

RANBAXY LABORATORIES LIMITED
Statement of Consolidated Audited Financial Results for the quarter and year ended 31 December 2012
(Rupees in millions, except share data, per share data and if otherwise stated)

PART I

Sr. No.	Particulars	(Audited)	(Unaudited)	(Audited)	(Audited)
		Quarter ended 31 December	Quarter ended 30 September	Quarter ended 31 December	Year ended 31 December
		2012	2012	2011	2012
1	Income from operations				
	(a) Sales				
	- Within India (net of excise duty)	5,476.75	5,881.24	5,036.82	22,008.26
	- Outside India (refer to note 2)	21,231.33	20,803.98	32,483.36	100,520.68
	Net sales (net of excise duty)	26,708.08	26,685.22	37,520.18	122,528.94
	(b) Other operating income	404.06	396.55	741.55	2,068.33
	Total income from operations (net)	27,112.14	27,081.77	38,261.73	124,597.27
2	Expenses				
	(a) Cost of materials consumed	5,519.13	5,277.50	5,754.61	20,609.33
	(b) Purchases of stock-in-trade	4,230.08	5,942.74	4,381.81	18,863.07
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,795.50	(846.26)	337.94	1,128.77
	(d) Employee benefits expense (refer to note 4)	4,813.19	4,770.15	3,863.99	19,284.15
	(e) Depreciation, amortisation and impairment expense	804.76	816.33	1,681.31	3,202.47
	(f) Claims and contractual expense (refer to note 7)	506.04	154.53	6,967.71	11,795.04
	(g) Other expenses	9,438.64	8,288.36	8,066.60	33,537.95
	(h) Foreign exchange loss/ (gain) others, net	281.68	(684.17)	905.51	1,151.68
	Total expenses	27,389.02	23,719.18	31,959.48	109,572.46
3	(Loss)/ profit from operations before other income, finance costs and exceptional items (1-2)	(276.88)	3,362.59	6,302.25	15,024.81
4	Other income	766.73	660.59	432.09	2,731.72
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	489.85	4,023.18	6,734.34	17,756.53
6	Finance costs (refer to note 11)	1,356.50	(155.77)	909.07	3,036.00
7	(Loss)/ profit from ordinary activities after finance costs but before exceptional items (5-6)	(866.65)	4,178.95	5,825.27	14,720.53
8	Exceptional items				
	- Settlement provision (refer to note 3a)	-	-	(26,480.00)	-
	- Product recall (refer to note 3c)	(1,859.54)	-	-	(1,859.54)
	- (Loss)/gain on foreign currency option derivatives, net (other than loans) (refer to note 3b)	(1,798.94)	3,933.25	(8,379.11)	(412.05)
	- Profit on sale of subsidiaries	-	-	-	377.99
9	(Loss)/ profit from ordinary activities before tax (7+8)	(4,525.13)	8,112.20	(29,033.84)	12,448.94
10	Tax expense, net	340.42	541.55	746.74	2,939.04
11	Net (loss)/ profit for the period (9-10)	(4,865.55)	7,570.65	(29,780.58)	9,509.90
12	Share in loss of associate, net	24.51	-	17.89	185.82
13	Minority interest	34.42	28.92	29.22	96.44
14	Net (loss)/ profit after tax, minority interest and share in loss of associate (11-12-13)	(4,924.48)	7,541.73	(29,827.69)	9,227.64
15	Paid - up equity share capital (Face value of Rs. 5 each)	2,114.57	2,111.32	2,110.00	2,114.57
16	Reserves excluding Revaluation Reserves as per Balance Sheet				38,668.43
17	(Loss)/ earnings per share (Rs.) - not annualised				
	Basic	(11.66)	17.87	(70.74)	21.87
	Diluted	(11.66)	17.82	(70.74)	21.78
18	Debt service coverage ratio (refer to note 6)				0.96
19	Interest service coverage ratio (refer to note 6)				5.10

See accompanying notes to the consolidated audited financial results

PART II

Select information for the quarter and year ended 31 December 2012

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		31 December	30 September	31 December	31 December
		2012	2012	2011	2012
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding #				
	- Number of shares	145,239,372	145,030,478	145,827,559	145,239,372
	- Percentage of shareholding	34.34%	34.35%	34.56%	34.34%
2	Promoters and promoter group shareholding				
	a) Pledged / encumbered				
	- Number of shares	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
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	63.54%	63.64%	63.68%	63.54%

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 31 December 2012
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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RANBAXY LABORATORIES LIMITED

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Notes:

- 1 The consolidated audited financial results of Ranbaxy Laboratories Limited ("the Company"), its subsidiaries and an associate (collectively known as "the Group") are prepared in accordance with requirements of the Accounting Standard ("AS") 21 "Consolidated Financial Statements" and AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006 (as amended).
- 2 Sales outside India for all periods presented include significant sales relating to First-To-File (FTF) products in the United States of America ("USA").
- 3 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 on a consideration of the progress in the matter so far, the Company believes will be sufficient to resolve all potential civil and criminal liability. The Company and its subsidiaries are in the process of negotiations which will conclusively pave the way for a Comprehensive DOJ Settlement. The settlement of this liability is expected to be made by the Company in compliance with the terms of settlement, once concluded and subject to other regulatory/statutory provisions.
Any gain/loss on account of changes in exchange rate and related interest expense is presented in the relevant line items.
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".
c. During the quarter ended 31 December 2012, the Company has made a voluntary recall of Atorvastatin Calcium Tablets from the USA market. The amount represents consequential cost (sales return, inventory write off and customer claims) relating to product manufactured/ sold during the quarters ended 30 September 2012 and 31 December 2012.
- 4 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 full 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 qualification of the Auditors in this regard in audited/ reviewed consolidated financial results for the previous year and quarter ended 31 March 2012 and quarter and six months ended 30 June 2012 stands resolved.
- 5 Consolidated Statement of Assets and Liabilities are given below:

Particulars	(Audited)	
	As at 31 December	
	2012	2011
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
a) Share capital	2,114.57	2,110.00
b) Reserves and surplus	38,717.59	26,577.16
Sub-total - Shareholders' funds	40,832.16	28,687.16
2 Share application money pending allotment	11.10	6.66
3 Minority interest	889.52	809.66
4 Non-current liabilities		
a) Long-term borrowings	19,712.83	9,749.54
b) Deferred tax liabilities (net)	132.04	76.57
c) Other long-term liabilities	10,510.84	16,104.40
d) Long-term provisions	2,909.02	2,463.31
Sub-total - Non-current liabilities	33,264.73	28,393.82
5 Current liabilities		
a) Short-term borrowings	28,749.07	30,577.60
b) Trade payables	16,213.71	14,230.88
c) Other current liabilities	14,871.49	26,189.81
d) Short-term provisions	29,820.21	28,305.42
Sub-total - Current liabilities	89,654.48	99,303.71
TOTAL EQUITY AND LIABILITIES	164,651.99	157,201.01
B ASSETS		
1 Non-current assets		
a) Fixed assets	35,761.17	34,192.58
b) Goodwill on consolidation	16,394.58	16,380.01
c) Non-current investments	769.92	955.74
d) Deferred tax assets (net)	488.67	451.67
e) Long-term loans and advances	10,812.70	10,052.32
f) Other non-current assets	301.62	55.27
Sub-total - Non-current assets	64,528.66	62,087.59
2 Current assets		
a) Current investments	20.48	26.46
b) Inventories	27,313.54	26,107.14
c) Trade receivables	20,367.84	30,053.08
d) Cash and cash equivalents (refer to note 10)	46,004.45	30,636.68
e) Short-term loans and advances	4,595.32	4,711.09
f) Other current assets	1,821.70	3,578.97
Sub-total - Current assets	100,123.33	95,113.42
TOTAL ASSETS	164,651.99	157,201.01

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- 6 Due to issuance of debentures in the current year, certain required ratios have been presented. The ratios have been computed as below:
 - Debt service coverage ratio = Earnings before Interest and Tax/ (Interest expense for the year + Principal Repayment for all the loan funds during the year).
 - Interest service coverage ratio = Earnings before Interest and Tax / Interest expense for the year.
 - Earning before Interest and Tax = Earnings from ordinary activity before tax (serial no. 9) + Finance cost (serial no. 6)
- 7 Consequent to disclosure of Claims and contractual expense as a separate line item in these consolidated financial results in accordance with clause 41 of the Listing Agreement, qualification of the auditors in their audit report for the year ended 31 December 2011 and in the review reports for all interim periods of the current financial year for non-disclosure of this expense as a separate line item in those respective consolidated financial results, stands resolved.
- 8 On exercise of Employees Stock Options, 93,050 equity shares have been allotted on 11 January 2013. The total number of Employees Stock Options outstanding as at 31 December 2012 were 6,527,575, out of which 4,196,729 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.
- 9 The Group's business activity falls within a single primary business segment viz. 'Pharmaceutical'.
- 10 Cash and cash equivalents as at 31 December 2012 includes Rs. 27,697.39 (Rs.11,807.12 as at 31 December 2011) represented by "other bank balances" which are due for realisation within twelve months from the reporting date and unclaimed dividend accounts.
- 11 Finance costs include 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	(Audited)	(Unaudited)	(Audited)	(Audited)	
	Quarter ended 31 December	Quarter ended 30 September	Quarter ended 31 December	Year ended 31 December	
	2012	2012	2011	2012	2011
Foreign exchange loss/(gain)	819.59	(554.98)	578.23	1,239.74	2,269.51

- 12 Pursuant to the provisions of the Listing Agreement, the management has decided to publish consolidated audited financial results in the newspapers. However, the standalone audited financial results will be made available on the Company's website at www.ranbaxy.com and also on the websites of the Bombay Stock Exchange Limited (BSE) (www.bseindia.com) and the National Stock Exchange of India limited (NSE) (www.nseindia.com).

Information of standalone audited financial results in terms of Clause 41(VI) (b) of the Listing Agreement is as under:

Particulars	(Audited)	(Unaudited)	(Audited)	(Audited)	
	Quarter ended 31 December	Quarter ended 30 September	Quarter ended 31 December	Year ended 31 December	
	2012	2012	2011	2012	2011
Net sales (net of excise duty)	14,014.27	14,280.38	38,307.93	61,124.43	74,758.96
(Loss)/profit from ordinary activities before tax	(6,180.40)	5,521.92	(27,103.21)	(1,642.83)	(30,486.70)
Net (loss)/ profit for the period	(6,160.96)	5,521.92	(27,103.21)	(1,623.39)	(30,520.49)

- 13 Pursuant to amendments made to the Listing Agreement in respect of format of disclosure of financial results, the consolidated financial results for all periods presented has been prepared in the revised format.
- 14 Previous year/periods figures have been reclassified to conform to the current period's classification.
- 15 The above results were reviewed by the Audit Committee on 25 February 2013, and approved by the Board of Directors at their meeting held on 26 February 2013. The figures for the quarter ended 31 December 2012 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. The audit report of the Statutory Auditors is being filed with the BSE and the NSE and is also available on the Company's website at www.ranbaxy.com.

Place: Gurgaon
Date: 26 February 2013

By order of the Board


Arun Sawhney
CEO and Managing Director

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