



GlaxoSmithKline

**GlaxoSmithKline
Pharmaceuticals Limited**

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28th April, 2011

National Stock Exchange
Exchange Plaza Listing Dept.,
Plot No. C/1 G Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051.

Dear Sir,

Submission of Minutes of the Annual General Meeting

Please find enclosed herewith the Minutes of the Annual General Meeting of the Company held on 29th March, 2011 at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020.

Thanking you,

Yours faithfully,
GlaxoSmithKline Pharmaceuticals Limited

A handwritten signature in blue ink, appearing to read 'Hendrick'.

General Manager Administration &
Company Secretary

Encl : a/a

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Minutes of the Eighty - Sixth Annual General Meeting of the Company held on 29th March 2011 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
Dr. A. Banerjee
Mr. P. V. Bhide
Mr. S. Harford
Mr. M. B. Kapadia
Mr. N. Kaviratne
Mr. V. Narayanan
Mr. P. V. Nayak
Mr. R. C. Sequeira
Mr. D. Sundaram

Mr. A. A. Nadkarni - Company Secretary

339 shareholders were present in person and 89 shareholders were present by proxy, as per the names mentioned in the attendance slips submitted at the Meeting.

89 proxies for a total of 1,32,47,801 shares were laid before the Meeting. 4 corporate representations for 4,29,17,488 shares representing 50.67% and also for 62,68,028 shares representing 7.4% of the Equity Share Capital of the company 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. Pradeep Bhide and Mr. Simon Harford who have joined the Board from 28th October 2010.

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 "Promise of Bio-pharmaceuticals". He informed the members that the Company had another satisfactory year, with Net Sales of the Company registering a growth of 12.9%. Profit After Tax and Before Exceptional Items grew by 15.1%. Sales performance in all of Company's diversified business units helped to support the sales growth. He also stated that despite significant investments in field force expansion, Profit Before Investment Income and Tax was maintained at 35% of Net Sales.



He stated that the company continues to enjoy a leadership position in segments in which its products were represented. He also stated that Augmentin orals crossed the Rs.100 crore mark helping Augmentin to retain the position as the No. 1 Anti - Infective as per IMS Report. Zemetril, a newly launched brand has climbed to No. 1 rank in the represented category and recently launched Parit – D, Lilo, Cefspan are progressing well and have gained good market share. In Cardiovascular business, the Company continues to maintain the leadership with Lanoxin and strengthen the position with the in-licensed product Benitec from Daiichi, Japan. Dermocalm, the Calamine brand launched in second half of 2009, has gained quick market share and is now 3rd lead brand in the represented category. All the products launched during the last year are progressing well.

The Chairman informed the members that the Board of Directors would meet on the 6th May 2011 to consider and approve the results for the first quarter of 2011. He stated that the Company would be on track to meet sales and profit objectives for 2011 to get to around 15% top line growth with profit to grow in line with sales growth.

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 22 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 as compared to 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 proceeded with the business of the meeting.

Resolution No. 1 - Adoption of the Annual Accounts:

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

"RESOLVED THAT the Directors' Report, the Auditors' Report, the Audited Profit & Loss Account for the year ended 31st December 2010 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 M. H. Kesharuwala, Mr. Z. Maniar, Ms. A. Maheshwari, Mr. V. Parikh, Mr. J. Jhaveri, Mr. P. Vijayakar, Mr. T. M. Davar, Mr. S. Kamath, Mr. A. Nalladaru, Mr. S. A. Khanolkar, Mr. M.M. Musani, Mr. B. Pouredahi, Ms. S. Mehta, Mr. M. Martins, Mr. J. Martins, Mr. J. Manek, Mr. H.L.Savani, Mr. B. I. Parekh, Mr. A. Poddar, Mr. U. Sheth, Ms. H. Pouredahi 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 interim dividend, consider buy-back of shares 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 and if any aid was given to Japan as a part of CSR activity.
- The shareholders enquired about the plans for the current year including the market share of the Company and the percentage of products under price control including performance of the new products launched during the year. They also wanted to know the plans for exploring new markets, launching of new products including any plans for acquisition of new brands.
- The shareholders enquired about the details of countries where products have been exported. They requested for the details of the top brands of the Company and their performance.
- The shareholders suggested that the name of the shareholder along with the folio number and the number of shares held by him should be printed on the attendance slip and that an audio video presentation should be done at the Annual General Meeting. They also suggested that name and use of major brands of the Company can be mentioned in the Annual Report for the understanding of the Shareholders.
- The shareholders wanted to know the budget for capital expenditure spend for next three years. They requested for the ratio of stocks to sales and details of donations given. The shareholders wanted to know the reason for reduction in foreign exchange earnings including the plans of merger of the subsidiary Company.
- The shareholders wanted to know the reasons for high cash balances at the year end. They enquired about the increase in sales promotion expenses and the expenditure on the clinical trials and the reasons for drop in clinical trial supplies. They also wanted to know the reasons for keeping a large amount in the Fixed Deposits and the rate of return on the same.
- The shareholders wanted to know the reasons for reduction in cheques discounted and the reduction in sundry debtors including the plans for increasing hospital sales during the year. They also wanted to know the budget for spend on R& D during the current year.
- The shareholders requested for clarification regarding the nature of investor complaints received by the Company during the year, and also wanted to know if any action initiated by any Government regulatory authorities. They suggested that the date of Annual General Meeting should not be kept at March end and that Company should explore the possibility of shifting the venue of the hall for conducting the Annual General Meeting.



