DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a shareholder(s) of **GlaxoSmithKline Pharmaceuticals Limited**. If you require any clarifications about the action to be taken, you may consult either your stock broker or investment consultant or the Manager to the Open Offer or the Registrar to the Open Offer. In case you have recently sold your Shares in **GlaxoSmithKline Pharmaceuticals Limited**, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of Stock Exchange through whom the said sale was effected.

VOLUNTARY CASH OPEN OFFER AT INR 3,100 (Indian Rupees three thousand and one hundred) PER FULLY PAID-UP EQUITY SHARE (the **"Open Offer Price"**)

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (the **"SEBI (SAST) Regulations, 2011"**)

TO ACQUIRE

20,609,774 fully paid-up equity shares of face value INR 10 each representing 24.33% of the Voting Share Capital

OF

GlaxoSmithKline Pharmaceuticals Limited

Registered Office: Dr. Annie Besant Road, Mumbai 400 030, India
Telephone: +91 22 24959595; Fax: +91 22 24959494

(the **"Target Company")**

BY

GlaxoSmithKline Pte Ltd

Registered Office: 150 Beach Road, #21-00 Gateway West, Singapore 189720
Telephone: +65 6232 8338; Fax: +65 6291 5538

(**"GSK Pte"** or the "**Acquirer**")

ALONG WITH

GlaxoSmithKline plc

Registered Office: 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom
Telephone: +44 20 8047 5000; Fax: +44 20 8047 6905

(**"GSK plc"** or the **"PAC"**)

(in its capacity as a person acting in concert with the Acquirer)

Notes:

1. This Open Offer is being made pursuant to Regulation 6 of the SEBI (SAST) Regulations, 2011.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations, 2011.
3. This Open Offer is subject to the Acquirer receiving an approval from the Foreign Investment Promotion Board (**"FIPB"**) under the Consolidated FDI Policy dated 5 April 2013 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India for acquiring all Shares validly tendered under this Open Offer. Application for the FIPB approval has been made on 16 December 2013.
4. As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and the PAC there are no statutory approvals required for the acquisition of Shares tendered pursuant to this Open Offer except as set out above. However, in case of any other statutory approvals being required by the Acquirer and / or the PAC at a later date before the closure of the tendering period, the Open Offer shall be subject to all such statutory approval(s). Non-resident Indians (**"NRI"**) and overseas corporate bodies (**"OCB"**) Shareholders, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer.
5. This Open Offer is not a competing bid in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
6. Upward revision/withdrawal, if any, of the Open Offer would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement ("**DPS**") has appeared. The Acquirer and the PAC are permitted to revise the Open Offer Price upwards only at any time prior to the last three working days before the commencement of the tendering period i.e. up to 4 February 2014. Such revised Open Offer Price would be payable for all the Shares validly tendered anytime during the tendering period of the Open Offer.
7. **There has been no competing offer as of the date of this Draft Letter of Offer.**
8. A copy of the Public Announcement (**"PA"**), the DPS and this Draft Letter of Offer is also available on SEBI's website: (www.sebi.gov.in).

Manager to the Open Offer	Registrar to the Open Offer
HSBC **HSBC Securities and Capital Markets (India) Private Limited** 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 Telephone: +91 22 2268 1703 / 1560 Fax: +91 22 2263 1984 Email: gskpharmaopenoffer@hsbc.co.in Contact Person: Ms. Tanu Singh / Mr. Mayank Sharma SEBI Registration Number: INM000010353	KARVY Computershare **Karvy Computershare Private Limited** Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081 Telephone: +91 40 2342 0818 – 828 / Toll free no: 1-800-3454-001 Fax: +91 40 234 31551 Email: murali.m@karvy.com Contact Person: Mr. Muralikrishna SEBI Registration Number: INR000000221
OPEN OFFER OPENS ON: 7 February 2014	**OPEN OFFER CLOSES ON: 21 February 2014**

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OPEN OFFER

ACTIVITY	DAY AND DATE
PA Date	Monday, 16 December 2013
DPS Date	Monday, 23 December 2013
Last date for public announcement of a competing open offer being made	Wednesday, 15 January 2014
Identified Date*	Friday, 24 January 2014
Last date by which the Letter of Offer will be dispatched to the Shareholders	Friday, 31 January 2014
Last date for upward revision of Open Offer Price	Tuesday, 4 February 2014
Last date by which an independent committee of the board of directors of the Target Company shall give its recommendation	Wednesday, 5 February 2014
Issue Opening advertisement to be published	Thursday, 6 February 2014
Date of commencement of tendering period (Offer opening date)	Friday, 7 February 2014
Date of expiry of tendering period (Offer closing date)	Friday, 21 February 2014
Last date for communication of rejection / acceptance and payment of consideration for applications accepted / return of unaccepted Share certificates	Monday, 10 March 2014

** Date falling on the 10th Working Day prior to the commencement of tendering period, for the purpose of determining the Shareholders (as defined hereinafter) to whom the Letter of Offer shall be sent. All Shareholders (whether registered or unregistered) of the Target Company are eligible to participate in the Open Offer any time before the closure of the tendering period.*

RISK FACTORS

A. Risks relating to the Open Offer

1. The Open Offer is subject to the Acquirer receiving an approval from the FIPB under the Consolidated FDI Policy dated 5 April 2013 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India for acquiring all Shares validly tendered under this Open Offer. Application for the FIPB approval has been made on 16 December 2013. As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required by the Acquirer and / or the PAC to complete this Open Offer except as set out above. However, in case of any other statutory approvals being required by the Acquirer and / or the PAC at a later date before the closure of the tendering period, the Open Offer will be subject to all such approval(s). In case of delay in the Open Offer, due to non-receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals is not attributable to any willful default, failure or neglect on the part of the Acquirer and / or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer and / or the PAC agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extends to some but not all Shareholders, the Acquirer and / or the PAC have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer. NRI and OCB Shareholders, if any, must obtain all requisite approvals required for tendering the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer.
2. In the event that either (a) there is any litigation leading to a stay or injunction on the Open Offer or that restricts or restrains the Acquirer and / or the PAC from performing their obligations hereunder; or (b) SEBI instructs the Acquirer and / or the PAC not to proceed with this Open Offer, then the Open Offer process may not proceed or may be delayed beyond the schedule of activities indicated in the Draft Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Shareholders of the Target Company whose Shares are accepted under the Open Offer as well as the return of Shares not accepted under the Open Offer by the Acquirer and / or the PAC may get delayed.
3. The tendered Shares and documents submitted therewith would be held by the Registrar to the Open Offer till the process of acceptance of Shares tendered and payment of consideration to the Shareholders is completed. Shares cannot be withdrawn once tendered, even if the acceptance of Shares under the Open Offer and dispatch of consideration is delayed. The Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Open Offer. During such period, there may be fluctuations in the market price of the Shares.
4. In the event that the Shares tendered in the Open Offer are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Draft Letter of Offer. Therefore, there is no certainty that all Shares tendered in the Open Offer will be accepted.
5. The Acquirer, the PAC and the Manager to the Open Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, the Draft Letter of Offer or in advertisements or any materials issued by or on behalf of the Acquirer and the PAC and any person placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Open Offer) would be doing so at their own risk.

B. Relating to the Acquirer, the PAC and the Target Company

1. The Acquirer and the PAC make no assurance with respect to the financial performance of the Target Company.

2. The Acquirer and the PAC make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.
3. The Acquirer and the PAC do not provide any assurance with respect to the market price of the Shares before, during or after the Open Offer and each of them expressly disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Open Offer.
4. The Acquirer and the PAC do not accept responsibility with respect to the information contained in the PA, the DPS, or the Draft Letter of Offer that pertains to the Target Company.

The risk factors set forth above, pertain only to the Open Offer and are not intended to be a complete analysis of all risks in relation to the Open Offer or in association with the Acquirer, the PAC or the Target Company, but are only indicative. The risk factors set forth above, do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Open Offer. Shareholders are advised to consult their stock brokers, tax or investment consultants, if any, for analysing all the risks with respect to their participation in the Open Offer.

C. CURRENCY OF PRESENTATION

1. In the Draft Letter of Offer, all references to "INR" are references to the Indian Rupee(s) ("**INR**"). At some places Pound(s) Sterling ("**GBP**") and Singapore Dollar(s) ("**SGD**") have been used which represent the national currencies of the United Kingdom and the Republic of Singapore respectively.
2. All data presented in GBP and SGD in the Draft Letter of Offer has been converted into INR for purpose of convenience of translation.
3. The conversion has been assumed at the following rate as on 16 December 2013 (unless otherwise stated in the Draft Letter of Offer):

   GBP 1 = INR 101.5335 (Source: Reserve Bank of India - http://www.rbi.org.in)
   SGD 1= INR 49.3781 (Source: Bloomberg)
4. In the Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and / or regrouping.

INDEX

KEY DEFINITIONS

Term	Definition
Acquirer or GSK Pte	GlaxoSmithKline Pte Ltd Registered Office: 150 Beach Road, #21-00 Gateway West, Singapore 189720
Board of Directors	The board of directors of the Acquirer or the PAC or the Target Company, as the case may be
BSE	BSE Ltd.
CDSL	Central Depository Services (India) Limited
Certificate for Deduction of Tax at Lower Rate	The certificate issued by the Indian income tax department for deduction of tax at a lower rate
Closure of the Tendering Period	21 February 2014
Depository Escrow Account	The depository account called **"KCPL ESCROW ACCOUNT-GSK PHARMA-OPEN OFFER"**, opened by the Registrar to the Open Offer with Karvy Stock Broking Limited at NSDL. The DP ID is IN300394 and the beneficiary client ID is 18693282
DP	Depository Participant
DPS	The detailed public statement in relation to the Open Offer, dated 23 December 2013, issued by the Manager to the Open Offer on behalf of the Acquirer and the PAC, in accordance with Regulation 6 read with Regulations 13(4), 14 and 15(2) of the SEBI (SAST) Regulations, 2011
Draft Letter of Offer	This draft of the Letter of Offer in relation to the Open Offer filed with SEBI in accordance with Regulation 16 (1) of SEBI (SAST) Regulations, 2011 on 31 December 2013
DTAA	Double Taxation Avoidance Agreement
ECS	Electronic clearing services
EPS	Earnings per share
Escrow Agreement	The escrow agreement between the Acquirer, the Manager to the Open Offer and the Escrow Bank, dated 16 December 2013
Escrow Account – Cash	Escrow account maintained by the Acqurier with the Escrow Bank in accordance with the Escrow Agreement
Escrow Bank	The Hongkong and Shanghai Banking Corporation Limited acting through its branch situated at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai- 400 057
FEMA	Foreign Exchange Management Act, 1999

FII(s)	Foreign institutional investors
FIPB	Foreign Investment Promotion Board constituted by the Government of India
GBP	Pound(s) Sterling
GBp	Sterling pence
GSK plc	GlaxoSmithKline plc Registered Office: 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom
IAS	International Accounting Standards
Identified Date	24 January 2014 being the date falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purpose of determining the holders of Shares (other than the Acquirer, the PAC and the Promoter Entities) to whom the Letter of Offer shall be sent
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
INR	Indian Rupees
ISRE	International Standard on Review Engagements
Listing Agreement	The listing agreement with the Stock Exchange(s) in India, as amended from time to time
Manager to the Open Offer	HSBC Securities and Capital Markets (India) Private Limited
NOC	No objection certificate issued by the Indian income tax department indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the Offer Consideration
NRI	Non-resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Offer Consideration	The offer consideration of INR 63,890,299,400 payable by the Acquirer and / or the PAC to acquire up to 20,609,774 Shares under the Open Offer at the Open Offer Price of INR 3,100 per Share
Open Offer	Voluntary open offer being made by the Acquirer and the PAC to the public shareholders of the Target Company for the acquisition of up to 20,609,774 Shares representing 24.33% of the Voting Share Capital of the Target Company
Open Offer Price	INR 3,100 per Share
Open Offer Size	20,609,774 Shares representing 24.33% of the Voting Share Capital
PA	Public announcement of the Open Offer made by the Manager to the Open Offer on behalf of the Acquirer and the PAC on 16 December 2013 in accordance with Regulation 6 read with Regulations 13(3) and 15(1) of the SEBI (SAST) Regulations, 2011
PAC	GSK plc in its capacity as person acting in concert with the Acquirer
PAN	Permanent Account Number
Promoter Entities	Glaxo Group Limited, Eskaylab Limited, Burroughs Wellcome International Limited and Castleton Investment Limited
RBI	Reserve Bank of India
Registrar to the Open Offer	Karvy Computershare Private Limited
SCRR	Securities Contract (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
SEBI (SAST)	Securities and Exchange Board of India (Substantial Acquisition of

Regulations, 2011	Shares and Takeovers) Regulations, 2011
SGD	Singapore Dollar(s)
Shareholders	Persons holding Share(s) of the Target Company excluding the Acquirer, the PAC and the Promoter Entities
Share(s)	Fully paid-up equity shares of a face value of INR 10 each of the Target Company carrying voting rights, and including any security which entitles the holder thereof to exercise voting rights.
Stock Exchange(s)	BSE and NSE
Target Company	GlaxoSmithKline Pharmaceuticals Limited Registered Office: Dr. Annie Besant Road, Mumbai 400 030, India
Tax Clearance Certificate	Certificate to be furnished by the NRIs/OCBs/FIIs and other non-resident Shareholders indicating the amount to be deducted by the Acquirer and / or the PAC under the Income Tax Act, before remitting the consideration
Tendering Period	7 February 2014 to 21 February 2014, being the tendering period with respect to the Open Offer
Voting Share Capital	Total fully diluted voting equity share capital of the Target Company
Working Day	A working day of SEBI

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER "HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED" HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 31 DECEMBER 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER."

