

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Minutes of the Eighty - Seventh Annual General Meeting of the Company held on 10th April 2012 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. Bajaj		
	Mr. Raju Krishnaswamy		
	Mr. P. V. Bhide		
	Mr. S. Harford		
	Mr. M. B. Kapadia		
	Mr. V. Narayanan		
	Mr. P. V. Nayak		
	Mr. R. C. Sequeira		
	Mr. D. Sundaram		
	Mr. A. N. Roy		

Mr. A. A. Nadkarni	-	Company Secretary
--------------------	---	-------------------

280 shareholders were present in person and 129 shareholders were present by proxy as per the names mentioned in the attendance slips submitted at the Meeting.

129 proxies for a total of 1,66,69,638 shares representing 19.68% of the equity share capital were laid before the Meeting. Five corporate representations for 4,29,17,488 shares representing 50.67% of the equity share capital along with representation for 48,85,004 shares representing 5.77% of the Equity Share Capital from Life Insurance Corporation of India, 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 welcomed Mr. A. N. Roy who had joined the Board from 4th November 2011. He apologized for the absence of Mr. N. Kaviratne and conveyed his regrets to the shareholders.

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 the printed speech which was circulated to the members at the meeting titled "Providing access to Healthcare".



He informed the members that the Company maintained its prominent position in Pharmaceuticals market with Net Sales of the Company registering a growth of 10.7%. Profit After Tax and Before Exceptional Items grew by 8.6%. Sales of the Company's Pharmaceuticals business grew by 12.5% supported by good growth in the Vaccines, Dermatologicals, Hormonal preparations, Gastro-Intestinal and Oncology Therapeutic Segments. He stated that despite significant expansion of the field force, Profit Before Investment Income and Tax amounted to 33% of Net Sales and Profit after Tax And Before Exceptional Items amounted to 27% of the Net Sales.

He stated that the Company continues to enjoy a leadership position in segments in which its products are represented. The Dermatology business of the Company continues to maintain leadership position with 15% market share. Company's Vaccines business grew significantly higher than the overall Vaccines market growth. Calpol ranked as no. 1 prescribed product in the Indian Pharmaceutical market and Zinetac have crossed sales of Rs.100 crores each. Neosporin maintained its lead in the tropical antibiotic market. Cobadex CZS remained as a leader in the segment. Mycamine an in-licensed brand became the second largest brand in the systemic antifungal market. Ceftum continued to maintain its leadership position. The initiative to expand its presence in cosmetic dermatology through the Stiefel brand promoted by the Company has reflected in this year's performance by significant gain in market share. Dermocalm, launched in 2009 attained first rank in 2011. All the products launched during last year are progressing well.

The Chairman informed the members that the Board of Directors would meet on the 7th May 2012 to consider and approve the results for the first quarter of 2012. He stated that the Company sales growth in pharmaceuticals business in the first quarter of the year is expected to be around 7%, and hope to be on track to meet our sales objective for 2012 in line with market growth expected to be around 13-15%.

The Chairman informed the shareholders of the resolutions proposed at this meeting. He further mentioned that the shareholding pattern, distribution of shareholding, equity history and the list of 10 top ten shareholders of the Company (other than GSK plc which holds 50.67%) has been detailed on page 21 of the Annual Report along with the report on Corporate Governance. He also mentioned that the cost of printing the Annual Report was Rs.16 per copy and has remained unchanged for the last two years.

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 proceeded with the business of the meeting.

Resolution No. 1 - Adoption of the Annual Accounts:

The following Resolution was proposed by Mr. T. M. Davar and seconded by Mr. Z. Maniar.

"RESOLVED THAT the Directors' Report, the Auditors' Report, the Audited Profit & Loss Account for the year ended 31st December 2011 and the Balance Sheet as at that date, now submitted to the Meeting, be and the same are hereby approved and adopted".

Before the resolution was put to vote, the Chairman invited comments and questions from the shareholders.



The Shareholders who addressed the meeting included Ms. A. Maheshwari, Mr. Z. Maniar, M. H. Kesharuwala, Mr. R.F. Battiwala, Mr. V. Parikh, Mr. T. M. Davar, Mr. H. U. Sanghvi, Ms. H. Pouredahi, Mr. S. Mahadevia, Mr. J. Jhaveri, Mr. B. Pouredahi, Mr. R.V. Chari, Mr. M. Martins, Mr. J. Martins, Mr. S. A. Khanolkar, Ms. S. Mehta, Mr. S. Shah, Mr. S. Krishnamurthy, Mr. H. Choudhary, Mr. B.I. Parekh, Mr. A. Nalladaru, Mr. P. Vijayakar, Mr. Savani and Mr. J. Mathuradas.

