



**GlaxoSmithKline
Pharmaceuticals Limited**
Regd. Office: GSK House,
Dr. Annie Besant Road,
Worli, Mumbai - 400030.

13th May, 2013

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**NATIONAL STOCK EXCHANGE,
EXCHANGE PLAZA, 5TH FLOOR
PLOT No. C/1 G BLOCK
BANDRA-KURLA COMPLEX
BANDRA (EAST),
MUMBAI - 400051**

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 16th April, 2013 at Birla Matushri Sabhagar, 19 Marine Lines, Mumbai - 400 020.

Thanking you,

Yours faithfully
GlaxoSmithKline Pharmaceuticals Limited

Ajay Nadkarni
General Manager - Administration
& Company Secretary

Encl: a/a

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Minutes of the Eighty - Eighth Annual General Meeting of the Company held on 16th April 2013 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. 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. N. Roy
Ms. A. P. Bansal

Mr. A. A. Nadkarni - Company Secretary

379 shareholders were present in person and 104 shareholders were present by proxy as per the names mentioned in the attendance slips submitted at the Meeting.

104 proxies for a total of 1,78,03,011 shares representing 21% of the equity share capital were laid before the Meeting. Four corporate representations for 4,29,17,488 shares representing 50.67% of the equity share capital along with representation for 48,22,848 shares representing 5.69 % 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 Ms. Anjali Bansal who had joined the Board from 19th February 2013.

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 "The Changing Indian Healthcare Landscape".



He informed the members that your Company maintained its prominent position in Pharmaceuticals market with the Net Sales of the Company registering a growth of 11.2 %. Sales of the Company's Pharmaceuticals business grew by 12.5% supported by good growth in all of the company's diversified business units i.e. in the Mass Markets, Mass Specialty, Vaccines and Specialty Segments such as Dermatologicals, Oncology etc. He stated that despite a challenging operating environment, material cost increases and significant investments in field force expansion in recent years, Profit before Exceptional Items and Tax grew by 7.9% and Profit before Investment Income, Depreciation and Tax amounted to 32% of Net Sales.

He also stated that your Company continues to enjoy a leadership position in the therapy areas in which it provides healthcare solutions to patients. The Dermatology business of your Company continues to be a leader in meeting patient needs and has further consolidated its leadership position with a market share of 15.5% during the current year. The Mass Specialty business of your Company recorded a double digit growth over the previous year with its promoted product portfolio growing ahead of the market. Augmentin retained its status of no. 1 brand in the Indian pharmaceutical Industry by value. Mass Markets, which comprise of the traditional health care solutions of your Company, contributed to 47% of Company's share in Indian Pharmaceutical Market in 2012. The chairman informed that "REACH", a rural marketing initiative of your Company which attempts to physically provide access of your Company's products in small villages and which also provides continuing medical education to doctors in these remote geographies has met with continued success. He also informed that your Company's range of vaccines grew faster than the overall vaccines market in 2012. He mentioned that your Company launched "Synflorix", a pneumococcal vaccine last year again at an India specific price from the parent's research pipeline. He further mentioned that your Company continues to hold its leadership position with a market share of 24.9%.

He informed the shareholders that as regards the Sales performance of your Company in the first quarter of the current year, your Company has unfortunately faced shortages in supply of products which has impacted Sales performance. Also, there has been local supply issues mainly related to suspension of supply by a large contract manufacturer and the non-availability of ampoules from our Nasik factory. He further mentioned that these issues are expected to be resolved in the next 2-3 months. Supply of the vaccines Havrix and Varilrix and the input materials for Augmentin IV vials from the parent company were also not available. All these are significant products of your Company's portfolio and will have an impact on the sales and profits of the quarter.

He also informed that as regards the outlook for the full year, much will depend on the legislation issued by Government for the new pricing policy, whereby Government is going to fix prices of essential medicines based on the simple average of market prices of brands having a market share exceeding 1%. Further he stated that you would have read in the newspapers that your Company will be most affected by the new policy, since major products like Augmentin, Calpol, Cetzine, Fortum, etc. now will form part of the list of essential medicines and come under price control. At the same time, your Company will get the benefit of annual price adjustments based on wholesale price inflation, and large products like Betnovate and Zinetac will now no longer remain under price control and their prices can go up after a gap of one year. He informed that a realistic assessment of the impact of the new drug policy can only be done after a new law for the price control order is promulgated and examined in detail.



Resolutions for approval at this meeting

Chairman informed the shareholders of the resolutions proposed for the re - appointment of Mr. P.V. Bhide, and Mr. M.B. Kapadia who retire at the end of this meeting along with the re - appointment of Mr. R. C. Sequeira who also retire at the end of this meeting and remuneration payable to him and approval to the modification in the remuneration payable to Mr. R. Krishnaswamy and ex-gratia payment to Dr. A. Banerjee has been included in the notice.

Members were requested to approve the resolution for the appointment of M/s. Price Waterhouse & Co, Bangalore chartered accountants, as the Auditors of the Company.

The Chairman informed the shareholders that the shareholding pattern, distribution of shareholding, equity history and the list of top ten shareholders of your Company (other than GSK plc which holds 50.67%) has been detailed on the page 23 & 24 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. 19 per copy as compared to Rs. 17 for last year. There has been an increase of 8 pages in this year's Annual Report. The cost of printing has gone up by Rs. 0.70 on a like to like basis.