2. THE OPEN OFFER

2.1. Background to the Open Offer

2.1.1. The Open Offer is a voluntary open offer made by the Acquirer and the PAC to the Shareholders of the Target Company in accordance with Regulation 6 of SEBI (SAST) Regulations, 2011. The Acquirer and the PAC are making the Open Offer to the Shareholders to acquire up to 20,609,774 Shares representing 24.33% of the Voting Share Capital.

2.1.2. The Acquirer and the PAC do not directly hold any Shares in the Target Company. The Promoter Entities which are all wholly owned indirect subsidiaries of GSK plc in aggregate own 42,917,488 Shares constituting 50.67% of the Voting Share Capital of the Target Company. The Promoter Entities are the current promoters of the Target Company. GSK plc is the ultimate parent company of the GlaxoSmithKline group which, includes the Acquirer and the Target Company. The Open Offer does not result in any change of control of the Target Company.

2.1.3. In terms of the first proviso of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, neither the Acquirer nor the PAC has acquired or has been allotted any Shares in the 52 weeks preceding the date of the PA.

2.1.4. The Open Offer gives the Acquirer and the PAC increased exposure to one of the world's fastest growing markets.

2.1.5. The Open Offer is neither a result of a global acquisition, nor an open market purchase or a negotiated deal.

2.1.6. Upon completion of the Open Offer, assuming full acceptance, the Acquirer will hold 20,609,774 Shares of the Target Company, representing a total of 24.33% of the Voting Share Capital and together with the Promoter Entities will hold, in aggregate, 63,527,262 Shares of the Target Company, representing a total of 75.00% of the Voting Share Capital.

2.1.7. Neither the Acquirer nor the PAC has been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.

2.1.8. According to the Articles of Association of the Target Company, Glaxo Group Limited, one of the Promoter Entities, has the right to appoint and remove one third of the total non retiring directors of the Board of Directors of the Target Company, including the Chairman, the Vice Chairman and the Managing Director. Four members of the Board of Directors of the Target Company i.e. Mr D. S. Parekh (Chairman), Mr V. Thyagarajan (Vice Chairman), Dr H. B. Joshipura (Managing Director) and Mr S. Harford are representatives of Glaxo Group Limited and in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011, these members have neither participated nor shall participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Open Offer. The Acquirer and the PAC reserve the right to seek reconstitution of the Board of Directors of the Target Company after / upon completion of the Open Offer, in accordance with the provisions contained in the SEBI (SAST) Regulations, 2011 and the Companies Act, 1956 and Companies Act, 2013, as applicable. However, as of the date of the Draft Letter of Offer, the Acquirer and the PAC have not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination.

2.1.9. As per Regulation 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company upon receipt of the DPS is required to constitute an independent committee of its Board of Directors to provide written reasoned recommendations on the Open Offer to the Shareholders and such recommendations shall be published at least two Working Days prior to the commencement of the Tendering Period in the same newspapers where the DPS was published and simultaneously a copy of such recommendation is required to be sent to SEBI, BSE, NSE and to the Manager to the Open Offer.

2.2. Details of the Open Offer

2.2.1. The PA announcing the Open Offer was made on 16 December 2013 to BSE and NSE and a copy thereof was also filed with SEBI and the Target Company at its registered office.

2.2.2. The DPS in respect of the Open Offer was published on 23 December 2013, in the following newspapers:

Newspaper	Language	Editions
The Economic Times	English	All editions
The Navbharat Times	Hindi	All editions
Maharashtra Times	Marathi	Mumbai edition

A copy of the DPS was also sent to BSE, NSE, SEBI and the Target Company at its registered office. The PA and the DPS are also available on the SEBI website: www.sebi.gov.in

2.2.3. The Open Offer is being made by the Acquirer and the PAC to all Shareholders of the Target Company in terms of Regulation 6 of the SEBI (SAST) Regulations, 2011, for the acquisition of up to 20,609,774 Shares representing 24.33% of the Voting Share Capital. The date of opening of the Tendering Period for the Open Offer is 7 February 2014.

2.2.4. The price being offered under this Open Offer is INR 3,100 per Share, in accordance with Regulation 8 of the SEBI (SAST) Regulations, 2011. The Open Offer Price will be payable in cash by the Acquirer, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.

2.2.5. There are no partly paid-up Shares in the Target Company.

2.2.6. There is no differential price being offered for the Shares tendered in the Open Offer.

2.2.7. The Open Offer is not a competitive bid in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011. There has been no competing offer as of date of the Draft Letter of Offer.

2.2.8. The Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011. All Shares (up to the maximum number set out above) validly tendered in the Open Offer will be acquired by the Acquirer, in accordance with the terms and conditions contained in the DPS and the Draft Letter of Offer. In the event that the Shares tendered in the Open Offer by the Shareholders are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of the Draft Letter of Offer.

2.2.9. The Manager to the Open Offer does not hold any Shares as on the date of the Draft Letter of Offer.

2.2.10. In terms of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC have not acquired any Shares of the Target Company since the date of the PA and up to the date of this Draft Letter of Offer.

2.2.11. In terms of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, during the Offer Period, the Acquirer or the PAC will not acquire any Shares other than those tendered in this Open Offer. Further in terms with Regulation 6(2) of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC will not acquire any Shares for a period of six months after completion of the Open Offer except pursuant to another voluntary open offer as permitted under Regulation 6(2) of the SEBI (SAST) Regulations, 2011.

2.2.12. The Acquirer and the PAC may withdraw the Open Offer in accordance with the conditions specified in paragraph 6.12.2 of the Draft Letter of Offer. In the event of such withdrawal, the same would be notified, in accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011, by way of a public announcement in the same newspapers in which the DPS had appeared and simultaneously inform SEBI, NSE, BSE and the Target Company at its registered office in writing.

2.2.13. The Shares of the Target Company are listed on NSE and BSE. As per Clause 40A of the listing agreement read with Rule 19A of SCRR, the Target Company is required to maintain at least 25% public shareholding (i.e. Shares of the Target Company held by the public excluding the Shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR, on a continuous basis for listing. Pursuant to this Open Offer, the public shareholding in the Target Company will not fall below the minimum level required as per the listing agreements entered into by the Target Company with NSE and BSE read with Rule 19A of the SCRR.

2.3. **Object of the Open Offer**

2.3.1. The Open Offer gives the Acquirer and the PAC increased exposure to one of the world's fastest growing markets.

2.3.2. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011, neither the Acquirer nor the PAC has any plans to sell, dispose of or otherwise encumber any material assets of the Target Company during the period of two years from the expiry of the Open Offer period except to the extent in the ordinary course of business of the Target Company (including the disposal of specific product portfolios/lines of the Target Company pursuant to the broader strategy of the GlaxoSmithKline group). It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further, during such period of two years, save as set out above, the Acquirer and the PAC undertake not to sell, dispose of or otherwise encumber any material assets of the Target Company except with the prior approval of the shareholders of the Target Company through a special resolution by way of a postal ballot in terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011.

3. BACKGROUND OF THE ACQUIRER AND THE PERSON ACTING IN CONCERT

A. ACQUIRER

A1. GlaxoSmithKline Pte Ltd

3.1. The Acquirer is a private limited company incorporated under the laws of Singapore with its registered office at 150 Beach Road, #21-00 Gateway West, Singapore 189720.

3.2. The Acquirer was incorporated as Glaxo Orient (Pte.) Ltd on 24 June 1981. Effective 4 October 1993, the Acquirer changed its name to Glaxo Orient Pte Ltd. On 31 May 1995, its name was changed to Glaxo Wellcome Orient Pte Ltd, which was further changed to Glaxo Wellcome Asia Pacific Pte Limited on 6 June 1997. Effective 15 March 2002, the name of the Acquirer was changed to GlaxoSmithKline Pte Ltd.

3.3. The principal activities of the Acquirer are promotion, import, export, sale of pharmaceutical and consumer healthcare products and to act as the regional headquarters for the GlaxoSmithKline group's Asia Pacific operations.

3.4. The Acquirer is a wholly owned indirect subsidiary of GSK plc. The Acquirer is a wholly owned subsidiary of Setfirst Limited, which is a wholly owned subsidiary of GlaxoSmithKline Finance plc. GlaxoSmithKline Finance plc is a wholly owned subsidiary of GlaxoSmithKline Holdings Limited, which in turn is a wholly owned subsidiary of GSK plc. Each of the intermediate companies (with the exception of GlaxoSmithKline Finance plc) is a private limited liability company incorporated in England under the laws of England and Wales. GlaxoSmithKline Finance plc is a public limited company incorporated in England under the laws of England and Wales.

3.5. The Acquirer's equity shares are not listed on any stock exchange.

3.6. Names, details of experience, qualification, and date of appointment of the directors on the Board of Directors of the Acquirer, are as follows:

Sr. No.	Name	Date of Appointment	Qualifications and Experience
1.	Mr Oleg Dubianskij	15 October 2012	Mr Dubianskij currently holds the position of Vice President of Finance for the pharmaceuticals business in Asia Pacific. Mr Dubianskij joined GlaxoSmithKline group in 1998 and has held multiple finance roles in GlaxoSmithKline group including in Lithuania and Poland before becoming Financial Controller, Russia Pharmaceuticals and then Finance Director, Russia and Kazakhstan based in Moscow. Prior to his promotion into his current role he held a combined role as Area Finance Director for CIS and Finance Director Financial Planning and Analysis for Emerging Markets and Asia Pacific. Mr Dubianskij holds a B.Sc. of Economics from Vilnius University in Lithuania.
2.	Ms Joanna Susan Le Couilliard	19 February 2013	Ms. Le Couilliard became a director of the company when she relocated to Singapore as Senior Vice President leading GSK's pharmaceutical business in Asia Pacific. At GlaxoSmithKline she held a number of increasingly senior roles including Corporate Development Director, UK Finance Director, European Commercial Director, Ireland General Manager and Business Unit Head, US Vaccines. Between November 2005 and May 2008, she served as Chief Operating Officer at General Healthcare Group and was operationally responsible for 49 private hospitals in the UK. Ms. Le Couilliard is a qualified accountant. She also holds an MA in Natural Sciences from the University of Cambridge.