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 the new Directors appointed during the year. They suggested that Company should consider giving additional 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 wanted to know what percentage of net profit is spent on CSR activity.
- 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 exploring new markets, launching of new products including any plans for acquisition of new brands.
- The shareholders enquired about 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 medical camp be organized at the Annual General Meeting and also a presentation be given of the GSK Products. They also suggested that name and use of major brands or new products of the Company be mentioned in the Annual Report for the understanding of the Shareholders.
- The shareholders wanted to know budget for capital expenditure spend for current and next financial year. They suggested that all the Directors should sign the Balance Sheet and wanted to know the name of the Cost Auditors, including details of donations given during the year. The shareholders wanted to know the plans of merger of the subsidiary Company.
- The shareholders wanted to know reasons for high cash balances at the year end. They enquired about the strategies for future and growth for the coming year. They also wanted to know capital expenditure planned for the upgradation of sites.
- They wanted if the Company has made provision for contingent liabilities and the budget for spend on R& D during the current year.
- The shareholders wanted to know the position of Thane plant including the details of employees at Thane and Nashik plant. They also wanted to know attrition rate of employees at these plants. They requested for a factory visit to be organized for the shareholders.



- The shareholders also requested for the status of the litigations pending in the Court. They also wanted to know nature of other expenses, legal costs, details of date-expired stocks and steps taken to reduce them and the process followed by the Company to destroy the date-expired stocks. They wanted to know if any sales training is being provided to medical representatives.
- The shareholders wanted to know about the status of DPEA case and the huge interest being paid to the Government. They also requested for explanation regarding the pricing policy.
- The shareholders also wanted to know the impact of Finance Budget on Pharmaceutical companies and requested that EVA can be mentioned in the Annual Report.

The Chairman and the Managing Director addressed most of the shareholders' queries as below:

- The Chairman appreciated all the comments, constructive suggestions and queries given by the shareholders and also appreciated the sentiments expressed by the shareholders regarding the financial performance, dividend declared, and efforts put in by the Company Secretary and the Management.
- The Chairman stated that on the policy of dividend, the Company has been periodically raising the dividend and this year also the company has increased the dividend even though there were large exceptional costs. He also mentioned that the Company does not have the practice of giving an Interim Dividend. He further mentioned that Company and management will consider the issue of bonus shares and sub division of shares at an appropriate time.
- The Chairman explained the DPEA case and gave the details of the principal and interest amount demanded by the Government as also the status on Thane Site. He informed the shareholders that as per the ORG IMS Data, Pharmaceutical Industry is a fragmented industry and explained the Company's market standing; with Augmentin being the largest selling drug of the Company. He gave details of the categories in which the company is holding a leadership position.
- The Chairman gave details of earnings in Foreign Exchange and capital expenditure in the current year. He clarified that no donations were given to political parties. He also mentioned that 26% of the products are under price control.
- The Chairman gave details of exports sales for the current year including details of countries and the products that were exported.
- He also gave details of the expenditure on R & D. He gave details of the staff strength at both Nashik and Thane plants including the attrition rate of employees as compared to the Industry. He further informed the shareholders that Nashik factory visit was organised in December 2009 and January 2010.
- He explained the reasons for high cash and bank balances and gave details of the contribution of the Company to GSK plc global Sales and Profit.



- The Chairman informed the shareholders the new brands planned to be launched in the current year, the progress of the new drugs launched and their contribution to overall sales.
- The Chairman informed that due to the pending labour dispute the Company cannot merge the subsidiary. He gave the reasons for decrease in sundry debtors and increase in rent paid, including details of rent received by the Company and the details of payment made to Executive Directors for GSK plc share options granted to them.
- The Managing Director gave details of the clinical trials and clinical data management conducted by the Company. He mentioned that the Company does clinical trials only for GSK plc and receives service income for the same.
- He gave the road map for Company for next two years including the details of flexible pricing policy for the products of the Company sold in India. He further explained that GSK plc does spend a lot of money on R & D and the Company is benefitted from this spend.
- 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 monitors the process. He also explained the process for destruction of date expired stocks.

