

RANBAXY LABORATORIES LIMITED

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 30 September 2012

(Rupees in millions except share data, per share data and if otherwise stated)

PART I

Sr. No.	Particulars	(Unaudited) Quarter ended 30 September 2012	(Unaudited) Quarter ended 30 June 2012	(Unaudited) Quarter ended 30 September 2011	(Unaudited) Nine months ended 30 September 2012	(Unaudited) Nine months ended 30 September 2011	(Audited) Year ended 31 December 2011
1	Income from operations						
	(a) Sales						
	- Within India (net of excise duty)	5,897.77	5,612.24	5,348.03	16,555.11	14,729.29	19,762.42
	- Outside India (refer to note 1)	8,382.61	9,115.26	8,148.21	30,555.05	21,721.74	54,996.54
	Net sales (net of excise duty)	14,280.38	14,727.50	13,496.24	47,110.16	36,451.03	74,758.96
	(b) Other operating income	416.13	531.48	815.12	1,510.05	1,731.46	2,381.68
	Total income from operations (net)	14,696.51	15,258.98	14,311.36	48,620.21	38,182.49	77,140.64
2	Expenses						
	(a) Cost of materials consumed	3,766.89	3,792.30	4,011.70	11,197.38	13,323.19	17,849.13
	(b) Purchases of stock-in-trade	2,090.67	2,152.94	1,848.00	6,183.63	4,607.22	6,367.31
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(319.72)	(182.53)	(158.02)	(392.81)	(1,689.36)	(1,357.22)
	(d) Employee benefits expense (refer to note 3)	2,513.07	2,531.68	2,236.73	7,561.03	6,776.22	8,607.10
	(e) Depreciation, amortisation and impairment expense	443.60	485.34	493.08	1,397.67	1,425.47	2,740.83
	(f) Other expenses (refer to note 5)	5,218.08	5,693.17	4,454.22	17,746.07	12,938.55	32,738.23
	(g) Foreign exchange (gain)/ loss others, net	(883.87)	3,027.87	378.12	844.50	(23.15)	1,106.58
	Total expenses	12,828.72	17,500.77	13,263.83	44,537.47	37,358.14	68,051.96
3	Profit/ (loss) from operations before other income, finance costs and exceptional items (1-2)	1,867.79	(2,241.79)	1,047.53	4,082.74	824.35	9,088.68
4	Other income	577.10	610.88	152.80	1,724.89	765.94	1,111.33
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items (3+4)	2,444.89	(1,630.91)	1,200.33	5,807.63	1,590.29	10,200.01
6	Finance costs (refer to note 8)	(173.78)	1,632.23	1,500.77	1,626.95	2,110.04	2,963.86
7	Profit/ (loss) from ordinary activities after finance costs but before exceptional items (5-6)	2,618.67	(3,263.14)	(300.44)	4,180.68	(519.75)	7,236.15
8	Exceptional items						
	- Settlement provision (refer to note 2a)	-	-	-	-	-	(26,480.00)
	- Gain/ (loss) on foreign currency option derivatives, net (other than loans) (refer to note 2b)	3,933.25	(5,993.52)	(4,001.52)	1,386.89	(2,863.74)	(11,242.85)
	- Provision for diminution in the value of long-term investment in a subsidiary	(1,030.00)	-	-	(1,030.00)	-	-
9	Profit/ (loss) from ordinary activities before tax (7+8)	5,521.92	(9,256.66)	(4,301.96)	4,537.57	(3,383.49)	(30,486.70)
10	Tax expense, net	-	-	90.00	-	33.79	33.79
11	Net profit/ (loss) for the period (9-10)	5,521.92	(9,256.66)	(4,391.96)	4,537.57	(3,417.28)	(30,520.49)
12	Paid - up equity share capital (Face value of Rs. 5 each)	2,111.32	2,110.56	2,107.53	2,111.32	2,107.53	2,110.00
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						17,131.64
14	Earnings/ (Loss) per share (Rs.) - not annualised						
	Basic	13.09	(21.95)	(10.42)	10.76	(8.11)	(72.42)
	Diluted	13.05	(21.95)	(10.42)	10.72	(8.11)	(72.42)

See accompanying notes to the standalone unaudited financial results

PART II

Select information for the quarter and nine months ended 30 September 2012

Sr. No.	Particulars	(Unaudited) Quarter ended 30 September 2012	(Unaudited) Quarter ended 30 June 2012	(Unaudited) Quarter ended 30 September 2011	(Unaudited) Nine months ended 30 September 2012	(Unaudited) Nine months ended 30 September 2011	(Audited) Year ended 31 December 2011
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding #						
	- Number of shares	145,030,478	145,005,743	145,462,453	145,030,478	145,462,453	145,827,559
	- Percentage of shareholding	34.35%	34.35%	34.51%	34.35%	34.51%	34.56%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non - encumbered						
	- Number of shares	268,711,323	268,711,323	268,711,323	268,711,323	268,711,323	268,711,323
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	63.64%	63.66%	63.75%	63.64%	63.75%	63.68%

