



GlaxoSmithKline

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

13th February 2014

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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,

**Recommendation Report by the Committee of Independent Directors on Voluntary
Open Offer**

In due compliance with Regulation 26(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers Regulations, 2011), please find enclosed the Recommendation report by the Committee of Independent Directors of GlaxoSmithKline Pharmaceuticals Limited on the fairness of the Offer Price in relation to the Voluntary Open Offer by GlaxoSmithKline Pte Ltd ("Acquirer") along with GlaxoSmithKline plc. and Glaxo Group Limited in their capacity as persons acting in concert (each entity individually referred to as "PAC" and together referred to as "PACs") with the Acquirer for acquisition of 20,609,774 Shares representing 24.33% of the total Voting Share Capital from the public shareholders of the Target Company.

The Recommendation report has been approved by the Committee of Independent Directors in the meeting held today at the Registered office of the Company at Dr. Annie Besant Road, Worli, Mumbai 400030.

Thanking you,

Yours faithfully
GlaxoSmithKline Pharmaceuticals Limited

Ajay Nadkarni
General Manager – Administration
& Company Secretary

Recommendations of the Committee of Independent Directors ("IDC") on the Open Offer to the Shareholders of GlaxoSmithKline Pharmaceuticals Limited under Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations")

Date	February 13, 2014
Name of the Target Company	GlaxoSmithKline Pharmaceuticals Limited
Details of the Offer pertaining to Target Company	Voluntary open offer being made by the GlaxoSmithKline Pte Ltd ("Acquirer") along with and GlaxoSmithKline plc ("GSK plc") and Glaxo Group Limited ("GGL") ("GSK plc and GGL are together referred to as PACs") to the public shareholders of the Target Company in accordance with regulation 6 of SEBI (SAST) Regulations for the acquisition of 20,609,774 shares representing 24.33% of the voting equity share capital of the Target Company
Name(s) of the acquirer and PAC with the acquirer	<u>Acquirer</u> GlaxoSmithKline Pte Ltd <u>Person Acting in Concert (PAC)</u> GlaxoSmithKline plc Glaxo Group Limited
Name of the Manager to the offer	HSBC Securities and Capital Markets (India) Private Limited 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 Telephone: +91 22 2268 1558 / 1703 Fax: +91 22 2263 1984 Email: gskpharmaopenoffer@hsbc.co.in Contact Person: Ms. Tanu Singh / Mr. Mayank Sharma SEBI Registration Number: INM000010353
Members of the Committee of Independent Directors ("IDC")	1. Mr. D. Sundaram 2. Ms. Anjali P. Bansal 3. Mr. A. N. Roy Mr. D. Sundaram is the chairman of the IDC
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	All members of IDC are directors of the Target Company. IDC members do not hold any equity shares of the Target Company. Other than their position as director of the Target Company, there is no other contract or relationship between the IDC Members and the Target Company
Trading in the Equity shares/other securities	None of the IDC members have traded in any of the



of the Target Company by IDC Members	securities of the Target Company during a period of 12 months prior to the date of the Public Announcement till the date of this recommendation
IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.	None
Trading in the Equity shares/other securities of the acquirer by IDC Members	None
Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable	IDC recommends that the Open Offer Price of Rs. 3,100 per share is fair and reasonable
Summary of reasons for recommendation	1. The Acquirer and the PACs are the existing promoters of the Target Company and are aiming to consolidate their shareholding from 50.7% to 75.0% (if the Open Offer is fully subscribed) through the Open Offer 2. The Offer is a voluntary open offer without any proposed change of control of the Target Company. The IDC is not aware of any information which can materially impact the operations and the business model of the Target Company as a result of the Open Offer 3. Kotak Mahindra Capital Company Limited acted as the professional advisor to the IDC and has advised that the Offer Price of Rs. 3,100 per share is fair and reasonable, from a financial point of view 4. The IDC has also taken note of the following in arriving at its recommendation: (a) trading multiples of comparable companies; (b) premiums paid during prior voluntary open offers; (c) multiples paid for prior acquisitions of relevant companies / businesses; (d) prevailing market prices of the Company for varying periods prior to the launch of the Open Offer; and (e) as the shares of the Target Company are infrequently traded, premium to the independent valuation that the Acquirer has relied upon in making the Open Offer.
Details of Independent Advisors, if any.	Kotak Mahindra Capital Company Limited 27 BKC, 1 st Floor, Plot No C-27, "G" Block Bandra Kurla Complex, Bandra (East)



	Mumbai – 400051 SEBI Registration Number: INM000008704
Any other matters to be highlighted	None

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the Takeover Code.

For and on behalf of the committee of independent directors of GlaxoSmithKline Pharmaceuticals Limited



Mr. D. Sundaram

Chairman, Committee of Independent Directors

Place: Mumbai

Date: February 13, 2014