3.	Mr Jason Nicholas Masi	6 December 2013	Mr Masi currently holds the position of Singapore Senior Finance Director for all GlaxoSmithKline group businesses. Mr. Masi joined GlaxoSmithKline group in 2001 and has held multiple finance roles in the group in the United States of America ("USA") and Australia. In 2008, Mr Masi became Director of Global Manufacturing and Supply, Australia and then Finance Director, for the Manufacturing and R&D companies and operations based in Singapore. Prior to GlaxoSmithKline, Mr Masi worked in Finance for two major USA based retail chains. Mr Masi is currently based in Singapore. Mr Masi holds a B.A. in History from Trinity College in Hartford, Connecticut USA and graduated with high distinction and an MBA from the University of Notre Dame in South Bend, Indiana USA.

3.7. None of the directors of the Acquirer are directors on the Board of Directors of the Target Company.

3.8. The Acquirer's financial information based on its audited standalone financial statements as at and for financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 audited by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer, and its interim unaudited standalone financial statements as at and for 9 months ended 30 September 2013, which have been subject to review based on ISRE 2410 by PricewaterhouseCoopers LLP, are as follows:-

(Amount in SGD thousands and INR million except per share data)

Profit & Loss Statement	**As at and for financial year ended 31 December**						**As at and for the 9 month period ended**	
	2010		**2011**		**2012**		**30 September 2013**	
	SGD	INR	SGD	INR	SGD	INR	SGD	INR
Income from Operations / Total Revenue / Turnover	313,336	15,472	340,195	16,798	394,611	19,485	315,826	15,595
Other Income(1)	4	0	--	-	--	-	12,565	620
Total Income	313,340	15,472	340,195	16,798	394,611	19,485	328,391	16,215
Total Expenditure(2)	310,444	15,329	329,369	16,264	372,229	18,380	300,453	14,836
Profit before Depreciation Interest and Tax	2,896	143	10,826	535	22,382	1,105	27,938	1,380
Depreciation and amortization	1,747	86	1,684	83	1,666	82	1,158	57
Interest	954	47	2,756	136	3,352	166	2,617	129
Profit Before Tax	195	10	6,386	315	17,364	857	24,163	1,193
Provision for Tax	2,432	120	2,888	143	4,148	205	554	27
Profit after Tax / Net Income / Net Profit	(2,237)	(110)	3,498	173	13,216	653	23,609	1,166

Balance Sheet Statement	**As at and for financial year ended 31 December**						**As at and for the 9 month period ended**	
	2010		**2011**		**2012**		**30 September 2013**	
	SGD	INR	SGD	INR	SGD	INR	SGD	INR
Sources of Funds								
Paid up share capital	33,225	1,641	33,225	1,641	169,725	8,381	1,169,725	57,759
Reserves and Surplus (excluding revaluation reserves) (3)	78,264	3,865	82,052	4,052	95,363	4,709	118,972	5,875
Net worth	**111,489**	**5,505**	**115,277**	**5,692**	**265,088**	**13,090**	**1,288,697**	**63,633**
Secured loans	--	-	--	-	--	-	--	-
Unsecured loans(4)	9,617	475	--	-	--	-	--	-
Total	**121,106**	**5,980**	**115,277**	**5,692**	**265,088**	**13,090**	**1,288,697**	**63,633**
Uses of Funds								
Net fixed assets	2,477	122	3,143	155	3,137	155	2,336	115
Investments	67,970	3,356	280,781	13,864	309,879	15,301	1,427,400	70,482
Net current assets / (liabilities)	50,308	2,484	(168,795)	(8,335)	(48,348)	(2,387)	(141,459)	(6,985)
Deferred tax asset	351	17	148	7	420	21	420	21
Total miscellaneous expenditure not written off	--	-	--	-	--	-	--	-
Total	**121,106**	**5,980**	**115,277**	**5,692**	**265,088**	**13,090**	**1,288,697**	**63,633**

Other Financial Data	**As at and for financial year ended 31 December**			**As at and for the 9 month period ended**
	2010	**2011**	**2012**	**30 September 2013**

	SGD	INR	SGD	INR	SGD	INR	SGD	INR
Dividend (%)[5]	-	-	-	-	-	-	-	-
Earnings per share ("EPS")[6]	(0.07)	(3.32)	0.11	5.20	0.08	3.84	0.02	1.00

Note: Since the financial statements of the Acquirer are prepared in SGD, the functional currency of the Acquirer, they have been converted into INR for purpose of convenience of translation.

Source: The standalone financial information set forth above (with the exception of EPS, see note below) has been extracted from the audited standalone financial statements of the Acquirer as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with Singapore Financial Reporting Standards and audited by PricewaterhouseCoopers LLP. The interim standalone financial information set forth above for the 9 months ended 30 September 2013 has been extracted from the unaudited condensed interim financial statements prepared in accordance with Singapore Financial Reporting Standards, which have been subject to review based on ISRE 2410 by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer.

(1) Other Income comprises interest income and dividend income
(2) Total expenditure includes cost of sales, selling and distribution, administrative, other expenses and other gains / losses but excludes depreciation and amortization expenses
(3) Includes options reserves and retained earnings
(4) Includes deferred tax liabilities
(5) Dividend / Face value of one GSK Pte share
(6) EPS has been calculated for the purpose of this Draft Letter of Offer as the Profit after Tax / Net Income / Net Profit for the period divided by the number of ordinary shares outstanding as at the balance sheet date of the relevant period. EPS is not disclosed in either the audited standalone financial statements of the Acquirer, or its unaudited condensed interim financial statements

3.9. The Acquirer does not have any major contingent liabilities as at 30 September 2013.

3.10. The Acquirer is in compliance with the corporate governance requirements set out in the Singapore Companies Act (Cap. 50) to which it is subject. The Acquirer has appointed Ms Peggy Lim as its company secretary under applicable laws.

3.11. The Acquirer does not hold any Shares of the Target Company and hence provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are not applicable.

3.12. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act.

3.13. The Acquirer does not hold any Shares or voting rights of the Target Company. The Acquirer does not have any representatives on the Board of Directors of the Target Company. The Acquirer has certain commercial transactions with the Target Company as set out below:

(Amount in INR million)

Description of the nature of the transaction	Financial year ended 31 December 2011	Financial year ended 31 December 2012
Reimbursement of expenses (net)	5.99	6.20

Source: Annual report of the Target Company for the year ended 31 December 2012. Further, the Target Company has not published detailed schedules for interim financials and consequently the financial information, which has been subject to limited review and disclosed herein for the 9 months ended 30 September 2013 does not provide details of related party transactions.

B. PERSON ACTING IN CONCERT - GlaxoSmithKline plc (*)

(*)As per regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011, persons falling within the categories listed in regulation 2(1)(q)(2) (i) to (xiii) are deemed to be persons acting in concert, unless the contrary is established. Although the Promoter Entities and other persons may fall within such categories, please note that none of the Promoter Entities nor any such other persons are acting in concert with the Acquirer and the PAC for the purposes of the Open Offer.

3.14. GSK plc is a public limited company incorporated under the laws of England and Wales with its registered office at 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom.

3.15. GSK plc was established in the year 2000 by merging Glaxo Wellcome plc (formed from the acquisition of Wellcome plc by Glaxo plc) and Smithkline Beecham plc (formed by merging Beecham plc and Smithkline Beckman Corporation, which was formed by combining the Smithkline French and Beckman companies).

3.16. GSK plc was incorporated under the UK Companies Act 1985 under the name of Trushelf Co (No. 2577) Limited on 6 December 1999. It changed its name to GlaxoSmithKline Limited on 14 January 2000 and re-registered as a public limited company on 22 May 2000. On 21 June 2000, it changed its name to GlaxoSmithKline plc and has not changed its name since.

3.17. GSK plc is a global healthcare company that researches and develops a broad range of innovative products. It operates in three primary areas of business - pharmaceuticals, vaccines and consumer healthcare. More information in this regard can be found at www.gsk.com.

3.18. GSK plc is the ultimate parent company of the GlaxoSmithKline group, including the Acquirer. GSK plc is a widely held listed company with a diverse public shareholding base. No person has a controlling ownership interest in GSK plc. Public filings do not identify any person as the promoter of GSK plc.

3.19. GSK plc has been listed on the London Stock Exchange since December 2000.

3.20. Names, details of experience, qualification and date of appointment of the directors on the Board of Directors of GSK plc, are as follows:

Sr. No.	Name	Date of Appointment	Qualifications and Experience
1.	Sir Christopher Gent Non-Executive Chairman	1 June 2004	Sir Christopher became Chairman of GSK plc on 1 January 2005 after joining the Board of Directors of GSK plc as Deputy Chairman on 1 June 2004. He is a Non-Executive Director of Ferrari SpA and a Senior Adviser at Bain & Co. He was appointed as a member of the British Airways International Business Advisory Board in June 2012. Sir Christopher was formerly the Chief Executive Officer of Vodafone Group Plc. Prior to his retirement from Vodafone in July 2003, he had been a member of its board since August 1985 and its Chief Executive Officer since January 1997. He was also Chairman of the Supervisory Board of Mannesmann AG; a Non-Executive Director of China Mobile (Hong Kong) Limited; and on the board of Verizon Wireless. He joined Vodafone as Managing Director of Vodafone Limited in January 1985 when the mobile phone service was first launched, and held that position until December 1996. Prior to joining Vodafone, Sir Christopher was Director of Network Services at International Computers Limited (ICL). In this role, he was Managing Director of Baric, a computer services company owned jointly by Barclays and ICL, and was responsible for ICL's computer

			bureau services worldwide. Sir Christopher was also formerly a Non-Executive Director of Lehman Brothers Holdings Inc. Sir Christopher served as the National Chairman of the Young Conservatives from 1977 to 1979, was a member of KPMG's Chairman Advisory Group and was Vice President of the Computer Services Association Council at the time he left ICL.
2.	Sir Andrew Witty Chief Executive Officer (CEO)	31 January 2008	Sir Andrew became Chief Executive Officer of GSK plc on 21 May 2008. He is a member of the Board and Corporate Executive Team. He joined Glaxo in 1985 and has held a variety of Sales and Marketing roles in the UK and abroad including working in the company's International New Products groups, both in the Respiratory and HIV/Infectious disease fields. Outside of the UK he has worked in South Africa, the USA and Singapore where he led the Group's operations as Senior Vice President, Asia Pacific. While in Singapore, Sir Andrew was a Board Member of the Singapore Economic Development Board and the Singapore Land Authority. In 2003 he was awarded the Public Service Medal by the Government of Singapore and in August 2012 was also awarded the Public Service Star. In 2003 Sir Andrew was appointed President of GSK Europe and joined GSK's Corporate Executive Team. Sir Andrew has served in numerous advisory roles to governments around the world including South Africa, Singapore, Guangzhou China and the UK, where he is currently a member of the Prime Minister's Business Advisory Group and is the Lead Non-Executive Director for the Department for Business Innovation and Skills. He was awarded a knighthood for services to the economy and to the UK pharmaceutical industry in the 2012 New Year Honours List. Sir Andrew is Chancellor of the University of Nottingham, a position he took up on 1 January 2013. He was President of the European Federation of Pharmaceutical Industries and Associations (EFPIA) until 24 June 2013. Sir Andrew has a Joint Honours BA in Economics from the University of Nottingham.
3.	Professor Sir Roy Anderson Independent Non-Executive Director	1 October 2007	Sir Roy is the Professor of Infectious disease epidemiology in the Faculty of Medicine, Imperial College, London. He is a member of the International Advisory Board of Hakluyt & Co Ltd and is a Trustee of the National History Museum. He is a Fellow and member of the Policy Advisory Board of the Royal Society and a Fellow of the Academy of Medical Sciences and the Royal Statistical Society. He is an Honorary Fellow of the Institute of Actuaries and a Foreign Associate Member of the Institute of Medicine at the US National Academy of Sciences and the French Academy of Sciences. His former positions include Rector of Imperial College and Chief Scientific Adviser at the Ministry of Defence in the UK. Sir Roy has published over 450 scientific papers on the epidemiology, population biology, evolution and control of a wide variety of infectious disease agents, including