Aggregate public shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by Promoters and Promoter Group Shareholding and Global Depository Shares)

Particulars	(Unaudited) Quarter ended 30 September 2012
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	4
Disposed off during the quarter	4
Remaining unresolved at the end of the quarter	Nil

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(Rupees in millions except share data, per share data and if otherwise stated)

Notes:

- 1 Sales outside India for all periods presented include significant sales relating to First-To-File (FTF) products in the United States of America ("USA"). Further, pursuant to the accounting policy followed by the Company, sales outside India for all periods presented includes transfer pricing adjustments with its subsidiaries for materials already supplied to them (including supplied in earlier periods), determined on the basis of significant judgment and estimates.
- 2 a) The Company is negotiating towards a settlement with the Department of Justice ("DOJ") of the USA for resolution of potential civil and criminal allegations by DOJ. Accordingly, the Company had recorded a provision of Rs. 26,480 (USD 500 million) in the year ended 31 December 2011, which the Company believes will be sufficient to resolve all potential civil and criminal liability.
Any gain/ loss on account of changes in exchange rate and related interest expense is presented in the relevant line item.
b) The amount represents foreign exchange gain/ (loss), net, on foreign currency option derivatives taken during previous years (other than option derivatives relating to loans) which are accounted in accordance with Accounting Standard 30, "Financial Instruments: Recognition and Measurement".
- 3 On the basis of a legal advice, the Company is of the view that the appointment and payment of remuneration to Mr. Arun Sawhney, CEO and Managing Director for the year ended 31 December 2011 is in accordance with the conditions stipulated under the Notification no. GSR 534(E) dated 14 July 2011 read with the clarification dated 16 August 2012 issued by the Ministry of Corporate Affairs. In view of this, the earlier periods qualification of the Auditors in this regard stands resolved.
- 4 The research and development expenses is classified under respective heads of total expenses according to the nature of expense. The aggregate amount of such expenses (excluding depreciation, amortisation and impairment) for all periods presented is set out below:

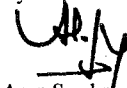
Particulars	(Unaudited) Quarter ended 30 September	(Unaudited) Quarter ended 30 June	(Unaudited) Quarter ended 30 September	(Unaudited) Nine months ended 30 September	(Unaudited) Nine months ended 30 September	(Audited) Year ended 31 December
	2012	2012	2011	2012	2011	2011
Research and development expenses	1,079.66	1,156.31	1,095.11	3,253.06	3,339.16	4,529.22

- 5 The Company has accrued an expense as claims and contractual payment towards a portion of profit payable to another party in relation to sales of a product. Claims and contractual payment expense included in 'Other expenses' qualifies for a separate line item disclosure in accordance with clause 41 of the Listing Agreement as the same is more than 10% of total expenses for year ended 31 December 2011. However, the same has not been disclosed as a separate line item in view of certain terms of agreement with the party. This has a reference to the qualification made in the audit report for the year ended 31 December 2011 and in the review reports for all interim periods of the current financial year of the Company.
- 6 On exercise of Employees Stock Options, 208,854 equity shares have been allotted on 11 October 2012. The total number of Employees Stock Options outstanding as at 30 September 2012 were 6,873,972, out of which 4,483,465 have vested. The entitlement of shares on exercise of stock options granted on or before 3 October 2002 would increase in the proportion of 3:5, keeping in view the issue of bonus shares on 11 October 2002.
- 7 The Company's business activity falls within a single primary business segment viz. 'Pharmaceutical'.
- 8 Finance cost includes exchange differences arising from foreign currency borrowings, to the extent that these are regarded as an adjustment to interest costs. The aggregate amount of such exchange difference for all periods presented is set out below.

Particulars	(Unaudited) Quarter ended 30 September	(Unaudited) Quarter ended 30 June	(Unaudited) Quarter ended 30 September	(Unaudited) Nine months ended 30 September	(Unaudited) Nine months ended 30 September	(Audited) Year ended 31 December
	2012	2012	2011	2012	2011	2011
Foreign exchange (gain)/ loss	(554.98)	1,165.41	1,358.40	420.15	1,691.28	2,269.51

- 9 Pursuant to amendments made to the Listing Agreement in respect of format of disclosure of financial results, the standalone unaudited financial results for the quarter and nine months ended 30 September 2012 has been prepared in the revised format. Accordingly, the previous year/periods figures have also been reclassified to conform to the current period's classification.
- 10 The above results were reviewed by the Audit Committee on 7 November 2012, and approved by the Board of Directors at their meeting held on 8 November 2012 and have undergone a "Limited Review" by the Statutory Auditors of the Company. The review report of the Statutory Auditors containing the reservations is being filed with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and is also available on the Company's website at www.ranbaxy.com.

By order of the Board


Arun Sawhney
CEO and Managing Director

Place: Gurgaon

Date: 8 November 2012

Regd. Office : A-41, Industrial Area Phase VIII A, Sahibzada Ajit Singh Nagar (Mohali) - 160 071 (Punjab)

Website: <http://www.ranbaxy.com>