

RANBAXY LABORATORIES LIMITED

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 30 September 2013

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

PART I

Sr. No.	Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Quarter ended 30 September	Quarter ended 30 June	Quarter ended 30 September	Nine months ended 30 September	Year ended 31 December
		2013	2013	2012	2013	2012
1	Income from operations					
	(a) Sales					
	- Within India (net of excise duty)	5,929.86	5,577.90	5,897.77	17,136.86	16,555.11
	- Outside India (refer to note 1)	7,888.56	8,373.06	8,382.61	23,911.29	30,555.05
	Net sales (net of excise duty)	13,818.42	13,950.96	14,280.38	41,048.15	47,110.16
	(b) Other operating income	439.93	437.90	416.13	1,415.42	1,510.05
	Total income from operations (net)	14,258.35	14,388.86	14,696.51	42,463.57	48,620.21
2	Expenses					
	(a) Cost of materials consumed	4,274.92	4,016.13	3,766.89	12,377.10	11,197.38
	(b) Purchases of stock-in-trade	1,842.36	1,635.87	2,090.67	5,385.12	6,183.63
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer to note 4)	(706.54)	141.52	(319.72)	(957.09)	(392.81)
	(d) Employee benefits expense (refer to note 5)	2,676.65	2,630.74	2,513.07	7,765.40	7,561.03
	(e) Depreciation, amortisation and impairment expense (refer to note 6)	944.05	446.45	443.60	1,843.43	1,397.67
	(f) Claims and contractual expense (refer to note 4)	21.57	99.54	194.79	143.75	3,336.82
	(g) Other expenses	6,228.39	5,459.19	5,023.29	17,006.70	14,409.25
	(h) Foreign exchange loss/ (gain) (others), net	939.72	1,913.67	(883.87)	2,950.35	844.50
	Total expenses	16,221.12	16,343.11	12,828.72	46,514.76	44,537.47
3	(Loss)/ profit from operations before other income, finance costs and exceptional items (1-2)	(1,962.77)	(1,954.25)	1,867.79	(4,051.19)	4,082.74
4	Other income	443.51	310.43	577.10	1,277.20	1,724.89
5	(Loss)/ profit from ordinary activities before finance costs and exceptional items (3+4)	(1,519.26)	(1,643.82)	2,444.89	(2,773.99)	5,807.63
6	Finance costs (refer to note 11)	1,110.84	1,561.27	(173.78)	3,178.15	1,626.95
7	(Loss)/ profit from ordinary activities after finance costs but before exceptional items (5-6)	(2,630.10)	(3,205.09)	2,618.67	(5,952.14)	4,180.68
8	Exceptional items					
	- Settlement provision reversal (refer to note 3)	-	1,458.05	-	1,458.05	-
	- Mohali stock write off and other costs (refer to note 2)	(695.14)	-	-	(695.14)	-
	- (Loss)/ gain on foreign currency option derivatives, net (other than loans) (refer to note 7)	(3,022.10)	(3,671.03)	3,933.25	(5,874.71)	1,386.89
	- Product recall	-	-	-	-	(2,370.20)
	- Provision in respect of non-current investment in a subsidiary	(2,074.98)	(670.02)	(1,030.00)	(2,745.00)	(1,030.00)
9	(Loss)/ profit from ordinary activities before tax (7+8)	(8,422.32)	(6,088.09)	5,521.92	(13,808.94)	4,537.57
10	Tax benefit, net	-	-	-	-	(19.44)
11	Net (loss)/ profit for the period (9-10)	(8,422.32)	(6,088.09)	5,521.92	(13,808.94)	4,537.57
12	Paid - up equity share capital (Face value of Rs. 5 each)	2,115.65	2,115.50	2,111.32	2,115.65	2,111.32
13	Reserves excluding Revaluation Reserves as per Balance Sheet					17,095.10
14	(Loss)/ earnings per share (Rs.) - not annualised					
	Basic	(19.92)	(14.40)	13.09	(32.66)	10.76
	Diluted	(19.92)	(14.40)	13.05	(32.66)	10.72

See accompanying notes to the standalone unaudited financial results

PART II

Select information for the quarter and nine months ended 30 September 2013

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Year ended
		30 September	30 June	30 September	30 September	31 December
		2013	2013	2012	2013	2012
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding #					
	- Number of shares	142,803,325	145,679,333	145,030,478	142,803,325	145,030,478
	- Percentage of shareholding	33.75%	34.43%	34.35%	33.75%	34.35%
2	Promoters and promoter group shareholding					
	a) Pledged/ encumbered					
	- Number of shares	-	-	-	-	-
	- 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
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	63.51%	63.51%	63.64%	63.51%	63.64%