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:

Resolution No. 1 - Adoption of the Annual Accounts:

"Resolved that the audited accounts of GlaxoSmithKline pharmaceuticals limited for the year ended December 31, 2012 and the reports of the Directors and the Auditors thereon be and were hereby approved and adopted."

The following Resolution was 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 Mr. Z. Maniar, Ms. A. Maheshwari, Mr. K. Shahukar, Mr. T. M. Davar, Mr. B. Bakshi, Mr. R.V. Chari, Ms. H. Pouredahi, Mr. H. Choudhary, Mr. P. Vijayakar, Mr. S. A. Khanolkar, Mr. S. A. Kamat, Mr. A. Lokapur, Mr. J. Martins, Mr. M. Martins, Mr. S. Shah, Mr. A. Nalladaru, Mr. S. Mahadevia, Mr. S. L. Savani, Mr. S. Krishnmoorthy, Mr. B. I. Parekh, Mr. U. D. Sheth, Mr. S. V. Parekh, Mr. V. Parikh, Mr. J. Manek, Mr. R. Fernandes, Mr. A. Mascarenhas and Mr. R. F. Batiwala.



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 Director appointed during the year. They suggested that the 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 launching of new products including any plans for acquisition of new brands.
- 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 GSK Products. They also suggested that the 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 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 at Thane and Nashik plant. They enquired about the attrition rate of employees and the status of the DPEA case and the interest paid to the Government.
- The shareholders sought information on the spend on R & D activities and how many vaccines are manufactured by the Company and requested for details of Medical tourism in India.
- The shareholders requested for details of major products of Biddle Sawyer Limited and the reason for payment of higher dividend to the Company despite lower sales. They also wanted the reason for increase in the date - expired stocks and increase in the provision for doubtful debts.
- The shareholders suggested that the share price of the Company's shares at the end of the year can be mentioned in the financial summary along with the suggestion that the financial summary should be presented as rupees in crores instead of rupees in lakhs. They also requested that the previous year's shareholding pattern should be presented in brackets along with the current year shareholding pattern.



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 financial 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.
- The Chairman informed the shareholders that a Voluntary Retirement Scheme was offered and accepted by all the employees of Thane factory, with some management staff shifting to the Nashik factory; hence there is a reduction in the total number of employees of the Company. He further stated that the decommissioning and remediation of land at Thane factory, which is around 60 acres, is in process and the land is likely to be sold thereafter.
- The Chairman explained the Company's market standing with Augmentin being the largest selling drug. He gave details of the categories in which the Company is holding a leadership position.
- 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 are 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. He further informed that no statistics are available on Medical tourism.
- He gave the details of major products of Biddle Sawyer Limited, a wholly owned subsidiary of the Company and the reasons for the drop in sales of the subsidiary and also the reasoning for the subsidiary paying a high dividend despite drop in sales.
- The Chairman informed that R. Nanabhoy & Co. are the Cost Auditors and KMPG are the Internal Auditors of the Company. He explained the old pending DPEA case and gave the details of the principal and interest amount paid and the current status of the case.
- 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 details of the 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 monitor the same.
- The Managing Director explained to the shareholders the implications of the recent Supreme Court Judgment on the Novartis Patent for Glivec and gave details of the settlement with the Unions around the country.

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 2012 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 2012 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 16th April 2013 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 6th April 2013.”

Proposed by: Ms. A. Maheshwari
Seconded by: Mr. J. Manek

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

Resolution No. 3: Re-appointment of Mr. P.V. Bhide as a Director of the Company

“RESOLVED THAT Mr. P.V. Bhide 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. Batiwala
Seconded by: Mr. R. Bopara

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

Resolution No. 4: Re-appointment of Mr. M. B. Kapadia as a Director of the Company

“RESOLVED THAT Mr. M. B. Kapadia 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: Ms. J. Manek

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. R. C. Sequeira as a Director of the Company

"RESOLVED THAT Mr. R. C. Sequeira 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 : Mr. A. Maheshwari
Seconded by: Ms. L. Shah

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

Resolution No. 7: Re - appointment of Mr. R. C. Sequeira as a 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. R. C. Sequeira as the Whole-time Director of the Company for a period of three years with effect from 25th October 2012, on the terms, conditions and stipulations, including remuneration as contained in an Agreement to be entered into between the Company and Mr. R. C. Sequeira, a draft whereof is placed before the meeting and which for the purpose of identification is initialled by the Managing Director 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. M. Martins
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. 8: Modifications in the Remuneration payable to Mr. R. Krishnaswamy.

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactment or modifications thereof, and all other applicable statutory provisions, if any, the consent of the Company be and it is hereby accorded to the modifications in the remuneration payable to Mr. R. Krishnaswamy, as contained in the Supplemental Agreement to be entered into between the Company and Mr. R. Krishnaswamy, the draft whereof is placed before the meeting and, for the purposes 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. S. Krishnamurthy
Seconded by: Mr. K. Shahukar

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

Resolution No. 9: Approval to the Ex-gratia payment made to Dr. A. Banerjee

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactment or modifications thereof, and all other applicable statutory provisions, if any, the consent of the Company be and it is hereby accorded to the ex-gratia payment of Rs. 52.66 lakhs paid to Dr. A. Banerjee."

Proposed by: Ms. S. Mahadevia
Seconded by: Mr. B. Pouredahi

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.