- The shareholders wanted to know the production capacity of both Nashik and Thane plants including the details of employees at each plant. They also wanted to know the attrition rate of employees at these plants. They requested for a factory visit to be organized for the shareholders and suggested that the number of shareholders should be mentioned in the ten year summary along with the other financial highlights.
- The shareholders also requested for the status of the litigations pending in the Court. They also wanted to know the nature of other expenses, details of date-expired stock and the steps taken to reduce them and the utilization of such stocks. They requested for the details and reasons for the increase in rent paid by the Company along with the details of sales training and briefing expenses.
- The shareholders wanted to know the nature of Clinical Research undertaken by the Company including the details of premises rented during the year. They also wanted the details of investments sold, fixed assets held for sale, inventory and unclaimed dividend. The shareholders also wanted to know the impact of Tsunami in Japan on the export sales.

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 on policy of dividend and issuance of bonus, the Company has been periodically raising the dividend and this year also the company has increased dividend even though there were no exceptional items. He also mentioned that the company does not have the practice of giving Interim Dividend. He further mentioned that Company and management will consider the sub division of shares at an appropriate time.
- The Chairman informed the shareholders that as per the ORG IMS Data, Pharmaceutical Industry is a fragmented industry and if the domestic sales, inclusive, of hospital sales are considered then the Company retains the no. 2 position, with Augmentin being the largest selling drug. He gave details of the categories in which the company is holding the leadership position.
- The Chairman explained that date-expired stock account for 1% of the sales which is in line with the industry practice and is constantly monitored by management. 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 the details of capital expenditure for the current year and also export and sales targets for the current year including the details of countries where its products are exported.
- He also gave the details of the expenditure on the 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 that Nashik factory visit was organised in December 2009 & January 2010.



- He also explained that the reduction in investments was due to change in Company policy to divest from mutual funds and invest in fixed deposits. He gave details of the cost and budget for CSR activities.
- The Chairman mentioned that despite Tsunami in Japan, the relation with Daiichi remains co-cordial. He further mentioned that despite increase in inflation, oil prices, food inflation, the Company will try and maintain the growth percentage.
- The Chairman informed the shareholders on the new brands planned to be launched in the current year, the progress of the new drugs launched in last year and their percentage contribution to overall sales. He also stated that hospital segment is growing and the Company has plans to target the growth in this segment.
- The Chairman informed that due the pending labour dispute the Company cannot merge the subsidiary. He gave the reasons for decrease in sundry debtors, Foreign Exchange, and increase in rent paid, and details of rent received by the Company and the additions to fixed assets at both the factories.
- 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 further mentioned that some of the new products to be launched would be from the GSK plc pipeline.
- He also gave the information regarding the bulk drug manufactured at Thane Site, details for the loss in sales due to withdrawal of a product and the use of IT mobile phone based system. He mentioned that GSK plc has provided aid to the Japan victims.

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 2010 at the rate of Rs.40.00 per share and absorbing Rs.338.81 crores be declared and paid out of the profits of the Company for the year ended 31st December 2010 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 29th March 2011 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 15th March 2011.”

Proposed by: Mr. P. Vijaykar

Seconded by: Ms. C. Mascarenhas

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. 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. B. Pouredehi

Seconded by: Mr. B. I. 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. V. Narayanan as a Director of the Company

"RESOLVED THAT Mr. V. Narayanan 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. T. M. Davar

Seconded by: Mr. J. Jhaveri

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. 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. J. Mathuradas

Seconded by: Mr. S. S. Jain

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, 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. M. Musani

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



Resolution No. 7: Appointment of Mr. M. B. Kapadia 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 re-appointment of Mr. M. B. Kapadia as Whole-time Director of the Company for the period from 1st May 2011 to 30th September 2014, on the terms, conditions and stipulations including remuneration as contained in an Agreement to be entered into between the Company and Mr. M. B. Kapadia, 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: Mr. A. Nalladaru
Seconded by: Mr. J. Manek

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: Appointment of Dr. A. Banerjee 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 re-appointment of Dr. A. Banerjee as Whole-time Director of the Company for the period from 1st August 2011 to 31st July 2012, on the terms, conditions and stipulations including remuneration as contained in an Agreement to be entered into between the Company and Dr. A. Banerjee, 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. Mehta
Seconded by: Mr. P. Vijaykar

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.



