

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Minutes of the Ninetieth Annual General Meeting of the Company held on 31st July, 2015 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. A. Aristidou		
	Mr. R. R. Bajaj		
	Ms. A. P. Bansal		
	Mr. P. V. Bhide		
	Mr. N. Kaviratne	-	Chairman of Nomination & Remuneration Committee
	Mr. R. Krishnaswamy		
	Mr. P. V. Nayak		
	Mr. A. Roy		
	Mr. R. Simard		
	Mr. D. Sundaram	-	Chairman of Audit Committee
	Mr. P. Gundana	-	Partner, Price Waterhouse & Co. Bangalore LLP
	Mr. P. N. Parikh	-	Parikh & Associates, Practicing Company Secretaries
	Mr. A. A. Nadkarni	-	Company Secretary

The Chairman welcomed the shareholders to the 90th Annual General Meeting. He informed the shareholders that before commencing the Annual General Meeting it is fitting to pay homage to India's former President Dr. A. P. J. Kalam who passed away suddenly on Monday, 27th July 2015. On the request of the Chairman everyone observed a two minute silence in tribute to Dr. Kalam.

202 shareholders were present in person and 9 shareholders were present by proxy as per the names mentioned in the attendance slips submitted at the Meeting.

9 proxies for a total of 202318 shares representing 0.23% 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. Ronald Sequeira, who has expressed his inability to attend the meeting due to personal reasons, all the other Directors are present for today's Annual General Meeting. He then introduced Mr. Andrew Aristidou who has joined as CFO & Executive Director in place of Mr. M. B. Kapadia from December 2014 and Mr. Regis Simard who has joined the Board in place of Mr. S. Harford from May 2015. He further mentioned that their details are given on Page 19 of the Annual Report.

The Chairman informed that as already announced Dr. Hasit Joshipura has decided to pursue other career opportunities and gave highlights of his achievements during his tenure as Managing Director of the Company. The Chairman further informed them that Mr. Annaswamy Vaidheesh who is present today has been appointed as Vice-President, South Asia and Managing Director of your Company effective 3rd August 2015. He also gave the profile of Vaidheesh. He also introduced Mr. Rogerio Ribeiro, Senior Vice President and Head of Emerging Markets & Australasia.

With the consent of the shareholders present at the Meeting, the Audited Accounts for the fifteen months period ended 31st March 2015 and the Notice convening the 90th Annual General Meeting which was already circulated to the shareholders was taken as read.

Further in terms of the provisions of the Companies Act, 2013, since there were no qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company in the Auditors' Report with the consent of the shareholders the same was taken as read.

The Chairman referred to his statement which was circulated to the shareholders at the meeting titled "The Importance of Being a Good Corporate Citizen"

The Chairman then highlighted the major events of 2014-2015. He mentioned that the fifteen months period was impacted by the full year effect of the Drug Price Control Order introduced in mid 2013. The pharmaceuticals business continued to be affected by supply constraints mainly from local supplies during the period to meet the demands of the market.

The Mass Speciality business continued its growth trajectory and "Augmetin" the flagship brand of your Company regained the no. 1 position in the "Amoxy Clav" market showing a remarkable recovery after it was bought under the national list of essential medicines list. The key brands like "Zinetac", "Calpol", "Neosporin", "Zentel" and "Cetzine" have maintained dominant market leadership positions. In the area of preventive healthcare, GSK Vaccines continues to be no.1 Company in the private vaccines market in India.

The chairman informed the shareholders that a complaint was filed against your Company and others by Bio Med Private Limited before the Competition Commission of India (CCI) alleging cartelization and bid rotation regarding supply of Meningitis Vaccine to Government which is mandatorily required to be administered on hajj pilgrims. An order is passed by the CCI on 4th June 2015 whereby a penalty of Rs. 60.03 Crores has been levied on your company. Your Company would prefer an appeal against the said Order before the Competition Appellate Tribunal. The Company has been advised that it has a good case in Appeal.

The Chairman also informed the shareholders that your Company has closed sites at Bangalore and Thane. Your company has done the remediation of the Thane site which is around 60 acres and the remediation at the Bangalore site which around 80 acres of land is underway. The Board of Directors will evaluate and take a decision to divest both this pieces of land at an appropriate time.

Current year's performance

As regards the sales performance of your Company in the first quarter of 2015, the results have been announced this afternoon. Your Company continued to face supply shortages. This has affected this quarter's sales as compared to last year, predominantly driven by an increase in vaccines shortages. Your Company's Net Sales declined by 5% this quarter from Rs. 655 crores in first quarter of 2014 to Rs. 622 crores in the current quarter. Consequently, profits from operation declined by 4%. The gross margin of the business has improved by 3% to 55% and both employee benefit expenses and other expenses are contained below the rate of inflation. Your Company is trying its best to optimise the portfolio returns and manage product supply situation which has been impacting growth.

Shareholders information

The shareholding pattern, distribution of shareholding and equity history has been detailed on page 22 & 23 of the Annual Report along with the report on Corporate Governance.

Cost of printing the Annual Report

The cost of printing the Annual Report this year was Rs. 25 per copy as compared to Rs. 23 for last year. There has been no increase in the cost on a like to like basis as the number of pages in this year's Annual Report have increased to 96 against 88 of 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 explained the objective and implications of the resolutions to be passed at this Annual General Meeting and then proposed the following Ordinary Resolution:

"Resolved that the Financial Statements of GlaxoSmithKline Pharmaceuticals Limited for the fifteen months period ended on 31st March 2015 and the reports of the Directors and the Auditors thereon be and hereby approved and adopted".