			HIV, BSE, vCJD, parasitic helminths and protozoa and respiratory tract viral and bacterial infections. His principal research interests are epidemiology, biomathematics, demography, parasitology, immunology and health economics. He also has a keen interest in science policy and the public understanding of science. He received a knighthood in the Queen's Birthday Honours in June 2006.
4.	Dr Stephanie Burns Independent Non-Executive Director	12 February 2007	Dr Burns was formerly Chairman, President and Chief Executive Officer of Dow Corning Corporation, until her retirement on 31 December 2011. Dr Burns was appointed a Non-Executive Director of Corning Inc. on 31 January 2012. She is a former Chairman of the American Chemistry Council and has also served on the boards of the Michigan Molecular Institute and the Society for Women's Health Research. Dr Burns joined Dow Corning in 1983 as a researcher working on water based and high temperature elastomers. She became director of Women's Health in 1994 and subsequently moved into corporate management becoming Science and Technology Director for Europe in 1997. She was first elected to Dow Corning's Board of Directors in December 2000, she was President and Chief Executive Officer from February 2003 until 2011, Chief Operating Officer from January 2004 until 2011 and was Chairman from January 2006 to December 2011. Dr Burns holds a Ph.D. in organic chemistry, with an organosilicon specialty, from Iowa State University. She completed her post-doctoral studies at the Universite Montpellier, Sciences et Techniques du Languedoc, France.
5.	Ms Stacey Cartwright Non-Executive Director	1 April 2011	Ms Cartwright served as Executive Vice President, Chief Financial Officer of Burberry Group plc until July 2013. Previously she held the role of Chief Financial Officer at Egg plc between 1999 and 2003 and from 1988 to 1999 she worked in various finance-related positions at Granada Group plc. In accordance with the UK Corporate Governance Code, the board has determined that Ms Cartwright has recent and relevant financial experience. The board has also agreed that she has the appropriate qualifications and background to be an audit committee financial expert as defined by the US Sarbanes-Oxley Act of 2002.
6.	Mr Simon Dingemans Chief Financial Officer	4 January 2011	Mr Dingemans became Chief Financial Officer in April 2011 after joining as Chief Financial Officer Designate in January 2011. He is a member of the Board and the Corporate Executive Team. Mr Dingemans joined GSK plc from Goldman Sachs International where he was a Managing Director and Partner. He joined Goldman Sachs in 1995, becoming Head of UK Investment Banking and later becoming a leader of the European Mergers and Acquisitions business. As part of his role at GSK plc, Mr Dingemans is responsible for Global Finance and Core Business Services comprising a number of GSK plc's key global functions including finance and real estate. He worked with the GlaxoSmithKline group for over a decade prior to joining GSK plc and was closely involved in a number of GlaxoSmithKline group's most important strategic

			projects during that time, including the establishment of ViiV Healthcare. After receiving a Masters degree in Geography from Oxford University in 1985, Mr. Dingemans joined S.G. Warburg Group, the investment banking firm which specialised in mergers and acquisitions, becoming one of its youngest directors in 1994. Mr Dingemans is a member of the Corporate Development Council for the National Theatre and Deputy Chairman of 100 Group.
7.	Ms Judy Lewent Independent Non-Executive Director	1 April 2011	Ms Lewent served as Executive Vice President and Chief Financial Officer of Merck & Co. Inc. until September 2007. She also served as Chief Financial Officer starting in 1990 and held various other financial and management positions after joining Merck in 1980. Ms Lewent is also a director of Thermo Fisher Scientific Inc. and Motorola Solutions Inc. She served on the boards of Motorola Inc. from 1995 until May 2010 and Dell Inc. from 2001 to 2011. She previously served on the board of Quaker Oats Company. Since 2009, Ms Lewent has served on the boards of Purdue Pharma Inc., Napp Pharmaceutical Holdings Limited and certain Mundipharma International Limited companies as a Non-Executive Director. She is also a Trustee and the Chairperson of the Audit Committee of the Rockefeller Family Trust, a life member of the Massachusetts Institute of Technology Corporation and a member of the American Academy of Arts and Sciences. In accordance with the UK Corporate Governance Code, the Board has determined that Ms Lewent has recent and relevant financial experience. The board has also agreed that she has the appropriate qualifications and background to be an audit committee financial expert as defined by the US Sarbanes-Oxley Act of 2002.
8.	Ms Lynn Elsenhans Independent Non-Executive Director	1 July 2012	Ms Elsenhans was formerly Chair, President and Chief Executive Officer of Sunoco Inc. She joined Sunoco in 2008 as Chief Executive Officer and President, and was appointed Chair in 2009. She was President and Chief Executive Officer until March 2012 and was Chair until May 2012. Ms Elsenhans was appointed as a Non-Executive Director of Baker Hughes Incorporated in May 2012. Ms Elsenhans is a director of the Texas Medical Center and a director of The First Tee of Greater Houston. She is also a Trustee of the United Way of Greater Houston and a Trustee of Rice University. Prior to joining Sunoco, she worked for Royal Dutch Shell, which she joined in 1980, and where she held a number of senior roles. From 2005 to 2008, she was Vice President, Global Manufacturing. She has a BA in Mathematical Sciences from Rice University, Houston and an MBA from Harvard University.
9.	Sir Deryck Maughan Independent Non-Executive Director	1 June 2004	Sir Deryck is a Senior Adviser to Kohlberg Kravis Roberts & Co. He is a Non-Executive Director of Black Rock Inc. and Thomson Reuters, as well as serving on the Board of Directors of Lincoln Centre and is a trustee of New York University Langone Medical Center. Sir Deryck was previously a Partner of Kohlberg Kravis Roberts & Co. He was also formerly Chairman and Chief Executive Officer of Citigroup International and of

			Salomon Brothers Inc. He served as Vice Chairman of the New York Stock Exchange from 1996 to 2000.
10.	Dr Daniel Podolsky Independent Non-Executive Director	1 July 2006	Dr Podolsky is President of the University of Texas Southwestern Medical Center in Dallas and holds the Philip O'Bryan Montgomery, Jr M.D. Distinguished Presidential Chair in Academic Administration and the Doris and Bryan Wildenthal Distinguished Chair in Medical Science. Dr Podolsky is a member of the Institute of Medicine of the US National Academy of Sciences, the Council of Teaching Hospitals of the Association of Academic Medical Centers and the Board of the Southwestern Medical Foundation. He is also a Director of Antibe Therapeutics, Inc. Previously, he served as Co-Chairman of the Board and Scientific Co-Founder of the GI Company, Inc, served as the Chief Academic Officer of Partners HealthCare System and was formerly Mallinckrodt Professor of Medicine and Chief of Gastroenterology at Massachusetts General Hospital and Harvard Medical School. Dr Podolsky is a world-renowned researcher who has advanced knowledge of underlying mechanisms of disease and new therapies for gastrointestinal disorders. He is also an international authority on trefoil proteins and innate immunity. Dr Podolsky has published and patented widely in his field. He is past editor-in-chief of Gastroenterology, the leading journal in the field, and is immediate Past President of the American Gastroenterological Association.
11.	Dr Moncef Slaoui Chairman, Research & Development	17 May 2006	Dr Slaoui is a member of the board and the Corporate Executive Team. He was given overall responsibility for GlaxoSmithKline group's Oncology Business in 2010 and for GSK Vaccines in 2011. Prior to that he was Chairman, Research & Development, a position he had held since June 2006. In his previous position as Senior Vice President, Worldwide Business Development and External Alliances, he served on the R&D Executive Team and spearheaded recent changes in R&D to enhance drug discovery and accelerate product development. Before that, in GSK Vaccines, he engineered the development of a robust vaccines pipeline, including Rotarix, to prevent infantile gastroenteritis, and Cervarix, to prevent cervical cancer. Following a career in academia, he has demonstrated, since joining the company in 1988, that he can create a strategic vision and then vigorously pursue it to develop new products that profoundly enhance healthcare. Dr Slaoui earned a PhD in Molecular Biology and Immunology from the Université Libre de Bruxelles, Belgium, and completed postdoctoral studies at Harvard Medical School and Tufts University School of Medicine, Boston. He was Professor of Immunology at the University of Mons, Belgium. Dr Slaoui has authored more than 100 scientific papers and presentations. He is a member of the PhRMA and the Biotechnology Industry Organization boards in the USA, and a member of the Advisory Committee to the Director of National Institutes of Health. He is also an adviser to the Qatar Foundation. He was a member of the Board of the Agency for Science, Technology & Research (A*STAR) until January 2011. A citizen of Morocco and Belgium,

			he is fluent in English, French, and Arabic.
12.	Mr Tom de Swaan Independent Non-Executive Director	1 January 2006	Mr de Swaan is Chairman of the Supervisory board of VanLanschot Bankiers and Chairman of the board of Directors of Zurich Insurance Group. He is also a member of the Supervisory Board of Royal DSM. He was previously a Non-Executive Director of the KPMG Europe LLP Public Interest Committee, Vice Chairman of the Supervisory Board and Chairman of the Audit Committee of Royal Ahold and a member of the Managing Board and Chief Financial Officer of ABN AMRO. He holds a masters degree in economics and was Non-Executive Director of the Financial Services Authority from 2001 to 2007. In accordance with the UK Corporate Governance Code, the Board has determined that Mr de Swaan has recent and relevant financial experience. The Board has also agreed that he has the appropriate qualifications and background to be an audit committee financial expert as defined by the US Sarbanes-Oxley Act of 2002.
13.	Ms Jing Ulrich Non-Executive Director	1 July 2012	Ms Ulrich is Managing Director and Vice Chairman of Asia Pacific at JPMorgan Chase. She advises the firm's most senior global clients across all asset classes, while building relationships with executives at Asia's leading enterprises. Ms Ulrich is one of the most prominent advisers to the largest global asset management companies, sovereign wealth funds and multinational corporations. She works with all lines of business at JPMorgan Chase to foster greater cross-border collaboration and strengthen senior client relationships in Asia Pacific and the rest of the world. From 2003 to 2005, she worked for Deutsche Bank as Managing Director, Head of Greater China Equities. She previously held financial positions, specialising in the Asia Pacific region, with Credit Lyonnais and the Emerging Markets Investors Corporation. Ms Ulrich was educated at Harvard and Stanford Universities. She serves as an independent director of Ermenegildo Zegna SpA.
14.	Sir Robert Wilson Senior Independent Non-Executive Director	1 November 2003	Sir Robert is currently Chairman of the Accenture Global Mining Executive Council and Senior Adviser at Morgan Stanley and served as Chairman of BG Group plc, until May 2012. He was previously Executive Chairman of Rio Tinto plc until his retirement in October 2003 and Chairman of The Economist Group between 2003 and 2009.
15.	Hans Wijers Non-Executive Director	1 April 2013	Mr Wijers is a Non-Executive Director and Chairman of Heineken NV, Deputy Chairman and Non-Executive Director of Royal Dutch Shell. He is also Chairman of the supervisory board of AFC Ajax. Mr Wijers has a broad range of business, economic and political experience, having served as Chief Executive Director and Chairman at Akzo Nobel NV from 2002 to 2012. He has a long and distinguished career in academia, public service and strategy consulting, and he served as senior vice president of the Boston Consulting Group from 1998 to 2002.

3.21. According to the Articles of Association of the Target Company, Glaxo Group Limited, one of the Promoter Entities, has the right to appoint and remove one third of the total non retiring directors of the Board of Directors of the Target Company, including the Chairman, the Vice Chairman and the Managing Director. Four members of the Board of Directors of the Target Company i.e. Mr D. S. Parekh (Chairman), Mr V. Thyagarajan (Vice Chairman), Dr H. B. Joshipura (Managing Director) and Mr S. Harford are representatives of Glaxo Group Limited and in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011, these members have neither participated nor shall participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Open Offer.

