RANBAXY LABORATORIES LIMITED

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2014

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

PART I

Sr. No.	Particulars	(Unaudited) Quarter ended 31 December 2014	(Unaudited) Quarter ended 30 September 2014	(Unaudited) Quarter ended 31 December 2013	(Unaudited) Nine months ended 31 December 2014	(Unaudited) (refer to note 15) Corresponding nine months ended 31 December 2013	(Audited) (refer to note 15) Fifteen months ended 31 March 2014
1	**Income from operations**						
	(a) Sales						
	- Within India (net of excise duty)	5,988.90	6,839.09	5,919.23	19,055.01	17,426.99	28,707.33
	- Outside India (refer to note 1)	3,576.26	5,887.78	7,357.15	24,406.82	23,618.77	37,863.06
	Net sales (net of excise duty)	**9,565.16**	**12,726.87**	**13,276.38**	**43,461.83**	**41,045.76**	**66,570.39**
	(b) Other operating income	533.33	462.25	389.25	1,509.75	1,267.08	2,078.98
	Total income from operations (net)	**10,098.49**	**13,189.12**	**13,665.63**	**44,971.58**	**42,312.84**	**68,649.37**
2	**Expenses**						
	(a) Cost of materials consumed	3,141.26	3,359.38	4,327.52	9,307.97	12,618.57	20,653.28
	(b) Purchases of stock-in-trade	2,288.58	2,270.06	2,193.58	6,401.32	5,671.81	9,826.43
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	460.67	1,011.69	(827.02)	2,499.75	(1,392.04)	(1,751.22)
	(d) Employee benefits expense	2,718.85	2,796.68	2,719.14	8,062.91	8,026.53	12,747.28
	(e) Depreciation, amortisation and impairment expense (refer to note 13)	548.14	601.52	458.49	1,806.11	1,848.99	2,801.72
	(f) Legal and professional expense	511.94	602.33	1,610.36	1,524.90	4,304.29	6,654.16
	(g) Other expenses	3,699.92	4,183.03	4,696.13	11,643.22	13,810.89	21,845.72
	(h) Foreign exchange loss/ (gain) (others), net	792.28	522.64	(393.61)	1,339.36	2,459.78	1,918.56
	Total expenses	**14,161.64**	**15,347.33**	**14,784.59**	**42,585.54**	**47,348.82**	**74,695.93**
3	**(Loss)/ profit from operations before other income, finance costs and exceptional items (1-2)**	**(4,063.15)**	**(2,158.21)**	**(1,118.96)**	**2,386.04**	**(5,035.98)**	**(6,046.56)**
4	Other income (refer to note 8)	177.53	200.19	205.99	635.36	959.93	7,848.20
5	**(Loss)/ profit from ordinary activities before finance costs and exceptional items (3+4)**	**(3,885.62)**	**(1,958.02)**	**(912.97)**	**3,021.40**	**(4,076.05)**	**1,801.64**
6	Finance costs (refer to note 11)	1,493.05	1,368.23	1,183.88	4,280.42	3,855.99	5,470.48
7	**(Loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**(5,378.67)**	**(3,326.25)**	**(2,096.85)**	**(1,259.02)**	**(7,932.04)**	**(3,668.84)**
8	Exceptional items						
	- Settlement provision reversal (refer to note 3)	-	-	-	-	1,458.05	1,458.05
	- Inventory provision/ write off and other costs (refer to note 2a)	-	-	(2,703.47)	-	(3,398.61)	(3,557.92)
	- (Loss)/ gain on foreign currency option derivatives, net (other than on loans) (refer to note 6)	(152.82)	(220.04)	1,035.66	(55.43)	(5,657.47)	(3,279.16)
	- Provision in respect of non-current investment in a subsidiary	(119.86)	(136.28)	(194.94)	(375.87)	(2,939.94)	(3,050.96)
	- Provision for other-than-temporary diminution in value of non-current investment in an associate	-	-	-	-	-	(713.11)
	- Profit on sale of intellectual property rights (refer to note 9)	-	-	-	-	-	4,327.69
9	**(Loss) from ordinary activities before tax (7+8)**	**(5,651.35)**	**(3,682.57)**	**(3,959.60)**	**(1,690.32)**	**(18,470.01)**	**(8,484.25)**
10	Tax expense, net (refer to note 4)	8,553.50	-	-	8,645.87	-	305.70
11	**Net (loss) for the period (9-10)**	**(14,204.85)**	**(3,682.57)**	**(3,959.60)**	**(10,336.19)**	**(18,470.01)**	**(8,789.95)**
12	Paid - up equity share capital (Face value of Rs. 5 each)	2,122.44	2,119.49	2,115.48	2,122.44	2,115.48	2,116.60
13	Reserves excluding Revaluation Reserves as per Balance Sheet						8,848.27
14	**(Loss) per share (Rs.) - not annualised**						
	Basic	(33.47)	(8.69)	(9.36)	(24.38)	(43.67)	(20.79)
	Diluted	(33.47)	(8.69)	(9.36)	(24.38)	(43.67)	(20.79)