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

Resolution No. 2 – Dividend on Equity Shares

“Resolved that as recommended by the Directors, dividend for the year ended 31st December 2011 at the rate of Rs.45.00 per share and absorbing Rs.381.16 crores be declared and paid out of the profits of the Company for the year ended 31st December 2011 on 8,47,03,017 equity shares. And further Resolved that the dividend as recommended be paid, subject to the provisions of Section 206A of the Companies Act, 1956 and to such approvals as may be required under law, to those shareholders whose names stand on the Register of Members on 10th April 2012 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 31st March 2012.”

Proposed by: Mr. R.F. Battiwala

Seconded by: Mr. Bopara.

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the Resolution, the Chairman declared the resolution carried unanimously.

Resolution No. 3: Re-appointment of Mr. R.R. Bajaaj as a Director of the Company

“RESOLVED THAT Mr. R. R. Bajaaj 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: H. Kesharuwala

Seconded by: Mr. V. Parekh



The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.

Resolution No. 4: Re-appointment of Mr. N. Kaviratne as a Director of the Company

"RESOLVED THAT Mr. N. Kaviratne 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. H. Choudhary
Seconded by: Ms. R. Shah

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.

Resolution No. 5 : Re-appointment of Mr. R. Krishnaswamy as a Director of the Company

"RESOLVED THAT Mr. R. Krishnaswamy 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. B. Pouredahi
Seconded by: Mr. S. Mahadevia

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.

Resolution No. 6 - Appointment and Remuneration of Auditors:

"RESOLVED THAT M/s. Price Waterhouse & Co, Chartered Accountants, (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 : Mr. A. Maheshwari
Seconded by: Mr. B. Shah

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

Resolution No. 7: Appointment of Mr. A. N. Roy as a Director

"RESOLVED THAT Mr. A .N. Roy who was appointed as an additional Director of the Company pursuant to Sections 260 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, and all other statutory provisions, if any, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."



Proposed by: Ms. S. Mehta
 Seconded by: Mr. Arun Kumar

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.

Resolution No. 8: Re-appointment of Dr. H. B. Joshipura as the Managing Director and remuneration payable to him.

RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, and all other statutory provisions, if any, the consent of the Company be and it is hereby accorded to the re-appointment of Dr. H. B. Joshipura as the Managing Director of the Company for a period of five years with effect from 1st January 2012, on the terms, conditions and stipulations, including remuneration as contained in an Agreement to be entered into between the Company and Dr. H. B. Joshipura, a draft whereof is placed before the meeting and which for the purpose of identification is initialled by the Chairman hereof.

RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

Proposed by: Ms. A. Maheshwari
 Seconded by: Mr. B. Pouredahi

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.

Resolution No. 9: Appointment of Mr. R. Krishnaswamy as Whole-time Director and remuneration payable to him.

RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, and all other statutory provisions, if any, the consent of the Company be and it is hereby accorded to the appointment of Mr. R. Krishnaswamy as Whole-time Director of the Company for the period of five years from 1st August 2011, on the terms, conditions and stipulations including remuneration as contained in an Agreement to be entered into between the Company and Mr. R. Krishnaswamy, a draft whereof is placed before the meeting and which for the purpose of identification is initialled by the Managing Director.

RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

Proposed by: Ms. S.K. Mahajan
 Seconded by: Mr. S. Parekh

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.



Resolution No. 10: Commission payable to non whole-time Directors of the Company

RESOLVED THAT pursuant to the provisions of Section 198, 309 (4) and other applicable provisions, if any, of the Companies Act, 1956, the non whole-time Directors of the Company, excluding the whole-time Directors and the Directors employed in the employment of the GlaxoSmithKline Group Companies, in addition to sitting fees being paid to them for attending the meetings of the Board or its Committees, be paid every year for a period of five years with effect from 1st January 2012, commission of an amount as may be determined by the Board from time to time, subject to a ceiling of one percent of the net profits of the Company, computed in the manner laid down in Section 198(1) of the Companies Act, 1956, with authority to the Board of Directors to distribute the commission amongst such Directors in such manner as the Board may from time to time decide."

Proposed by: Ms. Mehta

Seconded by: Mr. Bopara

The Chairman thereafter put the resolution to vote. With all the members voting in favour of the resolution, the Chairman declared the resolution carried unanimously.

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