3.22. GSK plc's financial information based on its audited consolidated financial statements as at and for financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 and its unaudited consolidated interim financial statement as at and for 9 months ended 30 September 2013 are as follows:-

(Amount in GBP million and INR billion except per share data)

Profit & Loss Statement	As at and for financial year ended 31 December						As at and for the 9 month period ended	
	2010		2011		2012		30 September 2013	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Income from Operations / Total Revenue / Turnover	28,392	2,883	27,387	2,781	26,431	2,684	19,599	1,990
Other Income[(1)]	698	71	1,277	130	1,670	170	285	29
Total Income	29,090	2,954	28,664	2,910	28,101	2,853	19,884	2,019
Total Expenditure[(2)]	23,423	2,378	18,744	1,903	19,156	1,945	13,356	1,356
Profit before Depreciation Interest and Tax	5,667	575	9,920	1,007	8,945	908	6,528	663
Depreciation and amortization[(3)]	1,679	170	1,423	144	1,445	147	1,836	186
Interest	831	84	799	81	808	82	591	60
Profit Before Tax	3,157	321	7,698	782	6,692	679	4,101	416
Provision for Tax	1,304	132	2,240	227	1,948	198	978	99
Profit attributable to non-controlling interests	219	22	197	20	179	18	148	15
Profit after Tax / Net Income / Net Profit[(4)]	1,634	166	5,261	534	4,565	464	2,975	302

Balance Sheet Statement	As at and for financial year ended 31 December						As at and for the 9 month period ended	
	2010		2011		2012		30 September 2013	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Sources of Funds								
Paid up share capital	1,418	144	1,387	141	1,349	137	1,341	136
Reserves and Surplus (excluding revaluation reserves) [(5)]	7,469	758	6,645	675	4,461	453	4,633	470
Net worth	**8,887**	**902**	**8,032**	**816**	**5,810**	**590**	**5,974**	**607**
Secured loans	--	--	--	--	--	--	--	--
Unsecured loans[(6)]	19,691	1,999	17,243	1,751	20,913	2,123	21,477	2,181
Non-controlling interests	858	87	795	81	937	95	827	84
Total	**29,436**	**2,989**	**26,070**	**2,647**	**27,660**	**2,808**	**28,278**	**2,871**
Uses of Funds								
Net fixed assets[(7)]	21,836	2,217	20,914	2,123	24,032	2,440	23,699	2,406
Investments[(8)]	1,792	182	1,150	117	1,366	139	1,842	187
Net current assets / (liabilities)	3,242	329	1,157	117	(123)	(12)	640	65
Deferred tax asset	2,566	261	2,849	289	2,385	242	2,097	213
Total miscellaneous expenditure not written Off	--	--	--	--	--	--	--	--
Total	**29,436**	**2,989**	**26,070**	**2,647**	**27,660**	**2,808**	**28,278**	**2,871**

Other Financial Data	As at and for financial year ended 31 December						As at and for the 9 month period ended	
	2010		2011		2012		30 September 2013	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Dividend (%)[(9)]	260.0%	260.0%	300.0%	300.0%	296.0%	296.0%	220.0%	220.0%
Earnings per share ("EPS") (basic)	0.32	32.59	1.05	106.20	0.93	94.32	0.61	62.34

Note: Since the financials of GSK plc are presented in GBP they have been converted into INR for purpose of convenience of translation.

Source: The consolidated financial information of GSK plc set forth above has been extracted from GSK plc's audited consolidated financial statements as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012, which have been prepared in accordance with IAS and IFRS as adopted by the European Union and have been audited by PricewaterhouseCoopers LLP, GSK plc's statutory auditors. The interim consolidated financial information set forth above (with the exception of depreciation and amortization, see note 3 below) has been extracted from GSK plc's unaudited condensed consolidated financial statements as at and for the 9 months ended 30 September 2013, which have been prepared applying consistent accounting policies to those applied by GSK plc in its Annual Report 2012, which was prepared in accordance with IAS and IFRS as adopted by the European Union. GSK plc's annual and interim financial statements have been publicly disclosed and are available at www.gsk.com.

(1) Other income includes royalty income, finance income, other operating income / expenses, profit on disposal of interest in associates and share of after tax profits of associates and joint ventures
(2) Total expenditure includes cost of sales, selling, general and administration, research and development expenses but excludes depreciation and amortization expenses
(3) Depreciation and amortization is not disclosed in GSK plc's published interim financial statements. The depreciation and amortization amount set forth above for the 9 months period ended 30 September 2013 has been extracted from GSK's internal financial management systems on a consistent basis to the annual amounts
(4) Attributable to the shareholders GSK plc, does not include profit attributable to non-controlling interests
(5) Includes share premium account, retained earnings, other reserves
(6) Unsecured loans include long term borrowings, deferred tax liabilities, pension and post payment benefits, other provisions, non-current derivative financial instruments and other non-current liabilities
(7) Fixed assets include property, plant and equipment, goodwill, other intangible asset, derivative financial instruments and other non-current assets
(8) Investments include investment in associates and joint ventures and other investments
(9) Dividend / Face value of 1 GSK plc share

3.23. The GlaxoSmithKline group has contingent liabilities in respect of guarantees, discounted bills and indemnities entered into as part of the ordinary course of business. No material losses are expected to arise from such contingent liabilities. Provision has been made for the outcome of tax, legal and other disputes where it is both probable that the GlaxoSmithKline group will suffer an outflow of funds and it is possible to make a reliable estimate of that outflow. Descriptions of the significant tax, legal and other disputes to which the GlaxoSmithKline group is a party are set out in the 'Legal Proceedings' and 'Taxation' notes in the Annual Report 2012 and updated in subsequent interim financial statements, all of which are available at www.gsk.com.

3.24. The market price per share of GSK plc was as follows:

Date	Market price per share of GSK plc
31 December 2012	GBp 1,335.00
30 September 2013	GBp 1,557.50
Date of the PA (16 December 2013)	GBp 1,589.00

Source: Bloomberg (Closing price)

3.25. GSK plc is in compliance with the corporate governance rules and regulations to which it is subject to under applicable laws. GSK plc has appointed Mrs. Victoria Whyte as company secretary under applicable laws.

3.26. GSK plc does not directly hold any Shares of the Target Company and hence provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are not applicable.

3.27. GSK plc has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act.

3.28. GSK plc does not directly engage in any commercial transactions with the Target Company. However the majority of products sold by the Target Company are sold under license from members of the GlaxoSmithKline group. The Target Company also enters into various related party transactions in the course of its business with other subsidiaries of GSK plc (in India and worldwide) such as the purchase of materials/traded goods, clinical research and data management recoveries, expenses recharged by/ to other companies. Details of related party transactions, which took place in the financial year ended 31 December 2012, are disclosed in the related party disclosures in the annual report of the Target Company for years ended 31 December 2011 and 31 December 2012. Further, the Target Company has not published detailed schedules for interim financials and consequently the financial information subjected to limited review and disclosed herein for 9 months ended 30 September 2013 does not provide details of related party transactions.

4. BACKGROUND OF THE TARGET COMPANY

4.1 GlaxoSmithKline Pharmaceuticals Limited is a public company, incorporated on 13 November 1924, under the Companies Act VII of 1913.

4.2 The Target Company has its registered office at Dr. Annie Besant Road, Mumbai 400 030, India.

4.3 The Target Company is engaged in the business of manufacturing, distributing and trading in pharmaceuticals. The Target Company's product portfolio includes prescription medicines and vaccines. Its prescription medicines range across therapeutic areas such as anti-infectives, dermatology, gynaecology, diabetes, oncology, cardiovascular disease and respiratory diseases.

4.4 The Target Company was incorporated as H. J. Foster and Company on 13 November 1924 under Companies Act VII of 1913. On 1 March 1950, the Target Company's name was changed to Glaxo Laboratories (India) Private Limited, which was further changed to Glaxo Laboratories (India) Limited on 11 July 1968, Glindia Limited on 11 March 1987 and then to Glaxo India Limited on 1 September 1989. With effect from 8 October 2001, the name of the Target Company was changed to GlaxoSmithKline Pharmaceuticals Limited.

4.5 The first public issue of the Target Company's equity shares was in the year 1969 and the Shares are listed on NSE since January 2001.

4.6 The issued and subscribed share capital of the Target Company is INR 847,030,170 (Indian Rupees Eight Hundred Forty Seven million Thirty thousand One Hundred and Seventy only) consisting of 84,703,017 fully paid up Shares. Details of the subscribed and paid-up share capital of the Target Company as of 30 September 2013 are set forth below:

Paid up shares	No of shares / voting rights	% of shares / voting rights
Fully paid-up equity shares	84,703,017[(1)]	100%
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	**84,703,017**	**100%**
Total voting rights	**84,703,017**	**100%**

Note:
1. Excludes 4,693 equity shares of INR 10 each of the Company (3,352 equity shares of INR 10 each of erstwhile Burroughs Wellcome (India) Limited) held in abeyance.

4.7 Trading of the Shares of the Target Company is not currently suspended on BSE or NSE. As on the date of this Draft Letter of Offer, there are no outstanding convertible instruments, fully or partially convertible debentures, depository receipts, warrants or instruments, issued by the Target Company, convertible into Shares. The Target Company has not issued any partly paid up Shares. There are no Shares which are not listed on either BSE or NSE.

4.8 The Shares of the Target Company have not been delisted from the any stock exchange in India.

4.9 The details of the Board of Directors of the Target Company are set forth below:

S. No.	Name	Date of Appointment	Designation	Director Identification Number
1.	D.S. Parekh	28 Sep 1994	Chairman & Non Executive Director	00009078
2.	V. Thyagarajan	1 Jan 2001	Vice-Chairman & Non Executive Director	00017541
3.	Dr. H. B. Joshipura	1 Jan 2007	Managing Director & Executive Director	00274288
4.	R. R. Bajaaj	10 Oct 2002	Non Executive &	00419623

			Independent Director	
5.	Anjali P. Bansal	19 Feb 2013	Non Executive & Independent Director	00207746
6.	P.V.Bhide	28 Oct 2010	Non Executive & Independent Director	03304262
7.	Simon Harford	25 Oct 2010	Non Executive Director	03317058
8.	M.B. Kapadia	1 May 1996	Executive Director	00046612
9.	N. Kaviratne	26 Jul 2005	Non Executive & Independent Director	00032473
10.	R. Krishnaswamy	1 Aug 2011	Executive Director	03043004
11.	P.V. Nayak	9 Oct 2003	Non Executive & Independent Director	00032403
12.	A.N. Roy	4 Nov 2011	Non Executive & Independent Director	01361110
13.	R. Sequeira	25 Oct 2007	Executive Director	01549120
14.	D. Sundaram	27 Jul 2009	Non Executive & Independent Director	00016304

4.10 According to the Articles of Association of the Target Company, Glaxo Group Limited, one of the Promoter Entities, has the right to appoint and remove one third of the total non retiring directors of the Board of Directors of the Target Company, including the Chairman, the Vice Chairman and the Managing Director. Four members of the Board of Directors of the Target Company i.e. Mr D. S. Parekh (Chairman), Mr V. Thyagarajan (Vice Chairman), Dr H. B. Joshipura (Managing Director) and Mr S. Harford are representatives of Glaxo Group Limited and in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011, these members have neither participated nor shall participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Open Offer.

4.11 The Target Company has not been party to any scheme of amalgamation, restructuring, merger / demerger and spin off during the last three years.