See accompanying notes to the standalone unaudited financial results

PART II

Select information for the quarter and nine months ended 31 December 2014

Sr. No.	Particulars	Quarter ended 31 December 2014	Quarter ended 30 September 2014	Quarter ended 31 December 2013	Nine months ended 31 December 2014	Corresponding nine months ended 31 December 2013	Fifteen months ended 31 March 2014
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding #						
	- Number of shares	156,289,849	149,313,910	148,001,960	156,289,849	148,001,960	148,773,659
	- Percentage of shareholding	36.77%	35.22%	34.93%	36.77%	34.93%	35.11%
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	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)	63.22%	63.37%	63.41%	63.22%	63.41%	63.41%

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 2014
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

RANBAXY LABORATORIES LIMITED

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2014

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

Notes:

1 Sales outside India also include sales relating to First-To-File (FTF) products in the United States of America ('USA') in certain periods. Further, pursuant to the accounting policy followed by the Company, sales outside India for certain 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.

Sales outside India for the quarter ended 31 December 2014 and 30 September 2014 is net-off reverse transfer pricing adjustments amounting to Rs. 2,375.71 and Rs. 518.87 respectively on account of change in accounting estimates in relation to transfer pricing adjustment recognized in an earlier period for material supplied to a subsidiary of the Company relating to a FTF product.

2 a) The Company had, on 16 September 2013, received an 'import alert' from the Food and Drug Administration of the USA ('US FDA') on its manufacturing facility located in Mohali. Further, on 23 January 2014, the US FDA also prohibited the Company from manufacturing and distributing active pharmaceutical ingredients ('APIs') from its Toansa manufacturing facility and finished drug products containing APIs manufactured at this facility into the US regulated market. Consequentially, both the above facilities are subject to certain terms of the Consent Decree of permanent injunction entered into by the Company in January 2012 ('Consent Decree').

Considering the above matters, provisions/ write-off (primarily relating to inventories, trade commitments, sales return etc.), amounting to Rs. 2,703.47, Rs. 3,398.61 and Rs. 3,557.92 had been recognised in the financial results for the quarter ended 31 December 2013, nine months ended 31 December 2013 and fifteen months ended 31 March 2014 respectively, based on the best information and estimates available with the management.

b) The Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had issued an administrative subpoena dated 13 March 2014 to the Company seeking information primarily related to the Company's API Toansa manufacturing facility in India for which a Form 483 containing findings of the US FDA was issued in January 2014. The Company is fully cooperating with this information request and is in dialogue with the US DOJ for submission of the requisite information.