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	Quarter ended 30 September 2013	
B INVESTOR COMPLAINTS		
Pending at the beginning of the quarter		Nil
Received during the quarter		3
Disposed off during the quarter		3
Remaining unresolved at the end of the quarter		Nil

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

Notes:

- 1 Sales outside India 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 include 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 On 16 September 2013 the Company received an 'import alert' from the Food and Drug Administration ("FDA") of the USA on one of its manufacturing unit located in Mohali. The US FDA also advised that the Mohali facility will be subject to certain terms of the Consent Decree earlier signed in January 2012 by the Company. The Company will continue to fully cooperate with the US FDA and take all necessary steps to resolve all the concerns of US FDA at the earliest.
- 3 During preceding quarter, the Company had negotiated and settled with the Department of Justice ("DOJ") of the USA for resolution of civil and criminal allegations as per the decree of the court of Maryland. The Company had recorded a provision of Rs. 26,480 (USD 500 million) in the year ended 31 December 2011, to cover all civil and criminal liability. The settlement of this liability (along with related interest and other cost) in compliance with the terms of settlement is subject to regulatory/ statutory provisions. The abovementioned decretal amount of liability had been paid by the Company's US subsidiaries including Ranbaxy Pharmaceuticals Inc. (RPI), USA, a limited risk distributor. Under the said agreement of distribution, RPI has invoked indemnity for itself and inter alia its affiliates. The settlement amount has accordingly been apportioned between the Company and its US subsidiaries. The resultant accounting adjustment for reversal of earlier provision to the extent of apportionment to the US subsidiaries amounting to Rs.1,458.05 (USD 26.1 million) has been disclosed as an exceptional item in the accompanying financial results for the quarter ended 30 June 2013 and nine months ended 30 September 2013.
- 4 Changes in inventories of finished goods, work-in-progress and stock-in-trade for the nine months ended 30 September 2013 and Claims and contractual expense for the quarter ended 30 June 2013 include prior period adjustment of Rs. 113.51 and Rs. 55.09 respectively.
- 5 Employee benefits expense for the nine months ended 30 September 2013 is net of Rs. 304.58 representing impact of revision in a defined benefit plan applicable to certain employees of the Company.
- 6 Depreciation, amortisation and impairment expense for the quarter and nine months ended 30 September 2013 includes impairment loss of Rs. 485.26 recognised for the vaccine plant at Bangalore due to prevalent market conditions.
- 7 The amount represents foreign exchange (loss)/ gain, 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".
- 8 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 finance costs, depreciation, amortisation and impairment) for all periods presented is set out below:

Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Audited)
	Quarter ended 30 September	Quarter ended 30 June	Quarter ended 30 September	Nine months ended 30 September		Year ended 31 December
	2013	2013	2012	2013	2012	2012
Research and development expenses	1,045.82	1,051.60	1,079.66	3,117.61	3,253.06	4,490.41

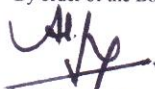
- 9 On exercise of Employees Stock Options, 12,273 equity shares have been allotted on 11 October 2013. The total number of Employees Stock Options outstanding as at 30 September 2013 were 5,959,503, out of which 4,253,505 have vested.
- 10 The Company's business activity falls within a single primary business segment viz. 'Pharmaceutical'.
- 11 Finance costs include exchange differences arising from foreign currency borrowings to the extent that they 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)	(Unaudited)	(Unaudited)	(Unaudited)		(Audited)
	Quarter ended 30 September	Quarter ended 30 June	Quarter ended 30 September	Nine months ended 30 September		Year ended 31 December
	2013	2013	2012	2013	2012	2012
Foreign exchange loss	611.80	1,103.95	-554.98	1,728.45	420.15	1,239.74

- 12 In December 2012, the Company had approved the proposal to integrate the business operations and management of Ranbaxy Unichem Co. Ltd. ('Unichem'), its subsidiary, with Daiichi Sankyo (Thailand) Ltd, a subsidiary of Daiichi Sankyo. The said integration has been completed with effect from 1 October 2013. Pursuant to this, Unichem will become an associate of the Company.
- 13 Previous periods figures have been reclassified to conform to the current period's classification.
- 14 The above results were reviewed by the Audit Committee on 28 October 2013, and approved by the Board of Directors at their meeting held on 29 October 2013 and have undergone a "Limited Review" by the Statutory Auditors of the Company. The review report of the Statutory Auditors is being filed with the Bombay Stock Exchange and the National Stock Exchange and is also available on the Company's website at www.ranbaxy.com.

Place: Gurgaon
Date: 29 October 2013

By order of the Board


Arun Sawhney
CEO and Managing Director