4.12 The Target Company's financial information based on its audited consolidated financial statements for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 audited by Price Waterhouse & Co., Bangalore, the statutory auditors of the Target Company, and the unaudited standalone interim financial statements subjected to Limited Review by Price Waterhouse & Co., Bangalore, as required under Clause 41 of the Listing Agreement for 9 months ended 30 September 2013 are as follows:

(Amount in INR million except per share data)

Profit & Loss Statement	As at and for financial year ended 31 December			As at and for the 9 month period ended
	2010	2011	2012	30 September 2013
	INR	INR	INR	INR
Income from Operations / Total Revenue / Turnover	21,511	23,785	26,214	18,895
Other Income[(1)]	1,306	1,812	2,034	1,725
Total Income	22,817	25,597	28,249	20,798
Total Expenditure[(2)]	14,101	19,345	19,726	14,873
Profit before Depreciation Interest and Tax	8,716	6,252	8,522	5,748
Depreciation and amortization	176	204	178	141
Interest	-	-	-	-
Profit Before Tax	8,539	6,048	8,344	5,607
Provision for Tax[(3)]	2,934	1,762	2,725	1,757
Profit attributable to non-controlling interests	-	-	-	-
Profit After tax[(4)]	5,606	4,286	5,619	3,850

Balance Sheet Statement	As at and for financial year ended 31 December			As at and for the 9 month period ended
	2010	2011	2012	30 September 2013
	INR	INR	INR	INR
Sources of Funds				
Paid up share capital	847	847	847	NA

Balance Sheet Statement	As at and for financial year ended 31 December			As at and for the 9 month period ended
	2010	2011	2012	30 September 2013
	INR	INR	INR	INR
Reserves and Surplus (excluding revaluation reserves)	18,669	18,510	19,221	NA
Net worth	19,516	19,357	20,068	NA
Secured loans	-	-	-	NA
Unsecured loans(5)	52	2,344	2,452	NA
Total	**19,567**	**21,701**	**22,520**	NA
Uses of Funds				
Net fixed assets(6)	1,177	3,080	3,449	NA
Investments	1,179	550	101	NA
Net current assets(7)	16,646	17,455	18,103	NA
Deferred tax asset	566	616	867	NA
Total miscellaneous expenditure not written off	-	-	-	NA
Total	**19,567**	**21,701**	**22,520**	NA

Other Financial Data	As at and for financial year ended 31 December			As at and for the 9 month period ended
	2010	2011	2012	30 September 2013
	INR	INR	INR	INR
Dividend (%)	400.0%	450.0%	500.0%	NA
Earnings per share (Basic and diluted)	66.18	50.60	66.34	45.50 (not annualised)

Source: The consolidated financial information set forth above has been extracted from the Target Company's audited consolidated financial statements as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956 and audited by Price Waterhouse & Co., Bangalore, Firm Registration Number 007567S. The interim standalone financial information set forth above has been extracted from the Target Company's interim unaudited standalone financial statements as at and for the 9 months ended 30 September 2013 prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956, reviewed by the audit committee of the board, and approved by the Board of Directors of the Target Company at its meeting held on 11 November 2013. The limited review for the unaudited financial results for the quarter ended 30 September 2013, as required under Clause 41 of the Listing Agreement, has been completed by Price Waterhouse & Co., Bangalore, the Target Company's statutory auditors.

Notes:

(1) Other income includes other operating income and other income

(2) Total expenditure includes cost of material consumed, purchases of traded goods, changes in inventories of finished goods, work-in-progress and traded goods, employee benefit expense, other expenses and exceptional items

(3) Includes current tax, deferred tax and fringe benefits tax - write back of provision for earlier years

(4) Attributable to the shareholders GSK Pharmaceuticals Limited, does not include profit attributable to non-controlling interests

(5) Includes long term borrowings, other long term liabilities and long term provisions

(6) Includes fixed assets, long term loans and advances and other non current assets

(7) Current assets less current liabilities

4.13 The shareholding pattern of the Target Company before and after the Open Offer, calculated as of the date of this Draft Letter of Offer is as follows:

	Shareholder Category	Shareholding & Voting Rights prior to the acquisition and the Open Offer		Shareholding and Voting rights agreed to be acquired which triggered off the Regulations		Shares and Voting rights to be acquired in the Open Offer (Assuming full acceptance)		Shareholding/ Voting rights after the acquisition and the Open Offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No.	%	No.	%	No.	%	No.	%
1	**Promoter Group, the Acquirer and the PAC**								
1a	Acquirer	-	-	-	-	20,609,774	24.33%	20,609,774	24.33%
1b	PAC	-	-	-	-	-	-	-	-
1c	Promoter Entities	42,917,488	50.67%	-	-	-	-	42,917,488	50.67%
	Total 1 (a+b+c)	42,917,488	50.67%			20,609,774	24.33%	63,527,262	75.00%
2	**Parties to the agreement other than 1a, 1b, 1c**								
	-	-	-	-	-	-	-	-	-
3	**Public (other than parties to agreement, the Acquirer, the PAC and Promoter Entities)**								
3a	FIs / MFs / FIIs / Banks, SFIs	29,110,736	34.37%	-	-	-	-	Will depend on response from each category	
3b	Non- Institutions	12,674,793	14.96%	-	-	-	-		
	Total public (3a + 3b)	41,785,529	49.33%	-	-	(20,609,774)	(24.33%)	21,175,755	25.00%
		84,703,017	**100.00%**					**84,703,017**	**100.00%**

4.14 The Target Company has been in compliance with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 within the time specified and certain details of such compliance has been provided herein below:

S. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status Of compliance with SEBI (SAST) Regulations	Remarks
1	8(3)	30 April 2004	15 April 2004	-	Complied	-
2	8(3)	30 April 2005	25 April 2005	-	Complied	-
3	8(3)	30 April 2006	17 April 2006	-	Complied	-
4	8(3)	30 April 2007	30 May 2007	30	Delayed compliance	-
5	8(3)	30 April 2008	2 April 2008	-	Complied	-
6	8(3)	30 April 2009	20 April 2009	-	Complied	-
7	8(3)	30 April 2010	22 April 2010	-	Complied	-
8	8(3)	30 April 2011	29 April 2011	-	Complied	-
9	8(3)	30 April 2012	17 May 2012	17	Delayed compliance	-
10	8(3)	30 April 2013	21 May 2013	21	Delayed compliance	-
11	7(3)	Not applicable	Not applicable	-	-	-
12	7(3)	Not applicable	Not applicable	-	-	-

Notes:
(1) References to 7(3) and 8(3) are references to Regulation 7(3) and 8(3) of SEBI (SAST) Regulations, 1997
(2) As per Regulation 8(3) of the SEBI (SAST) Regulations,1997, the Target Company was to make such disclosures to the stock exchange within 30 days from financial year ended March 31]

In the years 2007, 2012 and 2013, there has been a delay of 30, 17 and 21 days respectively by the Target Company in making a disclosure under Regulation 8(3) of the SEBI (SAST) Regulations, 1997. Save and except for the above, the applicable provisions of Chapter V of the SEBI (SAST) Regulations, 1997 and Chapter II of the SEBI (SAST) Regulations, 2011 have been complied with by the Target Company within the time specified respectively over the last 10 years.

5. **OFFER PRICE AND FINANCIAL ARRANGEMENTS**

A. **Justification for Offer Price**

5.1 The Shares of the Target Company are listed on BSE and NSE.

5.2 The Open Offer Price is INR 3,100 per Share.

5.3 The Open Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011, and subject to the terms and conditions mentioned in the PA, the DPS and this Draft Letter of Offer.

5.4 Since the Shares of the Target Company, during the twelve calendar months preceding the calendar month in which the PA was made, have trading turnover of less than 10% of total number of Shares on the BSE or the NSE, the Shares of the Target Company are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. The annualised trading turnover of the Target Company for the period commencing on 1 December 2012 and ended on 30 November 2013, on the NSE and BSE, where the Shares are listed, is as follows:

Name of Stock Exchange	Total Number of Shares traded during the past 12 months	Total Number of Shares	Trading Turnover (% of the total listed Shares)
NSE	6,056,786	84,703,017	7.15%
BSE	1,348,033	84,703,017	1.59%

5.5 The Open Offer Price of INR 3,100 per Share of the Target Company is justified in terms of Regulation 8(2) of SEBI (SAST) Regulations, 2011, in view of the following:

a	the highest negotiated price per Share, if any, of the Target Company for any acquisition under the agreement attracting the obligations to make a public announcement of an open offer;	Not applicable
b	the volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the PA;	Not applicable
c	the highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the PA;	Not applicable
d	the volume-weighted average market price of the Shares of the Target Company for a period of 60 trading days immediately preceding the date of the PA for Shares of the Target Company made under SEBI (SAST) Regulations, 2011, as traded on the NSE being the stock exchange where the maximum volume of trading in the Shares of the Target Company are recorded during such period; and	Not applicable as the Shares are not frequently traded
e	where the Shares are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011;	Valuation parameters as given below

Valuation parameters: The financial parameters based on the audited financials for the year ended 31 December 2012 of the Target Company are as follows:

Parameter	
Return on Net worth[(1)]	28.5%
Book Value per Share (INR)[(2)]	236.93
Reported EPS FY12 (INR)[(3)]	66.34
Price Earning multiple on FY12 EPS (based on Offer Price) [(4)]	46.7x

Industry Price Earning multiple(5)	21.6x

Notes:

(1) Return on Net worth calculated as Profit after tax for the year ended 31 December 2012 / Average of the Net worth as at the years ended 31 December 2011 and 31 December 2012
(2) Book value per share calculated as Net worth / Number of outstanding equity shares as at the year ended 31 December 2012
(3) Reported Earnings Per Share ("EPS") (basic and diluted) for the year ended 31 December 2012 as reported in the Annual Report of the Target Company for the year ended 31 December 2012
(4) Calculated as Offer Price divided by EPS for the year ending 31 December 2012 as reported in the Annual Report of the Target Company for the year ended 31 December 2012
(5) Source: Capital Market Vol XXVIII / 21 Dec 09-22, 2013 excluding outliers (Fulford India: 221.4x and Fresenius Kabi Oncology: 381.6x) Industry: Pharmaceuticals - Multinationals

Mr. Sumant Sakhardande, Chartered Accountant, (Membership no. 34828), Partner at Haribhakti & Co. (Firm Registration No: 103523W), has undertaken a valuation exercise under the provision of Regulation 8(2)(e) of SEBI (SAST) Regulations, 2011 and arrived at a value of INR 1,964 per Share of the Target Company

5.6 The Open Offer Price is higher than the highest of 5.5 (a) to (e) above, as required under SEBI (SAST) Regulations, 2011.

5.7 The Acquirer and the PAC are permitted to make upward revisions in the Open Offer Price, at any time prior to the last three Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST), Regulations, 2011. In the event of such revision, the Acquirer and the PAC are required to (i) make corresponding increases to the amounts kept in the escrow account, as set out in paragraph 5.13 of this Draft Letter of Offer; (ii) make a public announcement in the newspapers where the DPS was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE, NSE and the Target Company at its registered office of such revision.

5.8 The Open Offer Price represents a 26.0% premium to the closing price of the Shares on 13 December 2013 (on NSE), which was the last trading day prior to the date of PA. The Open Offer Price also represents a 50.1% premium over the last 12 months (since the closing price of the Shares as on 14 December 2012 on NSE).

B. FINANCIAL ARRANGEMENTS

5.9 The total funding requirement for the Open Offer (assuming full acceptances) i.e. for the acquisition of 20,609,774 Shares at the Open Offer Price of INR 3,100 per Share, is INR 63,890,299,400 (Indian Rupees sixty three billion, eight hundred and ninety million, two hundred and ninety nine thousand, and four hundred).

5.10 The Acquirer and the PAC have made firm financial arrangements for fulfilling the payment obligations under the Open Offer, and the Acquirer and the PAC are able to implement this Open Offer.

5.11 The Acquirer and the PAC have adequate resources to meet the financial requirements of this Open Offer since GSK plc had GBP 3,252 million (equivalent to INR 330 billion), in cash and cash equivalents, as on 30 September 2013 as disclosed in its unaudited condensed consolidated financial statements, prepared by applying consistent accounting policies to those applied in its Annual Report 2012, which was prepared in accordance with IAS and IFRS as adopted by the European Union and as publicly disclosed and available at www.gsk.com.

5.12 Source of funds shall be cash available with GSK plc in its bank accounts outside India maintained with its banking group including HSBC Bank plc.

5.13 By way of security for performance of the Acquirer and the PACs' obligations under the SEBI (SAST) Regulations, 2011, the Acquirer has created an Escrow Account named **"GlaxoSmithKline Pharmaceuticals Limited Open Offer Escrow Account"** (the **"Escrow**

Account – Cash") with The Hongkong and Shanghai Banking Corporation Limited (Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057) (the **"Escrow Bank"**), and has deposited a sum of INR 7,139,029,940 (Indian Rupees seven billion, one hundred and thirty nine million, twenty nine thousand, and nine hundred and forty only) in the Escrow Account – Cash. The Escrow Account – Cash is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of SEBI (SAST) Regulations, 2011, i.e., 25% of the first INR 500 Crore (Indian Rupees five hundred Crore only) and 10% thereafter.