3 During the fifteen months ended 31 March 2014, the Company had negotiated and settled with the US DOJ for resolution of civil and criminal allegations on 13 May 2013 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 liabilities. The settlement of this liability (along with related interest and other cost) in compliance with the terms of settlement was subject to regulatory/ statutory provisions. The above mentioned decreetal amount of liability (along with related interest and other cost) 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 had invoked indemnity for itself and inter alia its affiliates. The settlement amount had, 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) had been disclosed as an exceptional item in the financial results for the fifteen months ended 31 March 2014.

4 a) During the quarter ended 31 December 2014, the Company received a communication from the US FDA dated 4 November 2014, wherein the US FDA rescinded its previously granted tentative approvals of the Company's abbreviated new drug applications (ANDA) for esomeprazole magnesium delayed-release capsules, 20 mg and 40 mg, as well as, for valganciclovir hydrochloride tablets USP, 450 mg. The US FDA also determined that the Company forfeited its eligibility for 180-day exclusivity for its ANDA for valganciclovir hydrochloride tablets USP, 450 mg. On 14 November 2014, the Company commenced an action in the United States District Court in the District of Columbia ('the Court') against the US FDA and others seeking declaratory and injunctive relief with respect to the US FDA's letter rescinding FDA's prior grant of tentative approval for these ANDAs. On 19 November 2014, the Court entered an order denying Company's motion for a temporary restraining order. On 9 December 2014, the Company moved for a preliminary injunction of the US FDA action against the Company to rescind the grant of tentative approval. This motion is currently pending before the Court, even as the Company received a communication on 26 January 2015 from US FDA determining that the Company has forfeited its 180 day exclusivity for esomeprazole magnesium delayed release capsules, 20 mg and 40 mg. The Company is pursuing all available legal options to preserve its rights.

During the current quarter, the management has reviewed the carrying amount of an asset representing Minimum Alternate Tax (MAT) Credit after taking into consideration, *inter-alia*, the above and the reverse transfer pricing adjustment during the current quarter for a FTF product (refer to Note 1). Accordingly, the Company has decided to provide for the carrying amount of such asset amounting to Rs. 8,227.30 on a conservative basis. However, the Company will retain its eligibility to adjust the MAT credit against normal tax payable on future taxable profits as and when these arise to the extent allowable by the Income Tax Act, 1961 and, further will recognise the deferred tax asset on the allowable carried forward tax losses as and when permitted by the Accounting Standard ('AS') 22 "Accounting for Taxes on Income".

b) Tax expense for the quarter and nine months ended 31 December 2014 includes Rs. 309.83 and Rs. 284.92 respectively as tax expense pertaining to prior periods.

5 The research and development expenses are 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) Quarter ended 31 December	(Unaudited) Quarter ended 30 September	(Unaudited) Quarter ended 31 December	(Unaudited) Nine months ended 31 December	(Unaudited) (refer to note 15) Corresponding nine months ended 31 December	(Audited) (refer to note 15) Fifteen months ended 31 March
	2014	2014	2013	2014	2013	2014
Research and development expenses	1,046.89	1,049.27	1,280.14	3,001.80	3,377.56	5,278.77

6 The amount represents foreign exchange (loss)/ gain, net, on foreign currency option derivatives taken during previous years (other than on option derivatives relating to loans) which are accounted in accordance with AS 30, *"Financial Instruments: Recognition and Measurement"*.

7 On exercise of Employees Stock Options, 640,597 equity shares have been allotted on 22 January 2015. The total number of Employees Stock Options outstanding as at 31 December 2014 were 3,416,269 out of which 2,424,309 have vested.

8 Other income for the fifteen months ended 31 March 2014 include dividend received from Ranbaxy (Netherlands) B.V., a subsidiary of the Company, amounting to Rs. 6,113.97.

9 During the fifteen months ended 31 March 2014, the Company had transferred all significant risks and rewards of ownership of the Intellectual Property of its branded generic product 'Ketanov' (including technology/ know-how, brand, marketing, authorisations, dossiers etc.) to its subsidiary in Romania. The sales consideration of Rs. 4,327.69 was determined by the management on the basis of a valuation report by an expert, using the best estimate. Pursuant to this transaction, the Company had recognised a gain of Rs. 4,327.69 which was disclosed as an exceptional item in the financial results for the fifteen months ended 31 March 2014.