Seconded by: J. Manek

The Chairman informed the shareholders that in terms of section 108 of the Companies Act, 2013 and Rules made there under and Clause 35 B of the Listing Agreements, your Company had provided members the facility to vote through the remote e-voting platform offered by Karvy. In this regard, your Company has appointed Mr. P. N. Parikh, of M/s. Parikh & Associates, practicing Company Secretaries as the scrutinizer to scrutinize the e-voting process and the voting at the Meeting. He further informed that in case the shareholder has not been able to cast their vote through the remote e-voting facility, they can now cast their vote. He informed that the Ballot forms have been distributed. The completed Ballot form can be deposited in the Ballot box kept in the Hall.

He then invited the questions from the shareholders and requested them to be brief and restrict the questions as set out in the Notice, the Financial Statements and the operations of your Company for the fifteen months period ended 31st March 2015.

The Shareholders who addressed the meeting included Mr. H. Keshruwala, Ms. L. Shah, Ms. H. Pourdehi, Mr. S. Shah, Mr. B. Pourdehi, Mr. Y. Rangwala, Mr. R.H. Potdar, Mr. J. Manek, Mr. R.V. Chari, Mr. U. Paymaster, Mr. R. Kapadia, Mr. S.A. Khoanolkar, Mr. B. Shah, Mr. S. Krishnamoorthy, Mr. T. Davar, Mr. A. Nalladaru, Mr. M. Chawla, Mr. D. Kotecha, Mr. H.L. Savani, Mr. S.M. Divekar, Mr. U. Sheth, Mr. B. Bakshi 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 despite mute growth. They welcomed Mr. Regis Simard and Mr. Andrew Aristidou the newly appointed Director. They suggested that the Company should consider issuing of 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 share holder enquired about the following :
 - Thane land and Bangalore land and its market price, they also wanted to know about the short supply and vaccines and market share in Asthma.
 - Capital expenditure planned for next three years and the reasons for decrease in Excise duty
 - Performance of top five brands of the Company, percentage of products under DPCO, new products introduction
 - Outgo & earnings in foreign exchange, and why there was reduction in ampoules production
 - When does Company plan to do buy back of shares and suggested that dividend should not be paid from the reserves
 - Details of the exceptional items and the new manufacturing Site at Vemgal, Bangalore
 - Details about splitting of shares and wanted CSR reports, and suggested subtotals of capital work in progress in the Annual Report
 - Details about the number of employee shareholders and also wanted to know the reasons for decrease in profit.
 - Reasons for Increase in date expired stocks and reasons for increase in tax
- 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 Mr. Annaswamy Vaidheesh, Mr. Regis Simard & Mr. Andrew Aristidou.
- The Chairman 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 / explained :
 - That the new manufacturing site will be set up at a cost of Rs. 1000 crores and will be operational from 2017.
 - That 24% of Company's Products fall under DPCO and gave details 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.
 - 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.

- 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.
- Reason for increase in Tax and the reason for actual loss in Exceptional items and the details of term loan granted for Nashik factory
- Reasons for increase in Insurance premium and the reasons for reduction in Miscellaneous expenses

Dr. Hasit Joshipura mentioned that the Blue print of the Company for next three to five years is mentioned in the Annual Report.

Ordinary Resolution No. 2: Dividend on Equity Shares

“Resolved that as recommended by the Directors dividend for the fifteen months period ended 31st March 2015 at the rate of Rs. 62.50 per share and absorbing Rs. 529.39 crores be declared and paid out of the profits of the Company for the fifteen months period ended 31st March 2015 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 31st July 2015 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 24th July 2015.

Proposed by: Mr. T. Davar
Seconded by: Mr. B. Bakshi

Ordinary Resolution No. 3: Re-appointment of Statutory Auditors

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants (Membership No. FRN 007567S/S-200012), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year, 1st April 2015 to 31st March 2016, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

Proposed by: Mr. Bhatia
Seconded by: Mr. U. Sheth

Special Business:

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

RESOLVED THAT Mr. V. Thyagarajan (DIN No. 00017541) 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. Agnihotri
Seconded by: Mr. A. Nalldaru

Ordinary Resolution No. 5: Appointment of Mr. R. Simard as a Director of the Company

"RESOLVED THAT Mr. Regis Simard (DIN No. 07186737) who was appointed as a Director of the Company with effect from 18th May 2015 in the casual vacancy caused by the resignation of Mr. S. Harford and who, in terms of Section 161 (4) of the Companies Act, 2013 holds office as Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director as per Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Proposed by: Mr. U. Paymaster

Seconded by: Mr. B. Pourdehi

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

Special Resolution No. 6 Amendment to the Articles of Association:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this resolution."

Proposed by: Ms. L. Shah

Seconded by: Mr. H. Savani

Ordinary Resolution No. 7 – Ratification of Remuneration to Cost Auditor:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2015 to Messrs. R Nanabhoy & Company, Cost Accountants having Firm Registration No. 007464 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the fifteen months period ending 31st March 2015, amounting to Rs. 2.75 lakhs as also the payment of service tax as applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

Proposed by: Mr. U. Paymaster

Seconded by: Mr. J. Manek

The Chairman informed the shareholders that as mentioned earlier, those shareholders who have not voted till now can vote now as your Company will like to complete the voting exercise in the next half an hour so as to enable your Company to declare the results after the receipt of the report from the scrutinizer, today. The results will be intimated to the Stock Exchanges and put on the website of the Company. This will enable your Company to commence payment of Dividend from tomorrow.

The Meeting terminated at 5.15 p.m. with a vote of thanks to the Chair, proposed by Mr. T. Davar.