Mr. J. Manek, Mr. S. Kamath, Mr. R. Chainani, Mr. B. Parekh, Mr. H. Sanghvi, Ms. H. Patel, Mr. U. Sheth, Ms. S Mehta and Mr. R. Fernandes.

The shareholders raised the following queries:

- The shareholders complimented the Company for the contents and presentation of the Annual Report, for the dividend distribution policy and welcomed Ms. A. Bansal the newly appointed Director. They suggested that the Company should consider giving Interim dividend and issue bonus shares.
- They complimented the Company Secretary for the support provided to them. They also complimented the Company for its Corporate Social Responsibility (CSR) initiatives and requested for a factory visit.
- The shareholders enquired about the plans for the current year including the market share of the Company and percentage of products under price control including performance of the new products launched during the year. They also wanted to know plans for launching of new products including the impact on the Sales of the Company in next couple of years due to the new drug policy.
- The shareholders asked for details of countries where products have been exported. They requested for details of the top brands of the Company and their performance.
- The shareholders suggested that a medical camp be organized at the Annual General Meeting and also a presentation be given on the Company's products.
- The shareholders wanted to know the amount spent and the budget for capital expenditure spend for the current and next financial year respectively. They suggested that all the Directors should sign the Balance Sheet and wanted to know the name of the Cost Auditors and Internal Auditors, including details of donations given during the year.
- The shareholders asked questions on the disposal of Thane Land including the details of employees of the Company and attrition rate of employees. They also sought information on the spend on R & D activities and how many vaccines are manufactured by the Company.
- The shareholders suggested that the ten year summary should be given in bigger font size and wanted to know the reasons for drop in gross margin and steps to improve the same.
- The shareholders asked for details of Miscellaneous Income, other services provided by the Auditors and the details of the royalty paid including location and capital expenditure at the new Green field site.

The Chairman and the Managing Director addressed the shareholders' queries which were mainly the following:

- The Chairman appreciated all the comments, constructive suggestions and queries of the shareholders and also appreciated the sentiments expressed by the shareholders regarding the performance, dividend declared, and efforts put in by the Company Secretary and the Management and thanked the shareholders for welcoming Ms. Anjali Bansal on the Board.
- The Chairman stated that Company has been periodically raising the dividend and this year also the Company has increased the dividend. He also mentioned that the Company does not have the practice of giving an Interim Dividend. He further mentioned that this was not the right time to issue bonus shares and that the Company will consider the issue of bonus shares at an appropriate time.
- He mentioned that there were three major events that affected the Sales and Performance of the Company; firstly the revamped Drug (Price Control) Order extending coverage of essential medicine announced in second half of the last year secondly boycott by certain section of trade and thirdly, the supply constraints from both International and Domestic suppliers. Your Company hopes that we will be able to make up certain part of lost Sales in the current year.
- The Chairman mentioned that the new manufacturing site will be set up at a cost of Rs. 860 crores. The location of the new site is not yet fixed depends on which states gives more tax concessions. This new plant will be operational from 2017.
- The Chairman gave details of capital expenditure incurred last year and the proposed capital expenditure in the current year. He clarified that no donations were given to political parties. He also mentioned that 24% of Company's Sales fall under price control.
- The Chairman gave details of export sales for the current year including details of countries and the products that were exported. He gave details of the staff strength including the attrition rate of employees.
- The Chairman informed the shareholders regarding the new brands planned to be launched in the current year and the progress of the new brands launched and their contribution to overall sales, including the contribution of Vaccines to total sales of the Company.
- The Chairman informed that R. Nanabhoy & Co. are the Cost Auditors and KMPG are the Internal Auditors of the Company. He further explained that GlaxoSmithKline plc spends a lot of money on R & D and the Company is benefitted from this spend.
- The Chairman mentioned that all the Directors will sign the Balance Sheet from current year and that a factory visit of the shareholders will be arranged during the current year.
- He explained that the date-expired stock accounts for 1% of the sales which is in line with the industry practice and the Management and the Board continuously monitor the same. He further mentioned that royalty of Rs. 8 lakhs was paid to a Company in Japan and gave the details of Miscellaneous Expenses and the break - up of fees paid to the Auditors for availing the other services.
- The Managing Director mentioned that the Blue print of the Company for next three to five years is mentioned in the Annual Report and further mentioned that your Company will launch a couple of Vaccines in India in the next year

- He further mentioned that your Company is planning to launch a drug for blood cancer sometime during the next year. He also mentioned that since GlaxoSmithKline is present in most of the countries there are very limited opportunities for exporting medicines of your Company.

The Chairman thereafter put the resolution to vote. The Chairman declared that the resolution was passed by majority.

Resolution No. 2: Dividend on Equity Shares

“Resolved that as recommended by the Directors, dividend for the year ended 31st December 2013 at the rate of Rs.50.00 per share and absorbing Rs. 423.51 crores be declared and paid out of the profits of the Company for the year ended 31st December 2013 on 8,47,03,017 equity shares. And further Resolved that the Dividend as recommended be paid, subject to the provisions of Section 126 of the Companies Act, 2013 and to such approvals as may be required under law, to those shareholders whose names stand on the Register of Members on 17th April 2014 and to those persons whose names appear as ‘beneficial owners of shares’ in the records of the Depository on the relevant date i.e. on the close of the business hours on 5th April 2014.”

Proposed by: Ms. A. Maheshwari

Seconded by: Mr. P. Mapara

The Chairman thereafter put the resolution to vote. The Chairman declared that the resolution was passed unanimously.

Resolution No. 3: Re-appointment of A. Bansal

“RESOLVED THAT Ms. A. Bansal who retires from office by rotation and is eligible for re-appointment, be and is hereby re-appointed a Director of the Company.”

Proposed by: Mr. J. Manek

Seconded by: Ms. C E Mascarenhas

The Chairman thereafter put the resolution to vote. The Chairman declared that the resolution was passed unanimously.

Resolution No. 4: Re-appointment of Mr. P.V. Nayak as a Director of the Company

“RESOLVED THAT Mr. P.V. Nayak who retires from office by rotation and is eligible for re-appointment, be and is hereby re-appointed a Director of the Company.”

Proposed by: Mr. A. Nalladaru

Seconded by: Mr. B. Parekh

The Chairman thereafter put the resolution to vote. The Chairman declared that the resolution was passed by majority.

Resolution No. 5: Re-appointment of Mr. D. Sundaram as a Director of the Company

“RESOLVED THAT Mr. D. Sundaram who retires from office by rotation and is eligible for re-appointment be and is hereby re-appointed a Director of the Company.”

Proposed by: Mr. R. Fernandes

Seconded by: Mr. U. Sheth

The Chairman thereafter put the resolution to vote. The Chairman declared that the resolution was passed by majority.

Resolution No. 6 - Appointment and Remuneration of Auditors:

"RESOLVED THAT M/s. Price Waterhouse & Co, Chartered Accountants, Bangalore (Firm Registration No. 007567S) be and they are hereby re-appointed as Statutory Auditors of the Company (including all its branches) to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be mutually agreed between the Audit Committee of the Board of Directors and the Auditors.

Proposed by: Ms. S. Mehta

Seconded by: Mr. H. Choudhary

The Chairman thereafter put the resolution to vote. The Chairman declared that the resolution was passed by majority.

The Meeting terminated with a vote of thanks to the Chair, proposed by Mrs. A. Maheshwari.