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) Quarter ended 31 December	(Unaudited) Quarter ended 30 September	(Unaudited) Quarter ended 31 December	(Unaudited) Nine months ended 31 December	(Unaudited) (refer to note 15) Corresponding nine months ended 31 December	(Audited) (refer to note 15) Fifteen months ended 31 March
	2014	2014	2013	2014	2013	2014
Foreign exchange loss	788.44	646.65	662.41	2,125.46	2,378.15	2,837.12

RANBAXY LABORATORIES LIMITED

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2014

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Notes:

12 With regard to the Scheme of Arrangement ('Scheme') providing inter-alia reduction of capital and merger of the Company with M/s. Sun Pharmaceutical Industries Limited ('SPIL') with effect from the appointed date of 1 April 2014, the National Stock Exchange of India Limited ('NSE') and the Bombay Stock Exchange Limited ('BSE') have, based on the observations of the Securities and Exchange Board of India ('SEBI') with regard to the Scheme, conveyed their 'No Objection' in July 2014. Subsequently, pursuant to the orders of the Hon'ble High Court of Punjab & Haryana ('Court'), a Court convened meeting of Equity Shareholders was held on 19 September 2014 where Equity Shareholders of the Company had approved the said Scheme with requisite majority. During the quarter, the Competition Commission of India ('CCI') has also approved the merger subject to compliance with certain conditions which the Company is in the process of complying. The Company is also in the process of obtaining the necessary approvals from the concerned authorities in this regard. The next date of hearing before the Court is scheduled for 2 February 2015. Pending such approvals, these results have been prepared without taking cognisance of the proposed merger event.

13 Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rate on certain fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act or as per the management's estimate based on internal evaluation. As a result of this change, the depreciation charge for the quarter and nine months ended 31 December 2014 is higher by Rs. 111.31 and Rs. 430.36 respectively. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of Rs. 179.39 (net of deferred tax impact of Rs. 92.37) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II of the Act.

14 In view of the relevant provisions of the Act, the Company, during the quarter and nine months ended 31 December 2014, has not accrued any remuneration for its CEO and Managing Director, except for certain perquisites and amortization of deferred employees stock options compensation aggregating to Rs 1.24 and Rs 4.26 for the respective periods. The Company has filed an application with the Central Government to obtain the necessary approvals required under the provisions of the Act.

15 During the fifteen months ended 31 March 2014, the Company had changed its financial year from January-December to April-March effective 1 April 2014. In view of this, the previous financial year was for a period of 15 months i.e. 1 January 2013 to 31 March 2014. Accordingly in these financial results, quarter and nine months ended 31 December 2013 are disclosed as corresponding quarter and corresponding nine months of the previous period. The figures for the corresponding nine months are the balancing figures between unaudited published figures in respect of the twelve months ended 31 December 2013 and unaudited published figures for the quarter ended 31 March 2013.

16 During the quarter, the Company has notified the Bank of New York Mellon ("The Bank") to terminate the Deposit Agreements dated 7 July 1994 [under which, the Rule 144A Global Depositary Shares ('GDS')/ Regulation S Global Depositary Shares have been issued] and underlying Global Depositary Receipts ('GDR') program. The Bank has issued notice of termination of the GDR Program to the GDS holders and accordingly, the GDR program has been successfully terminated as per the terms of such notice of termination. The Luxembourg Stock Exchange (LSE) has delisted the GDS from the official list of the LSE and withdrew the trading of GDS on the Euro MTF Market of the LSE effective 15 December 2014.

17 Figures pertaining to previous periods have been reclassified to conform to the current period's classification.

18 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 January 2015 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 NSE and the BSE 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: 28 January 2015