5.14 The Manager to the Open Offer has entered into the Escrow Agreement pursuant to which the Acquirer has solely authorised the Manager to the Open Offer to operate the Escrow Account - Cash as per provisions of the SEBI (SAST) Regulations, 2011.

5.15 PricewaterhouseCoopers LLP, Chartered Accountants, 1 Embankment Place, London WC2N 6RH, Telephone Number +44 20 7583 5000, Fax Number +44 20 7212 4652, Registration Number OC303525 has, *vide* its certificate dated 16 December 2013 certified that the Acquirer and / or the PAC have adequate financial resources for fulfilling its obligations under the Open Offer.

5.16 The Acquirer and the PAC have, by certificates dated 16 December 2013, given undertakings to the Manager to the Open Offer to meet their financial obligations under the Open Offer.

5.17 Based on the above, the Manager to the Open Offer is satisfied about the ability of the Acquirer and the PAC to implement the Open Offer in accordance with the SEBI (SAST) Regulations, 2011 as firm arrangements for funds through verifiable means have been made by the Acquirer and / or the PAC to meet the payment obligations under the Open Offer.

6. TERMS AND CONDITIONS OF THE OPEN OFFER

6.1. The Open Offer is being made by the Acquirer and the PAC to all Shareholders of the Target Company. The Draft Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and transfer deed (for Shareholders holding Shares in the physical form) will be mailed to those Shareholders of the Target Company whose names appear on the register of members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date (i.e. 24 January 2014). Owners of Shares who are not registered as Shareholders are also eligible to participate in the Open Offer at any time prior to the Closure of the Tendering Period.

6.2. All Shareholders are eligible to participate in the Open Offer anytime before the closure of the Tendering Period.

6.3. The Acquirer shall accept the Open Offer subject to the following:

i. Applications in respect of Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under the Open Offer. The applications in some of these cases, may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Open Offer.

ii. The Acquirer will acquire the Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

6.4. As of 30 September 2013, the Target Company had no Shares which were locked in.

6.5. The Open Offer is not conditional and is not subject to any minimum level of acceptance. The acceptance of the Open Offer must be unconditional and should be entirely at the discretion of the Shareholders of the Target Company. Each Shareholder of the Target Company to whom the Open Offer is being made, is free to offer his Shares, in whole or in part while accepting the Open Offer.

6.6. The Acquirer and the PAC reserve the right of upward revision to the Open Offer Price at any time prior to the commencement of the last 3 Working Days before the commencement of Tendering Period in terms of Regulation 18(4) of the SEBI (SAST) Regulations, 2011. The Open Offer Price, if and as revised, would be paid by the Acquirer and the PAC for all the Shares tendered any time during the Tendering Period and accepted under the Open Offer. In the event of any such revision, the Acquirer and / or the PAC will (i) make corresponding increases to the amount kept in escrow pursuant to Regulation 17 of SEBI (SAST) Regulations, 2011 (refer to paragraph 5.13 of this Draft Letter of Offer); (ii) make a public announcement in respect of such revision in all the newspapers in which the DPS was published; and (iii) simultaneously with the issue of such public announcement in (ii) above, inform SEBI, all the stock exchanges on which Shares of the Target Company are listed, and the Target Company at its registered office.

6.7. The Tendering Period of the Open Offer will open on 7 February 2014 and close on 21 February 2014.

6.8. Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the PA, DPS and this Draft Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for the Open Offer.

6.9. In the event that the Shares tendered in the Open Offer are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Draft Letter of Offer.

6.10. The Acquirer and the PAC will not be responsible for any loss of share certificate(s) and the Open Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.

6.11. Accidental omission to dispatch the Letter of Offer to any person to whom this Open Offer has been made to or non-receipt of the Letter of Offer by any such person shall not invalidate the Open Offer in any way.

6.12. **Statutory and Other Approvals**

6.12.1. The Open Offer is subject to receipt of approval by the Acquirer from the FIPB under the Consolidated FDI Policy dated April 5, 2013 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India for acquiring all Shares validly tendered under this Open Offer. Application for the FIPB approval has been made on 16 December 2013.

6.12.2. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals required for the acquisition of Shares tendered pursuant to this Open Offer except as set out above. If any other statutory approvals are required or become applicable, this Open Offer would be subject to the receipt of such other statutory approvals. In accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC will have the right not to proceed with the Open Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal of the Open Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS was published.

6.12.3. In case of delay in receipt of any statutory approvals which may be required at a later date before the Closure of the Tendering Period, of the Open Offer, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and / or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer and / or the PAC agreeing to pay interest to the public shareholders for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all Shareholders, the Acquirer and / or the PAC have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer.

6.12.4. NRI and OCB Shareholders, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer. Further, if Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted and on non-receipt of approval from RBI, the Acquirer and the PAC reserve the right to reject such Shares tendered in the Open Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

7.1. The Letter of Offer will be mailed to the Shareholders whose names appear on the register of members of the Target Company as on the close of business on the Identified Date and to the beneficial owners of the Shares of the Target Company whose names appear in the beneficial records of the respective depositories as on the close of business on the Identified Date.

7.2. Every Shareholder in the Target Company, regardless of whether she / he held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Open Offer.

7.3. Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the SEBI website at www.sebi.gov.in and send in their acceptances by filling the same.

7.4. Shareholders of the Target Company who wish to accept the Open Offer and tender their Shares, held either in physical or in dematerialised form, can send or hand deliver the Form of Acceptance-cum-Acknowledgement duly signed along with all the relevant documents as mentioned in the Draft Letter of Offer, at any of the collection centres of the Registrar to the Open Offer mentioned below during working hours on or before the Closure of the Tendering Period, i.e., no later than 4:00 pm on 21 February 2014, in accordance with the procedure as set out in the Draft Letter of Offer.

7.5. All of the centres of the Registrar to the Open Offer mentioned herein below will be open as follows: (Monday to Friday - 10:00 am to 4:00 pm and Saturday - 10:00 am to 1:00 pm). The centres will be closed on Sundays and Public Holidays.

No.	Collection Centre	Address	Contact Person	Tel. No., Fax No. and Email Id	Mode of delivery
1.	Chennai	Karvy Computershare PrivateLimited, Flat No F-11, 1st Floor Akshaya Plaza, No.108 Adhidhanar Salai, Egmore, Chennai – 600002	Mr. Karthikeyan/ Mr. Ramakrishna	Tel. No.: +91 44 28587781 / 42028513 Fax No.: N.A. Email: chennaiirc@karvy.com	Hand Delivery
2.	Bengaluru	Karvy Computershare Private Limited, No.59, Skanda, Putana Road, Basavanagudi Bengaluru – 560004	Mr. S. K. Sharma/ Mr. Mahadev	Tel. No.: +91 80 26621192 / 26606125 / 67453244 Fax No.: +91 80 26621169 Email: ircbangalore@karvy.com	Hand Delivery
3.	Mumbai	Karvy Computershare Private Limited, 24-B, Rajabahudur Mansion, Ground Floor, 6 Ambalal Doshi Marg, Behind BSE Limited, Fort Mumbai – 400001	Ms. Nutan Shirke	Tel. No.: +91 22 66235412 / 27 Board No.: + 91 022 66235454 Fax No.: +91 22 66331135 Email: ircfort@karvy.com nutan.shirke@karvy.com	Hand Delivery
4.	New Delhi	Karvy Computershare Private Limited, 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110001	Mr. Rakesh K. Jamwal / Vinod Singh Negi	Tel. No.: +91 11 43681700 / 1798 Fax No.: +91 11 41036370 Email: rakeshj@karvy.com jmathew@karvy.com	Hand Delivery

5.	Ahmedabad	Karvy Computershare Private Limited, 201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380006	Mr. Aditya Gupta/ Robert Joeboy	Tel. No.: +91 79 26400527 / 65150009 Fax No.: N.A. Email: ahmedabad@karvy.com robert.joeboy@karvy.com	Hand Delivery
6.	Hyderabad	Karvy Computershare Private Limited, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081	Ms. Bhakta Singh	Tel. No.: +91 40 44655000 / 23420818 - 23 Fax No.: +91 40 23431551 Email: ircmadhapur@karvy.com	Hand Delivery/ Registere d Post
7.	Kolkata	Karvy Computershare Private Limited, 49, Jatin Das Road, Near Deshpriya Park, Kolkata – 700029	Mr. Sujit Kundu/ Mr. Debnath	Tel. No.: +91 33 24644891 Fax No.: +91 33 24644866 Email: sujitkundu@karvy.com nilkanta@karvy.com	Hand Delivery

7.6. Shareholders who are unable to hand deliver their documents at the collection centre referred to above, may send the same by registered post or by courier, at their own risk and cost, to the Registrar to the Open Offer at its address, Karvy Computershare Private Limited, Unit: GSK Pharmaceuticals Ltd - Open offer, Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081, Contact Person: Mr. Muralikrishna.

7.7. Shareholders can tender their lock-in Shares, if any, in the Open Offer subject to the continuation of the residual lock-in period in the hands of the Acquirer.

7.8. **Procedure for Shares held in physical form**

7.8.1. Shareholders who hold Shares in physical form and wish to tender their Shares under the Open Offer will be required to submit the duly completed and signed Form of Acceptance-cum-Acknowledgement, original Share certificate(s), blank transfer deed(s) duly signed, stamped and witnessed, to the Registrar to the Open Offer either by registered post / courier, at their own risk and cost or by hand delivery so as to reach on or before the date of closing of the business hours on the date of Closure of the Tendering Period of the Open Offer i.e. 21 February 2014.

7.8.2. In case of (i) Shareholders who have not received the Letter of Offer; (ii) unregistered shareholders; (iii) owner of the Shares who have sent the Shares to the Target Company for transfer, may send their application in writing to the Registrar to the Open Offer, on plain paper stating the name, address, number of Shares held, number of Shares tendered, distinctive numbers, folio numbers along with the documents to prove their title to such Shares such as broker note, succession certificate, original Share certificate / original letter of allotment and Share transfer deeds (one per folio), duly signed by such Shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with the Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be so as to reach the Registrar to the Open Offer on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. 21 February 2014. Alternatively, such Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Open Offer by making an application in writing to that effect or from the SEBI website (www.sebi.gov.in).

7.8.3. No indemnity regarding title is required from the unregistered shareholders. The unregistered shareholders should not sign the transfer deed.

7.9. **Procedure for the Shares held in dematerialised form**

7.9.1. Shareholders holding Shares in dematerialised form and who wish to tender their Shares under the Open Offer will be required to submit the duly completed and signed Form of Acceptance-cum-Acknowledgement to the Registrar to the Open Offer either by registered post / courier or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the Tendering Period i.e. 21 February 2014 along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of **"KCPL ESCROW ACCOUNT-GSK PHARMA-OPEN OFFER" (**the **"Depository Escrow Account")**.

7.9.2. The Registrar to the Open Offer, **Karvy Computershare Private Limited** has opened a Depository Escrow Account **"KCPL ESCROW ACCOUNT-GSK PHARMA-OPEN OFFER"** with NSDL for receiving Shares during the Open Offer from Shareholders who hold Shares in dematerialised form. The details of the Depository Escrow Account are mentioned below:

Depository Participant Name	Karvy Stock Broking Ltd.
DP ID	IN300394
Client ID	18693282
Account Name	KCPL ESCROW ACCOUNT-GSK PHARMA-OPEN OFFER
Depository	NSDL

7.9.3. Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favor of the Depository Escrow Account with NSDL. In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Depository Escrow Account by the Registrar to the Open Offer, the Shareholder may be deemed to have accepted the Open Offer.

7.9.4. In the case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered shareholders, (c) owners of the Shares who have sent the Shares to the Target Company for transfer, such shareholders may send their application in writing to the Registrar to the Open Offer, on plain paper stating the name, address, number of Shares held, number of Shares tendered, DP name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares in favour of **KCPL ESCROW ACCOUNT-GSK PHARMA-OPEN OFFER** as per the details given in the table in paragraph 7.9.2 so as to reach the Registrar to the Open Offer on or before the date of closing of the business hours on the date of closure of the Tendering Period i.e. 21 February 2014. Alternatively, such Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Open Offer by making an application in writing to that effect or from the SEBI website (www.sebi.gov.in).

