

BSR & Co.

(Registered)

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

Telephone: +91-124-2549191
Fax: +91-124-2549101

To the Board of Directors
Ranbaxy Laboratories Limited

1. We have reviewed the accompanying Consolidated Unaudited Financial Results ('the Statement') of Ranbaxy Laboratories Limited ('the Company'), its subsidiaries and associate (collectively known as the 'the Group') for the quarter ended 31 March 2012, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ('Listing Agreement') except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors on 9 May 2012. Our responsibility is to issue a report on this Statement, based on our review. Attention is drawn to the fact that the figures for the quarter ended 31 December 2011 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the end of the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to an audit.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. We did not review the unaudited financial results of certain subsidiaries and of an associate, interests in which have been incorporated in the Statement. These subsidiaries and an associate account for 18% of total income from operations, other income and gain included in the exceptional items for the quarter ended 31 March 2012, as shown in the Statement. Of the above:
 - (a) The unaudited financial results of some of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('local GAAP') have been reviewed by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 16% of total income from operations, other income and gain included in the exceptional items for the quarter ended on that date, as shown in the Statement. The aforesaid local GAAP financial results have been restated by the management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to the Statement under the generally accepted accounting principles in India. The reporting packages made for this purpose have been reviewed by the other auditors and reports of those other auditors have been furnished to us. Our opinion on the Statement, insofar as it relates to these entities, is based on the aforesaid review reports of those other auditors.

V. Aggarwal

- (b) The unaudited financial results of the remaining subsidiaries and an associate have not been subjected to review either by us or by other auditors, and therefore, the unaudited financial results for the quarter ended 31 March 2012 of these entities have been furnished to us by the management. These subsidiaries and an associate account for 2% of total income from operations, other income and gain included in the exceptional items for the quarter ended on that date, as shown in the Statement, and therefore are not material to the Statement, either individually or in the aggregate.
4. *As stated in Note 5 of the attached Statement, the managerial remuneration paid by the Company to Mr. Arun Sawhney (CEO and Managing Director) during the year ended 31 December 2011 exceeded the limits specified in relevant provisions of the Companies Act, 1956 ("the Act") by Rs. 47.55 million. The Shareholders at their Annual General Meeting ("AGM") held on 8 May 2012, approved the waiver of recovery of the excess remuneration. Further, we are informed that as required by the relevant provisions of the Act, the Company is taking necessary steps to seek approval from the Central Government for excess remuneration paid. Pending approval from the Central Government in this regard, the impact thereof on the attached Statement to the extent of amount of excess remuneration that may be disallowed by the Central Government, if any, is currently unascertainable. This was a subject matter of qualification in our audit report for the year ended 31 December 2011 as well.*
5. *As stated in Note 6 of the attached Statement, the 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 the quarters ended 31 March 2012 and 31 December 2011. As informed to us, the Company has not disclosed the said amount as a separate line item in view of certain terms of agreement between the parties. This was a subject matter of qualification in our audit report for the year ended 31 December 2011 as well.*
6. Based on our review conducted as explained in paragraphs 1 and 2 above and *except for the impact of comment given in paragraph 4 above, the impact of which is not ascertainable, and comment given in paragraph 5 above on the relevant items of the attached statement*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which is to be disclosed, or that it contains any material misstatement.

Place: Gurgaon, India
Date: 9 May 2012

For B S R & Co.
Chartered Accountants
Registration No. 101248W


Vikram Aggarwal
Partner
Membership No: 089826