

RANBAXY LABORATORIES LIMITED

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 June 2012

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

PART I

Sr. No.	Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Quarter ended 30 June	Quarter ended 31 March	Quarter ended 30 June	Six months ended 30 June	Six months ended 30 June	Year ended 31 December
		2012	2012	2011	2012	2011	2011
1	Income from operations						
	(a) Sales						
	- Within India (net of excise duty)	5,613.54	5,036.73	4,958.72	10,650.27	9,395.03	19,756.19
	- Outside India (refer to note 2)	26,127.06	31,917.30	15,578.71	58,044.36	32,552.61	79,822.26
	Net sales (net of excise duty)	31,740.60	36,954.03	20,537.43	68,694.63	41,947.64	99,578.45
	(b) Other operating income (refer to note 3)	544.31	723.41	587.53	1,267.72	1,051.20	2,594.74
	Total income from operations (net)	32,284.91	37,677.44	21,124.96	69,962.35	42,998.84	102,173.19
2	Expenses						
	(a) Cost of materials consumed	5,520.88	4,410.73	6,237.47	9,931.61	12,193.51	23,185.90
	(b) Purchases of stock-in-trade	4,156.44	4,533.81	2,775.23	8,690.25	5,363.03	13,220.11
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	597.78	(418.25)	(1,192.26)	179.53	(2,593.74)	(2,879.15)
	(d) Employee benefits expense (refer to note 6)	4,816.41	4,701.67	4,188.30	9,518.08	8,356.90	16,407.84
	(e) Depreciation, amortisation and impairment expense	782.69	798.69	735.40	1,581.38	1,471.26	3,940.17
	(f) Other expenses (refer to note 7)	12,080.14	14,488.09	7,006.49	26,568.23	13,440.20	35,263.02
	(g) Foreign exchange loss/ (gain) others, net	2,504.23	(950.06)	(219.72)	1,554.17	(493.92)	962.23
	Total expenses	30,458.57	27,564.68	19,530.91	58,023.25	37,737.24	90,100.12
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,826.34	10,112.76	1,594.05	11,939.10	5,261.60	12,073.07
4	Other income	697.25	607.15	178.18	1,304.40	726.01	1,444.35
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,523.59	10,719.91	1,772.23	13,243.50	5,987.61	13,517.42
6	Finance costs (refer to note 11)	1,648.66	186.61	250.31	1,835.27	643.14	3,037.38
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	874.93	10,533.30	1,521.92	11,408.23	5,344.47	10,480.04
8	Exceptional items						
	- Settlement provision (refer to note 4a)	-	-	-	-	-	(26,480.00)
	- (Loss)/ gain on foreign currency option derivatives, net (other than loans) (refer to note 4b)	(5,993.52)	3,447.16	1,117.94	(2,546.36)	1,137.78	(11,242.85)
	- Profit on sale of a subsidiary	-	-	-	-	-	377.99
9	(Loss)/ profit from ordinary activities before tax (7+8)	(5,118.59)	13,980.46	2,639.86	8,861.87	6,482.25	(26,864.82)
10	Tax expense, net	682.83	1,374.24	184.56	2,057.07	966.61	1,969.34
11	Net (loss)/ profit for the period (9-10)	(5,801.42)	12,606.22	2,455.30	6,804.80	5,515.64	(28,834.16)
12	Share in loss of associate, net	39.81	121.50	-	161.31	-	65.90
13	Minority interest	16.02	17.08	22.95	33.10	39.42	97.23
14	Net (loss)/ profit after tax, minority interest and share in loss of associate (11-12-13)	(5,857.25)	12,467.64	2,432.35	6,610.39	5,476.22	(28,997.29)
15	Paid - up equity share capital (Face value of Rs. 5 each)	2,110.56	2,110.16	2,106.82	2,110.56	2,106.82	2,110.00
16	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						26,511.19
17	(Loss)/ earnings per share (Rs.) - not annualised						
	Basic	(13.89)	29.56	5.77	15.67	13.00	(68.81)
	Diluted	(13.89)	29.51	5.75	15.63	12.94	(68.81)

See accompanying notes to the consolidated unaudited financial results

PART II

Select information for the quarter ended and six months ended 30 June 2012							
Sr. No.	Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Quarter ended 30 June	Quarter ended 31 March	Quarter ended 30 June	Six months ended 30 June	Six months ended 30 June	Year ended 31 December
		2012	2012	2011	2012	2011	2011
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding #						
	- Number of shares	145,005,743	144,707,624	145,468,296	145,005,743	145,468,296	145,827,559
	- Percentage of shareholding	34.35%	34.29%	34.52%	34.35%	34.52%	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)	63.66%	63.67%	63.77%	63.66%	63.77%	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 June 2012
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	7
Disposed off during the quarter	7
Remaining unresolved at the end of the quarter	Nil

RANBAXY LABORATORIES LIMITED

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 June 2012

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

Notes:

- 1 The consolidated unaudited financials 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 the periods presented include significant sales relating to First-To-File (FTF) products in the United States of America ("USA").
- 3 Other operating income for the quarter and six months ended 30 June 2012 includes prior period milestone income amounting to Rs. 55.42.
- 4 a) On 20 December 2011, the Company agreed to enter into a Consent Decree with the Food and Drug Administration ("FDA") of United States of America ("USA") as a step towards resolving the existing administrative actions taken by the FDA against the Company's Paonta Sahib, Dewas and Gloversville facilities. The Consent Decree was approved by the United States District Court for the District of Maryland on 26 January 2012 and went into effect on the same date. The Consent Decree establishes certain requirements intended to further strengthen the Company's procedures for ensuring the integrity of data in its US applications and good manufacturing practices at its Paonta Sahib and Dewas facilities. Successful compliance with the terms of the Consent Decree is required for the Company to resume supply of products from the Dewas and Paonta Sahib facilities to the USA.

Further, 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".

5 Consolidated Statement of Assets and Liabilities are given below:

Particulars	(Unaudited)	(Audited)
	As at 30 June	As at 31 December
	2012	2011
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
a) Share capital	2,110.56	2,110.00
b) Reserves and surplus	35,219.63	26,577.17
c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	37,330.19	28,687.17
2 Share application money pending allotment	41.19	6.66
3 Minority Interest	784.08	809.66
4 Non-current liabilities		
a) Long-term borrowings	9,679.62	9,749.46
b) Deferred tax liabilities (net)	120.25	76.57
c) Other long-term liabilities	15,327.31	16,108.12
d) Long-term provisions	2,703.18	2,381.64
Sub-total - Non-current liabilities	27,830.36	28,315.79
5 Current liabilities		
a) Short-term borrowings	30,724.74	30,577.60
b) Trade payables	12,413.35	14,242.95
c) Other current liabilities	25,863.92	26,638.77
d) Short-term provisions	30,287.38	28,147.63
Sub-total - Current liabilities	99,289.39	99,606.95
TOTAL EQUITY AND LIABILITIES	165,275.21	157,426.23
B ASSETS		
1 Non-current assets		
a) Fixed assets	35,329.88	34,242.24
b) Goodwill on consolidation	16,344.61	16,330.03
c) Non-current investments	793.91	955.74
d) Deferred tax assets (net)	435.21	451.67
e) Long-term loans and advances	10,414.12	10,107.61
f) Other non-current assets	87.47	70.70
Sub-total - Non-current assets	63,405.20	62,157.99
2 Current assets		
a) Current investments	21.63	26.46
b) Inventories	27,798.51	26,107.14
c) Trade receivables	19,555.83	30,279.57
d) Cash and cash equivalents (refer to note 10)	46,089.53	30,636.68
e) Short-term loans and advances	5,593.78	4,587.69
f) Other current assets	2,810.73	3,630.70
Sub-total - Current assets	101,870.01	95,268.24
TOTAL ASSETS	165,275.21	157,426.23

RANBAXY LABORATORIES LIMITED

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 June 2012

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

Notes:

- 6 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. The Shareholders, at their Annual General Meeting ("AGM") held on 8 May 2012, approved the waiver of recovery of such excess remuneration. The Company would seek requisite approvals as may be required for excess remuneration paid. 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 the quarters ended 31 March 2012 and quarter and six months ended 30 June 2012. The Shareholders at the AGM held on 8 May 2012 had approved re-appointment of Mr. Arun Sawhney as CEO and Managing Director for a period of five years and payment of remuneration to him for a period of three years w.e.f. 1 January 2012. Accordingly, during the quarter ended 31 March 2012 and 30 June 2012, the Company had recorded an expense of Rs. 29.71 and Rs. 30.08 as managerial remuneration. The limits for the managerial remuneration for the year ending 31 December 2012 will be determined as at the year end. Accordingly, the Company, if required, will also take necessary steps to seek requisite approvals in this regard.
- 7 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 the quarter and six months ended 30 June 2012 and quarter ended 31 March 2012. 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 review reports for the quarter and six months ended 30 June 2012 and quarter ended 31 March 2012.
- 8 On exercise of Employees Stock Options, 152,361 equity shares have been allotted on 11 July 2012. The total number of Employees Stock Options outstanding as at 30 June 2012 were 7,333,490, out of which 4,641,862 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 There are two reportable business segments i.e. 'Pharmaceuticals' and 'others'. However, as the management considers the activities of the 'others' segment as immaterial, segment disclosures have not been given.
- 10 Cash and cash equivalents as at 30 June 2012 includes Rs. 23,232.14 (Rs.11,807.12 as at 31 December 2011) represented by "other bank balances" which are due for realisation within 12 months from the reporting date.
- 11 Finance cost includes 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)	(Unaudited)	(Audited)
	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 30 June	Six months ended 30 June	Six months ended 30 June	Year ended 31 December
	2012	2012	2011	2012	2011	2011
Foreign exchange loss/(gain)	1,165.41	(190.28)	84.15	975.13	332.87	2,269.51

- 12 Pursuant to the provisions of the Listing Agreement, the management has decided to publish consolidated unaudited financial results in the newspapers. However, the standalone unaudited 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 unaudited financial results in terms of Clause 41(VI) (b) of the Listing Agreement is as under:

Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 30 June	Six months ended 30 June	Six months ended 30 June	Year ended 31 December
	2012	2012	2011	2012	2011	2011
Net sales	14,727.50	18,102.28	12,410.34	32,829.78	22,954.79	74,758.96
(Loss)/profit from ordinary activities before tax	(9,256.66)	8,272.31	1,449.00	(984.35)	918.47	(30,486.70)
Net (loss)/profit from ordinary activities after tax	(9,256.66)	8,272.31	1,503.75	(984.35)	974.68	(30,520.49)

- 13 Pursuant to amendments made to the Listing Agreement in respect of format of disclosure of financial results, these consolidated unaudited financial results for the quarter and six months ended 30 June 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.

- 14 The above results were reviewed by the Audit Committee on 8 August 2012 and approved by the Board of Directors at their meeting held on 9 August 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: Johannesburg
Date: 9 August 2012

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