7.10. In the case of registered shareholders, non-receipt of the Form of Acceptance-cum-Acknowledgement, but receipt of the Share certificates and the duly completed transfer deed, by the Registrar to the Open Offer, may be deemed to be acceptance of the Open Offer by such Shareholders.

7.11. In the case of registered shareholders, non-receipt of the Form of Acceptance-cum-Acknowledgement, but credit of Shares in the Depository Escrow Account, may be deemed to be acceptance of the Open Offer by such Shareholders.

7.12. THE SHARES, SHARE CERTIFICATES, TRANSFER DEED, FORM OF ACCEPTANCE-CUM- ACKNOWLEDGEMENT AND / OR OTHER RELEVANT DOCUMENTS **SHOULD NOT BE SENT** TO THE ACQUIRER, THE PAC, THE TARGET COMPANY OR THE MANAGER TO THE OPEN OFFER.

7.13. Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of closing of the business hours on the date of closure of the Tendering Period i.e. 21 February 2014, else the application will be rejected.

7.14. If Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI, the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, or in the case of NRI and OCB Shareholders, require any approvals to tender Shares held by them pursuant to the Open Offer, they will be required to submit such approvals along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Shares tendered in the Open Offer.

7.15. The Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

7.15.1. Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder has expired;

7.15.2. Duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form and/ or transfer deed(s);

7.15.3. A no objection certificate from the lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;

7.15.4. In case of companies, the necessary corporate authorisation (including certified copy of board and / or general meeting resolution(s)); and

7.15.5. Any other relevant documents.

7.16. If the aggregate valid responses to the Open Offer by the Shareholders are more than the Shares agreed to be acquired under the Open Offer, then Acquirer and / or the PAC will accept the offers received from the Shareholders on a proportionate basis, in consultation with the Manager to the Open Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (one) Share.

7.17. Payment to those Shareholders whose Share certificates and / or other documents are found valid and in order, will be made by way of a crossed account payee cheque / demand draft / pay order / through Direct Credit (**"DC"**) / National Electronic Clearance System (**"NECS"**) / National Electronic Funds Transfer (**"NEFT"**) / Real Time Gross Settlement (**"RTGS"**). So as to avoid fraudulent encashment in transit, the Shareholders holding Shares in physical form should provide details of bank account of the first / sole Shareholder as provided in the Form of Acceptance-cum-Acknowledgement and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgement. In case of Shareholders holding Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole / first named holder at her / his registered address (at their own risk). The decision regarding (i) the acquisition (in part or full), of the Shares tendered pursuant to the Open Offer, or (ii) rejection of the Shares tendered pursuant to the Open Offer along with (a) any corresponding payment for the acquired Shares and / or (b) return of Share certificates for any rejected Shares or Shares accepted in part, will be dispatched to the Shareholders by registered post or by ordinary post as the case may be, at the Shareholder's sole risk. Shares held in dematerialised form to the extent not acquired will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

7.18. For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through DC / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched through registered / speed post at the Shareholder's sole risk.

7.19. The unaccepted Share certificates, transfer forms and other documents, if any, will be returned by registered post at the Shareholders' sole risk. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective DP as per details received from their DP. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective DP when transferred by the Registrar to the Open Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Open Offer formalities are completed.

7.20. The Registrars to the Open Offer will hold in trust the Shares and Share certificate(s), Shares lying in credit of the Depository Escrow Account, Form of Acceptance-cum-Acknowledgement, and the transfer deed(s) on behalf of the Shareholders of Target Company who have accepted the Open Offer, until the cheques / drafts for the consideration and/ or the unaccepted Shares / Share certificates are dispatched / returned.

7.21. **Compliance with Tax requirements:**

I. General

(a) As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). The consideration received by the non-resident Shareholders for Shares accepted in the Open Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirer and / or the PAC are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such capital gains/ business profits. Further, the payment of any interest (paid for delay in payment of Open Offer Price) by the Acquirer and / or the PAC to a non-resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer and / or the PAC are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest.

(b) As per the provisions of Section 194A of the Income Tax Act, the payment of any interest by the Acquirer and / or the PAC to a resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer and / or the PAC is required to deduct tax at source at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of Open Offer Price).

(c) All Shareholders whether resident or non-resident (including FIIs) are required to submit their PAN for income-tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and / or the PAC will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable, to the category of the Shareholder under the Income Tax Act, whichever is higher.

(d) Each Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/ body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and / or the PAC, it will be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted treating the Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Shareholder belongs, on the entire consideration and interest if any, payable to such Shareholder.

(e) Any Shareholder claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident. The 'Tax Residence Certificate' should contain particulars and should be verified in the manner prescribed under the Income Tax Rules, 1962 (the "**Income Tax Rules**").

(f) The Acquirer and / or the PAC will not accept any request from any Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower rate, on the basis of any self computation/computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.

(g) Securities transaction tax will not be applicable to the Shares accepted in the Open Offer.

(h) The provisions contained in clause (c) to (e) above are subject to anything contrary contained in paragraphs II to V below.

II. Tax Implications in case of Non-resident Shareholders (other than FII)

(a) Remittance of consideration: While tendering Shares under the Open Offer, NRI, OCBs, and other non-resident Shareholders (excluding FIIs) will be required to submit a NOC or a Certificate for Deduction of Tax at Lower Rate, indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the consideration. The Acquirer and / or the PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.

(b) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer and / or the PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, under the Income Tax Act on the entire consideration amount payable to such Shareholder.

(c) Interest Payments: For interest payments by the Acquirer and / or the PAC for delay in payment of Open Offer Price, if any, NRIs, OCBs, and other non-resident Shareholders (excluding FIIs) will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the consideration. The Acquirer and / or the PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.

(d) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer and / or the PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.

(e) All NRIs, OCBs and other non-resident Shareholders (excluding FIIs) are required to submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and / or the PAC will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.

(f) Treaty Benefits: Any NRIs, OCBs and other non-resident Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him / it by the Income Tax Authority of such other foreign country of which it claims to be a tax resident. In the absence of such Tax Residence Certificate, the Acquirer and / or the PAC will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to provisions of any DTAA. The

Tax Residence Certificate should contain particulars and should be verified in the manner prescribed under the Income Tax Rules.

III. Tax Implications in case of FII

(a) Tax Benefits for FIIs in respect of the consideration paid by the Acquirer and / or the PAC: As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act, subject to the following conditions:

i. FIIs are required to certify the nature of their holding (*i.e.* whether held on Capital Account as Investment or on Trade Account) of the Shares by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the Shares are held on Capital Account;

ii. FIIs shall also certify the nature of its income (*i.e.* whether capital gains or business income) on the sale of the Shares by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the nature of the FII's income is capital gains.

(b) The absence of certificates/ declarations as contemplated in clause (a) above (as applicable), notwithstanding anything contained in clause (a) above, the Acquirer and / or the PAC shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder (i.e. FII).

(c) In case it is certified by the FII that the Shares held by such FII are held on Trade Account no deduction of tax at source shall be made if such FII furnishes a Tax Residence Certificate and furnishes a self declaration stating that such FII does not have a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FII. In the absence of such certificates/declarations, the Acquirers and / or the PAC shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder (i.e. FII).

(d) Notwithstanding anything contained in clauses (a) to (c) above, in case an FII furnishes a NOC or Certificate for Deduction of Tax at Lower Rate, the Acquirer and / or the PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.

(e) Interest Payments: For interest payments by the Acquirer and / or the PAC for delay in payment of Open Offer Price, if any, FIIs will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer and / or the PAC before remitting the consideration. The Acquirer and / or the PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.

(f) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer and / or the PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.

(g) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and / or the PAC will arrange to deduct tax at the rate of 20% (as provided in section 206-AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.

(h) Treaty Benefits: Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a "Tax Residence Certificate" provided to it by the income tax authority of such other foreign country of which it claims to be a tax resident. In the absence of such Tax Residence Certificate, the Acquirer and / or the PAC will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to provisions of any DTAA. The Tax Residence Certificate should contain particulars and should be verified in the manner prescribed under the Income Tax Rules.

IV. Tax Implications in case of resident Shareholders

(a) No tax shall be deducted at source from the payment of consideration made to resident Shareholders. However, such resident Shareholders may seek professional advice from tax consultants or other relevant advisers to ascertain their short-term or long-term capital gains income tax liability arising from tendering the Shares in the Open Offer.

(b) For interest payments by the Acquirer and / or the PAC for delay in payment of Open Offer Price, if any, the Acquirer and / or the PAC will arrange to deduct tax at the rate of 10% (as provided in section 194 A of the Income Tax Act).

(c) All resident Shareholders shall submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and / or the PAC will arrange to deduct tax on such interest payment, if any, at the rate of 20% (as provided in section 206-AA of the Income Tax Act).

(d) Notwithstanding anything contained in clauses (a) to (c) above, no deduction of tax shall be made at source by the Acquirer and / or the PAC where the total amount of interest payable to a resident Shareholder does not exceed INR 5,000 or where a self declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962), as may be applicable, has been furnished by a resident Shareholder. The self declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Shareholder furnished its PAN in such declaration.

V. Tax Implications in foreign jurisdictions

(a) Apart from the above, the Acquirer and / or the PAC are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Shareholder is a resident for tax purposes (the "**Overseas Tax**"). For this purpose, the non-resident Shareholder shall furnish a self declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer and / or the PAC will be entitled to rely on this representation at their sole discretion.

(b) Notwithstanding the details given above, all payments will be made to Shareholders subject to compliance with prevailing tax laws.

(c) The tax deducted by the Acquirer and / or the PAC while making payment to a Shareholder may not be the final tax liability of such Shareholder and shall in no way discharge the obligation of the Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income tax authorities.

(d) Shareholders are advised to consult their respective tax advisers for assessing the tax liability, pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

(e) The Acquirer, the PAC and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection to the Shareholders at the office of the Manager to the Open Offer at HSBC Securities and Capital Markets (India) Private Limited, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001, between 10:30 a.m. and 3:00 p.m. on all working days (except Saturdays, Sundays and bank holidays) till the Closure of the Open Offer, *i.e.*, 21 February 2014:

(i) Copy of the certificate of incorporation, memorandum of association and articles of association, or equivalent constitutional documents of the Acquirer and the PAC;

(ii) Copy of the certificate issued by PricewaterhouseCoopers LLP, Chartered Accountants, Telephone: +44 20 7583 5000, Fax: +44 20 7212 4652, Registration Number OC303525 dated 16 December 2013, certifying the adequacy of financial resources with the Acquirer and the PAC to fulfill their obligations under the Open Offer;

(iii) Copy of the audited annual report of the Acquirer, the PAC and the Target Company for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012;

(iv) Copy of the letter dated 18 December 2013, issued by the Escrow Bank, confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Open Offer;

(v) Copy of the PA dated 16 December 2013, the DPS dated 23 December 2013

(vi) Copy of the recommendation made by the Target Company's committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations, 2011;

(vii) Copy of the Escrow Agreement

(viii) Copy of the letter number [•] from SEBI dated [•] containing its comments on the Draft Letter of Offer; and

(ix) A copy of the agreement entered into with the DP for opening a special depository account for the purpose of the Open Offer.

9. DECLARATION BY THE ACQUIRER AND PERSON ACTING IN CONCERT

9.1. The Acquirer and the PAC accept full responsibility for the information contained in this Draft Letter of Offer.

9.2. Each of the Acquirer and the PAC shall be, severally and jointly, responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations, 2011.

9.3. The person(s) signing this Draft Letter of Offer are duly and legally authorised by the Acquirer and the PAC, respectively, to sign the Draft Letter of Offer.

On behalf of	On behalf of
GlaxoSmithKline Pte Ltd **Date: 31 December 2013** **Place: Singapore**	**GlaxoSmithKline plc** **Date: 31 December 2013** **Place: London**

Enclosed:

(1) Form of Acceptance-cum-Acknowledgement

(2) Transfer deed for Shareholders holding Shares in physical form

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY