REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting 30th Annual Report of the Company and Audited Accounts for the fifteen months period ended March 31, 2014.

Financial Performance

The Company is not carrying any business activity. During the year under review, the Company earned total revenue of Rs.38,449,795. The Company incurred a Loss after tax of Rs.325,725,904. This includes share in loss of the Solrex Pharmaceuticals Company, of which Company is a partner. The Board of Directors have not recommended any dividend.

Change in Financial year

The Board of Directors of the Company approved change in the financial year of the Company from January-December to April-March effective April 1, 2014.In view of this, the current financial year is for a period of 15 months i.e. January 1, 2013 to March 31, 2014.

Particulars with respect of Conservation of Energy/Technology Absorption and Foreign Exchange Earnings and Outgo.

There are no particulars to be furnished with regard to conservation of energy/technology absorption as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Foreign exchange earnings and outgo was Nil, during the period.

Fixed Deposits

The Company has not invited/received any fixed deposits during the period under review.

Particulars of Employees

The Company did not pay remuneration in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956, and the Rules made thereunder.

Directors' Responsibility Statement

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, (Act), your Directors confirm as under:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, wherever applicable;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the Loss of the Company for that period;

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors have prepared the annual accounts on a going concern basis.

Directors

Mr. T. L. Easwar and Mr. Ranjit Kohli resigned from the directorship of the Company effective February 21, 2014 and March 7, 2014 respectively. The Directors place on record their appreciation for valuable services rendered by them during their tenure as Director of the Company. Mr. Amit Rai who was appointed as an Additional Director of the Company on February 21, 2014, resigned on June 30, 2014.The Directors place on record their appreciation for valuable services rendered by him during his tenure as Director of the Company.

Mr. Sanjay Jerry was appointed as an Additional Director of the Company effective March 7, 2014 and holds office up to the date of this Annual General Meeting (AGM). The Company has received a notice along with the requisite deposit from a member under section 160 of the Companies Act, 2013, proposing the candidature of Mr. Sanjay Jerry as Director of the Company.

In accordance with the Articles of Association of the Company, Mr. Sandeep Mehandroo, retires by rotation at the AGM. The Board was further informed that Mr. Mehandroo is eligible for re-appointment as Director of the Company.

Auditors

M/s. B S R & Co. LLP, Chartered Accountants, the retiring Auditors of the Company, holds office from the conclusion of the ensuing Annual General Meeting till the conclusion of sixth consecutive Annual General Meeting, subject to ratification by the shareholders at every Annual General Meeting. They confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

Acknowledgements

Your Directors wish to acknowledge with thanks all stakeholders for their valuable sustained support and encouragement.

On behalf of the Board of Directors

	Sd/-	Sd/-
Place: Gurgaon	(Sandeep Mehandroo)	(Sanjay Jerry)
Dated: May 8, 2014	Director	Director

Ranbaxy Drugs Limited

Accounts for the fifteen months ended 31 March 2014

B S R & Co. LLP
Chartered Accountants

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

Telephone: + 91 124 2549 191
Fax: + 91 124 2549 101

Independent Auditors' Report

To the Members of **Ranbaxy Drugs Limited**

1. Report on the Financial Statements

We have audited the accompanying financial statements of Ranbaxy Drugs Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the fifteen months ended 31 March 2014 ("current period"), and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the fifteen months ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the fifteen months ended on that date.

5. Emphasis of Matter

We draw attention to Note 3 of the financial statements wherein it is stated that, in accordance the Scheme of Amalgamation as approved by the Hon'ble High Court of Delhi and Punjab & Haryana vide their order dated 7 December 2012 and 6 February 2013 respectively, securities premium of the transferor companies aggregating to Rs. 1,424,000,000 had been adjusted in general reserves during the previous year. Had no accounting treatment would have been prescribed by the Scheme, the securities premium in merged entity aggregating to Rs. 1,424,000,000 would have been reflected in the books of the Company as at 31 March 2014 and 31 December 2012, with a consequent reduction in general reserves in accordance with the requirements of Accounting Standard 14, Accounting for Amalgamations. Our Opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

(ii) As required by provisions of section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

e. on the basis of written representations received from the directors as on 31 March 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Gurgaon, India
Date: 8 May 2014

Annexure referred to in paragraph 5 of the Independent Auditors' Report

The Annexure referred to in our report to the members of Ranbaxy Drugs Limited ("the Company") for the fifteen months ended 31 March 2014. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) No fixed assets have been disposed off during the current period.

(ii) The Company does not hold any inventory. Accordingly, the provisions of clause 4(ii) of the Order is not applicable.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) The activities of the Company do not involve purchase of inventory and sale of goods and services. There was no purchase of fixed assets during the current period. Accordingly, the provisions of clause 4(iv) of the order is not applicable.

(v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the activities carried out by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund and Income-tax have been regularly deposited during the current period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund, Cess and any other material statutory dues.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund and Income tax were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.

(x) The Company does not have any accumulated losses at the end of the current period. *However, it has incurred cash losses in the current period.* No cash losses were incurred in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the current period.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the current period.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short-term basis have been used for long-term investment primarily due to recognition of share of loss from investment in partnership firm (refer to note 11 of the financial statements).

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the current period.

(xx) The Company has not raised any money by public issues.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Gurgaon, India
Date: 8 May 2014

Ranbaxy Drugs Limited
Balance Sheet as at 31 March 2014
(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	Note	As at 31 March 2014	As at 31 December 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	31,002,700	31,002,700
Reserve and surplus	5	1,669,137,931	1,994,863,786
		1,700,140,631	2,025,866,486
Current liabilities			
Short-term borrowings	6	9,938,250	9,638,250
Trade payables	7	210,113	481,725
Other current liabilities	8	279,029,954	1,774,051,090
Short-term provisions	9	779,801	3,089,775
		289,958,118	1,787,260,840
TOTAL		1,990,098,749	3,813,127,326
ASSETS			
Non-current assets			
Fixed assets-tangible	10	2,766,719	2,798,056
Non-current investments	11	1,963,943,884	2,594,883,152
Long-term loans and advances	12	1,376,389	4,556,889
		1,968,086,992	2,602,238,097
Current assets			
Cash and bank balances	13	21,519,100	1,206,258,453
Other current assets	14	492,657	4,630,776
		22,011,757	1,210,889,229
TOTAL		1,990,098,749	3,813,127,326
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Gurgaon
Date: 8 May 2014

For and on behalf of the Board of Directors of **Ranbaxy Drugs Limited**

Sandeep Mehandroo
Director

Sanjay Jerry
Director

Gautam
Company Secretary

Place: Gurgaon
Date: 8 May 2014

Ranbaxy Drugs Limited
Statement of Profit and Loss for the fifteen months ended 31 March 2014
(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	Note	For fifteen months ended 31 March 2014	For the year ended 31 December 2012
REVENUE			
Other operating income			
Share in profit from partnership firm		-	120,922,298
Other income			
Interest income on bank deposits		38,449,795	83,750,419
Total revenue		38,449,795	204,672,717
EXPENSES			
Employee benefits	15	558,194	252,336
Depreciation	10	31,337	19,101
Share in loss of partnership firm		350,967,268	-
Other expenses	16	444,436	1,016,876
Total expenses		352,001,235	1,288,313
(Loss) / profit before tax		(313,551,440)	203,384,404
Current tax		12,174,415	27,500,000
(Loss)/profit for the period		(325,725,855)	175,884,404
(Loss) / profit per equity share (Rs.)	17		
Basic and Diluted - Par value of Rs. 10 per share		(105.07)	56.74
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Gurgaon
Date: 8 May 2014

For and on behalf of the Board of Directors of **Ranbaxy Drugs Limited**

Sandeep Mehandroo
Director

Sanjay Jerry
Director

Gautam
Company Secretary

Place: Gurgaon
Date: 8 May 2014

Ranbaxy Drugs Limited
Cash Flow Statement for the fifteen months ended 31 March 2014
(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	For fifteen months ended 31 March 2014	For the year ended 31 December 2012
A. Cash flows from operating activities		
(Loss) / profit before tax	**(313,551,440)**	203,384,404
Adjustments:		
Depreciation	**31,337**	19,101
Interest income	**(38,449,795)**	(83,750,419)
Share of loss / (profit) from partnership firm	**350,967,268**	(120,922,298)
Operating cash flows before working capital changes	**(1,002,630)**	(1,269,212)
Decrease in trade payables and other current liabilities	**(292,748)**	(355,586)
Net cash (used in) from operating activities	**(1,295,378)**	(1,624,798)
B. Cash flows from investing activities		
Realisation from investment in a partnership firm	**279,972,000**	-
Payment of consideration for acquisition of shares (refer to note 8)	**(1,495,000,000)**	-
Interest income on others	**42,587,914**	90,318,458
Income taxes paid	**(11,303,889)**	(26,225,816)
Fixed deposits matured during the period	**37,800,000**	-
Investment in fixed deposits	**(44,000,000)**	(13,800,000)
Net cash generated from investing activities	**(1,189,943,975)**	50,292,642
C. Cash flows from financing activities		
Proceeds from unsecured loan	**300,000**	-
Net cash flows generated from financing activities	**300,000**	-
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(1,190,939,353)**	48,667,844
Cash and cash equivalents at the beginning of the period	**1,192,458,453**	281,981
Add: Received pursuant to the scheme of amalgamation *	-	1,143,508,628
Cash and cash equivalents at the end of the period	**1,519,100**	1,192,458,453
Notes to Cash flow statement:		
1 Components of cash and cash equivalents (Refer to note 13):		
Balance with banks		
- on current accounts	**1,519,100**	2,258,453
- on deposits account with original maturity of less than three months	-	1,190,200,000
Cash and cash equivalents at the end of the period	**1,519,100**	1,192,458,453
Add: other bank balances		
Fixed deposits with original maturity of more than three months but remaining maturity of less than twelve months	**20,000,000**	13,800,000
Cash and bank balances at the end of the period	**21,519,100**	1,206,258,453

2 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified by Central Government in the Companies (Accounting Standard) Rules, 2006.

* Refer to note 3

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

Akhil Bansal
Partner
Membership No.: 090906

Place: Gurgaon
Date: 8 May 2014

For and on behalf of the Board of Directors of **Ranbaxy Drugs Limited**

Sandeep Mehandroo
Director

Sanjay Jerry
Director

Gautam
Company Secretary

Place: Gurgaon
Date: 8 May 2014

1 Company overview

Ranbaxy Drugs Limited ('the Company') was set up in 1984 to carry on the business of dealing in pharmaceutical and related products. However, the Company has not commenced this business activity

During the previous year, the Company had entered into a Scheme of amalgamation ('the Scheme') of the Company's subsidiaries viz. Ranbaxy Drugs and Chemicals Company, Rexcel Pharmaceuticals Limited, Solus Pharmaceuticals Limited, Ranbaxy Life Sciences Research Limited and Ranbaxy SEZ Limited with itself under the provisions of Sections 391 to 394 read with other applicable provisions of the Companies Act 1956 which was approved by the Hon'ble High Courts of Delhi and Punjab & Haryana vide their order dated 7 December 2012 and 6 February 2013 respectively. The appointed date for the merger was 1 April 2012. The Scheme became effective on 9 May 2013 upon approval of the order of the Hon'ble High Courts of Delhi and Punjab & Haryana by Registrar of Companies at Chandigarh.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013), the other relevant provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest rupees

The Board of Directors vide their resolution dated 14 Nov 2013 has approved the change of financial year of the Company from January-December to April-March effective 01 April 2014. In view of this, the current financial year is for a period of 15 months i.e. 01 January 2013 to 31 March 2014 ("current period"). Further, previous year figures include the amounts transfered from companies merged with effect from 1 April 2012 which is the appointed date of scheme of amalgamation (Refer to note 3). Accordingly, the figures for the current period are not comparable with figures for the year ended 31 December 2012 ('previous year') presented in the Statement of Profit and Loss, the Cash Flow Statement and related notes.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Current-non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Assets

An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

Current assets/ liabilities include the current portion of non-current financial assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

d) Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of tangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period end, are shown as capital work-in-progress.

Depreciation on tangible fixed assets is provided using the straight-line method and at the rates specified in Schedule XIV to the Companies Act 1956, which are reflective of the estimated useful lives of the tangible fixed assets.

Depreciation is provided on a pro-rata basis i.e.from the date of acquisition/ installation. Tangible fixed assets, costing individually Rs. 5,000 or less, are depreciated at the rate of 100% p.a.

A tangible fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

B S R & Co. LLP
Chartered Accountants

Ranbaxy Drugs Limited

e) Impairment

Fixed assets (tangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in Statement of Profit and Loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of Revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Investment in the capital of a partnership firm is shown by reference to the capital of the firm on the Balance Sheet date. The Company's share of profit or loss in a partnership firm is recognised in the Statement of Profit and Loss as and when it accrues i.e. when it is computed and credited or debited to the capital/ current/ any other account of the Company in the books of the partnership firm.

g) Revenue recognition

Share of profit from an investment in a partnership firm is recognized on an accrual basis.
Interest income is recognised on a time proportion basis taking into account outstanding and the interest rate applicable.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

i) Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expense is recognised in the Statement of Profit and Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

j) Employee benefits

Short - term employee benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Provident fund

In respect of employees, the Company makes specified monthly contribution towards the employees" provident fund to the provident fund trust administered by the parent Company.

k) Earnings per share ('EPS')

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

B S R & Co. LLP Chartered Accountants

Ranbaxy Drugs Limited

l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

m) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

n) Amalgamation in the nature of merger

The Company accounts for all amalgamations in nature of merger using the 'pooling of interest method' as prescribed in Accounting Standard 14 Accounting for Amalgamations. Assets and liabilities acquired of the transferor company have been recognised at their respective book values. Also, refer to note 3.

B S R & Co. LLP * Chartered Accountants *

Ranbaxy Drugs Limited

(This space has been intentionally left blank)

3 Scheme of amalgamation

a) *Scheme*

During the previous year, the Company had entered into a Scheme of amalgamation ('the Scheme') of the Company's subsidiaries viz. Ranbaxy Drugs and Chemicals Company, Rexcel Pharmaceuticals Limited, Solus Pharmaceuticals Limited, Ranbaxy Life Sciences Research Limited and Ranbaxy SEZ Limited with the Company under the provisions of Sections 391 to 394 read with other applicable provisions of the Act. This scheme was approved by the Hon'ble High Courts of Delhi and Punjab & Haryana vide their order dated 7 December 2012 and 6 February 2013 respectively. The Scheme became effective on 9 May 2013 upon approval of the order of the Hon'ble High Court of Delhi and Punjab & Haryana by the Registrar of Companies at Chandigarh. The appointed date of the merger was 1 April 2012.

The financial statements of the Company for the previous year reflect the effect of the above mentioned merger.

b) *Upon scheme coming into effect:*

- Authorised share capital of Ranbaxy Drugs Limited shall automatically stand increased to 79,050,000 equity shares of Rs. 10 each amounting to Rs 790,500,000 and 21,000,000 preference shares of Rs. 10 amounting to Rs 210,000,000 each by merging the authorised share capital of the transferor companies. It is clarified that the approval of the members of the Transferee Company to the scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum of association of the Transferee Company as may be required under the Act and Clause V of the memorandum of association of the Transferee Company. Accordingly, Clause V of Memorandum of Association of Ranbaxy Drugs Limited shall upon coming into effect of this Scheme be altered.

- The assets, properties including interest, if any, in any partnership firms and undertaking of the Transferor Companies under the provisions of sections 391 to 394 of the Act, and pursuant to the orders of the High Courts, shall stand transferred to and vested in the Transferee Company as a going concern so as to become the undertaking and property of the Transferee Company from the appointed date.

- All assets, properties and undertaking of the Transferor Companies as on the appointed date, whether or not included in the books of the Transferor Companies and all the assets and properties which are acquired by the Transferor Companies on or after the appointed date but prior to the effective date shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of sections 391 to 394 and all other applicable provisions, if any, of the Act, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of sections 391 to 394 of the Act.

- All debts, liabilities, duties and obligations of the Transferor Companies shall pursuant to the orders of the High Courts made under section 394 of the Act be transferred or deemed to be transferred to and vested in and assumed by the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company.

- All debts, liabilities, duties and obligations of the Transferor Companies as on the appointed date, whether or not provided in the books of the Transferor Companies, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the appointed date till the effective date shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- If any suit, appeal or other proceedings of whatever nature by or against the Transferor Companies be pending as on the effective date, the same shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have continued, prosecuted or enforced by or against the Transferor Companies, if the Scheme had not been made.

- All taxes/ cess/ duties payable by or on behalf of the Transferor Companies from the appointed date onwards including all or any refunds and claims pending with the revenue authorities and including the right of carry forward of accumulated losses, MAT Credit, if any, shall for all purposes be treated as the tax/ cess/ duties, liabilities or refunds, claims and accumulated losses of the Transferee Company.

- All the staff, workmen, employees or other labour of the Transferor Companies who are in its employment as on the effective date shall become the staff, workmen, employees or other labour of the Transferee Company with effect from the appointed date without any break or interruption in service and on the terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Companies.

- With effect from the appointed date and upto and including effective date, all profits or incomes accruing or arising to the Transferor Companies, and all expenditure or losses arising or incurred by the Transferor Companies, shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be, including for the purpose of taxation.

- In consideration for the transfer of and vesting of the properties, assets, liabilities and undertakings of the Transferor Companies in the Transferee Company in terms of this Scheme, the Transferee Company shall not be required to issue any shares, since the Transferor Companies are wholly owned subsidiaries of the Transferee Company. Accordingly, all the Equity Shares and Preference Shares held by the Transferee Company in the Transferor Companies shall be cancelled.

c) *The Company has accounted for this merger in the previous year in accordance with the terms of the Scheme which is stated as below:*

Upon the coming into effect of this Scheme and on and from the Appointed Date and subject to any corrections and adjustments as may, in opinion of the Board of Directors of the Transferee Company, be required, the Transferee Company shall account for the amalgamation in its books, as per the provisions of Accounting Standard 14 issued by the Companies (Accounting Standards) Rules, 2006 as under:

- The Transferee Company shall record the assets and liabilities of the Transferor Companies vested in it pursuant to this Scheme, at the respective book values as appearing in the books of the respective Transferor Company.

- The shares held by the Transferee Company in the Transferor Companies shall stand cancelled.

- Any inter-company balances, investments, guarantees etc. either amongst the Transferor Companies or vis-à-vis the Transferee Company shall stand cancelled.

- The difference, being the excess of the book value of the assets over the book value of the liabilities of the Transferor Companies recorded by the Transferee Company in its books of account (after considering the shares held by the Company in the transferor companies) shall be credited to general reserve account. In case of there being a deficit, the same shall be debited to Goodwill Account.

- In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference, if any, will be quantified and adjusted in the general reserve account mentioned earlier, to ensure the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

- It is however specifically provided that the reserve, as created above, shall be a free reserve for all intents and purposes and shall form part of the net worth of the Transferee Company.

B S R & Co. LLP Chartered Accountants

Ranbaxy Drugs Limited

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

Assets and liabilities taken over pursuant to scheme of amalgamation as at appointed date i.e. 1 April 2012

Particulars	Solus Pharmaceuticals Limited	Rexcel Pharmaceuticals Limited	Ranbaxy Life Sciences Research Limited	Ranbaxy Drugs and Chemicals Company	Ranbaxy SEZ Limited
Assets taken over pursuant to scheme of amalgamation					
Non-current assets					
Fixed assets – (net book value)					
Furniture and fixture	2,410	-	-	-	-
Office equipment	63,061	77,046	-	-	-
Non-current investments	1,244,305,077	1,229,655,777			
Long term loans and advances	110,520	2,154,198	10,332	1,469,847	2,948
Current assets					
Cash and bank	384,285,239	382,498,715	287,133,112	89,161,047	430,515
Short term loans and advances	-	-	-	1,072,861	-
Other current assets	1,298,973	1,293,191	1,645,137	6,961,514	-
Total Assets (A)	1,630,065,280	1,615,678,927	288,788,581	98,665,269	433,463
Liabilities taken over pursuant to scheme of amalgamation					
Current liabilities					
Trade payables	104,731	96,513	35,296	35,296	69,075
Other current liabilities	127,362	384,726	-	-	-
Short-term provisions	197,452	1,849,034	32,922	-	-
Total Liabilities (B)	429,545	2,330,273	68,218	35,296	69,075
Assets taken over (C=A-B)	1,629,635,735	1,613,348,654	288,720,363	98,629,973	364,388
Less: Investments made by Ranbaxy Drugs Limited in the transferor companies	783,007,000	735,000,000	230,600,000	62,000,000	500,000
Net assets taken over (E=C-D)	846,628,735	878,348,654	58,120,363	36,629,973	(135,612)

Total of the net assets taken over of the transferor companies taken to general reserve as per the scheme of amalgamation	1,819,592,113

Note: The above accounting treatment is in accordance with the Scheme as approved by the Hon'ble High Court of Delhi and Punjab & Haryana vide their order dated 7 December 2012 and 6 February 2013 respectively. Accordingly, securities premium of the transferor companies aggregating to Rs. 1,424,000,000 had been adjusted in general reserves. Had no accounting treatment would have been prescribed by the Scheme, as at 31 March 2014 and 31 December 2012, the securities premium in merged entity aggregating to Rs. 1,424,000,000 would have been reflected in the books of the Company with a consequent reduction in general reserves in accordance with the requirements of Accounting Standard 14, Accounting for Amalgamations.

B S R & Co. LLP * Chartered Accountants *

Ranbaxy Drugs Limited

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

4 Share capital

	As at 31 March 2014	As at 31 December 2012
Authorised*		
79,050,000 (previous year 79,050,000) equity shares of Rs 10 each	790,500,000	790,500,000
21,000,000 (previous year 21,000,000) preference shares of Rs 10 each	210,000,000	210,000,000
	1,000,500,000	1,000,500,000

* Refer to note 3

	As at 31 March 2014	As at 31 December 2012
Issued, subscribed and fully paid up		
3,100,020 (previous year 3,100,020) equity shares of Rs 10 each	31,000,200	31,000,200
250 (previous year 250) 10% Non-cumulative redeemable preference shares of Rs 10 each	2,500	2,500
	31,002,700	31,002,700

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2014		As at 31 December 2012	
	Number	Amount	Number	Amount
Equity shares of Rs 10 each fully paid up				
At the commencement and end of the period	3,100,020	31,000,200	3,100,020	31,000,200
	3,100,020	31,000,200	3,100,020	31,000,200
10% Non-cumulative redeemable preference shares of Rs 10 each fully paid up				
At the commencement and end of the period	250	2,500	250	2,500
	250	2,500	250	2,500

b. Rights, preferences and restrictions attached to class of shares

Equity Shares

The Company has a single class of equity shares which are issued, subscribed and fully paid up. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on show of hand or through proxy shall be in proportion to his share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Preference Shares

10% non-cumulative redeemable preference shares of Rs. 10 each are held by Ranbaxy Laboratories Limited, the holding company and are redeemable after expiry of 10 years from the date of allotment in May 2008. The holders of these shares are entitled to a non-cumulative dividend of 10%.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on non-cumulative preference shares is not declared for a financial year, the entitlement for that year lapses. However, a non-cumulative preference shareholder acquires voting rights on par with an equity shareholder if the dividend has remained unpaid for a period of not less than two years or for any three years during a period of six years ending with the financial year preceding the meeting. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	As at 31 March 2014		As at 31 December 2012	
	Number	Amount	Number	Amount
Equity shares of Rs. 10 each fully paid up held by:				
Ranbaxy Laboratories Limited, the holding company, along with its nominees	3,100,020	31,000,200	3,100,020	31,000,200
	3,100,020	31,000,200	3,100,020	31,000,200
10% Non-cumulative redeemable preference shares of Rs 10 each fully paid up				
Ranbaxy Laboratories Limited, the holding company.	250	2,500	250	2,500
	250	2,500	250	2,500

Note:
Daiichi Sankyo Co. Ltd., Japan is the ultimate holding company

d. Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2014		As at 31 December 2012	
	Number	% holding in the class	Number	% holding in the class
Equity shares of Rs. 10 each fully paid up held by				
Ranbaxy Laboratories Limited along with its nominees	3,100,020	100	3,100,020	100
	3,100,020	100	3,100,020	100
10% Non-cumulative redeemable preference shares of Rs 10 each fully paid up				
Ranbaxy Laboratories Limited	250	100	250	100
	250	100	250	100

e. During the five years immediately preceding the current period and previous year, neither any bonus shares or shares issued for consideration other than cash that have been issued nor any shares that have been bought back

5 Reserves and surplus

	As at 31 March 2014	As at 31 December 2012
General reserve		
Balance at the beginning of the period	1,819,592,113	-
Add: Addition pursuant to scheme of amalgamation *	-	1,819,592,113
Balance at the end of the period	1,819,592,113	1,819,592,113
*** Refer to note 3**		
(Deficit)/surplus in the Statement of Profit and Loss		
Balance at the beginning of the period	175,271,673	(612,731)
Add: (Loss) / Profit for the period	(325,725,855)	175,884,404
Balance at the end of the period	(150,454,182)	175,271,673
	1,669,137,931	1,994,863,786

6 Short-term borrowings

	As at 31 March 2014	As at 31 December 2012
Inter-corporate deposits (unsecured)	9,938,250	9,638,250
	9,938,250	9,638,250

The Company has taken Inter-Corporate Deposits from Ranbaxy Laboratories Limited, the holding company, which carry Nil interest and are repayable on demand

BSR & Co. LLP * Chartered Accountants *

Ranbaxy Drugs Limited

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

7 Trade payables	As at 31 March 2014	As at 31 December 2012
Trade payables *	210,113	481,725
	210,113	481,725

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no overdues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act

8 Other current liabilities	As at 31 March 2014	As at 31 December 2012
Other payables		
Statutory liabilities	22,954	44,090
Other payable #	279,007,000	1,774,007,000
	279,029,954	1,774,051,090

Represents consideration payable to Ranbaxy Laboratories Limited for acquisition of the shares of Ranbaxy Drugs and Chemicals Company, Ranbaxy Life Sciences Research Limited (equity and preference), Ranbaxy SEZ Limited, Solus Pharmaceuticals Limited and Rexcel Pharmaceuticals Limited as per terms of share transfer agreement. Also, refer to note 3

9 Provisions	Long-term		Short-term	
	As at 31 March 2014	As at 31 December 2012	As at 31 March 2014	As at 31 December 2012
Provision for income tax [net of advance tax and tax deducted at source amounting to Rs. 14,102,070 (previous year 7,419,839)]	-	-	779,801	3,089,775
	-	-	779,801	3,089,775

10 Tangible fixed assets

Particulars	Freehold Land	Furniture and Fixture	Office equipments	Computers	Total
Gross block					
Balance as at 1 January 2012	2,674,640	-	-	-	2,674,640
Acquired pursuant to scheme of amalgamation *	-	547,272	547,390	2,375,036	3,469,698
Balance as at 31 December 2012	2,674,640	547,272	547,390	2,375,036	6,144,338
Balance as at 1 January 2013	2,674,640	547,272	547,390	2,375,036	6,144,338
Balance as at 31 March 2014	2,674,640	547,272	547,390	2,375,036	6,144,338
Depreciation					
Balance as at 1 January 2012	-	-	-	-	-
Acquired pursuant to scheme of amalgamation *	-	544,862	407,283	2,375,036	3,327,181
Depreciation for the year	-	1,778	17,323	-	19,101
Balance as at 31 December 2012	-	546,640	424,606	2,375,036	3,346,282
Balance as at 1 January 2013	-	546,640	424,606	2,375,036	3,346,282
Depreciation for the period	-	632	30,705	-	31,337
Balance as at 31 March 2014	-	547,272	455,311	2,375,036	3,377,619
Net block					
As at 31 December 2012	2,674,640	632	122,784	-	2,798,056
As at 31 March 2014	2,674,640	-	92,079	-	2,766,719

11 Non-current investments	As at 31 March 2014	As at 31 December 2012
(Valued at cost unless stated otherwise)		
Trade		
Other non-current investments		
Unquoted investments		
Investment in equity instruments		
100 (previous year 100) equity shares of Gufic Pharma Limited, a subsidiary of RLL, of Rs. 100 each, fully paid-up, acquired pursuant to scheme of amalgamation*	14,649,300	14,649,300
Investment in a partnership firm		
Share in Solrex Pharmaceutical Company, a partnership firm acquired pursuant to scheme of amalgamation *		
Opening balance	2,580,233,852	-
Acquired pursuant to scheme of amalgamation *	-	2,459,311,554
Add: Share of (Loss) /profit from partnership firm for the period	(350,967,268)	120,922,298
Less: Withdrawal from partnership firm	279,972,000	-
	1,949,294,584	2,580,233,852
	1,963,943,884	2,594,883,152

* Refer to note 3

Name of partner and share of profits/(loss) (%):

	As at 31 March 2014		As at 31 December 2012	
	Capital contribution	% Share in profits	Capital contribution	% Share in profits
Name, capital and profits sharing ratio of the partners :				
Ranbaxy Drugs Limited	1,949,294,584	99.90	2,580,233,852	99.90
Gufic Pharma Limited	3,053,041	0.10	3,434,132	0.10
Total capital of Solrex Pharmaceuticals Company	1,952,347,625	100	2,583,667,984	100

Note:
The Company had during the previous year entered into a share transfer agreements with Ranbaxy Laboratories Limited ("RLL") and Ranbaxy Life Sciences Research Limited Employee Welfare Fund Trust ("trust"). As per the agreements, the shares held by RLL and trust in Ranbaxy Drugs and Chemicals Company, Ranbaxy Life Sciences Research Limited (equity and preference), Ranbaxy SEZ Limited, Solus Pharmaceuticals Limited and Rexcel Pharmaceuticals Limited have been transferred to the Company for a consideration of Rs. 1,780,107,000

Aggregate book value of unquoted non-current investments (net of provision for other-than-temporary diminution)	1,963,943,884	2,594,883,152
Aggregate provision for other-than-temporary diminution in value of non-current investments	-	-
Aggregate carrying amount of 'long-term investments' within the meaning of Accounting standard 13 "Accounting for Investments"	1,963,943,884	2,594,883,152

BSR & Co. LLP * Chartered Accountants *

Ranbaxy Drugs Limited

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

12 Long-term loans and advances *(Unsecured and considered good)*	Non-current portion		Current portion	
	As at 31 March 2014	As at 31 December 2012	As at 31 March 2014	As at 31 December 2012
To parties other than related parties				
Advance tax and tax deducted at source [net of provision for tax amounting to Rs. 37,589,573 (previous year Rs 48,671,751)]	1,376,389	4,556,889	-	-
	1,376,389	4,556,889	-	-

	As at 31 March 2014	As at 31 December 2012
13 Cash and bank balances		
Cash and cash equivalents		
- Balance with banks		
On current accounts *a*	1,519,100	2,258,453
On deposits account (with original maturity of three months or less) *a*	-	1,190,200,000
- Other bank balances *a*	20,000,000	13,800,000
	21,519,100	1,206,258,453
a **Details of bank balances/ deposits**		
Bank balances available on demand/ deposit with original maturity of three months or less included under ' Cash and cash equivalents'	1,519,100	1,192,458,453
Bank deposits due to mature within twelve months of the reporting date included under 'Other bank balances'	20,000,000	13,800,000
	21,519,100	1,206,258,453

	As at 31 March 2014	As at 31 December 2012
14 Other current assets *(Unsecured and considered good)*		
Interest accrued but not due on deposit accounts	492,657	4,630,776
	492,657	4,630,776

	For the fifteen months ended 31 March 2014	For the year ended 31 December 2012
15 Employee benefits		
Salaries, wages and bonus	522,773	234,129
Contribution to provident and other funds	35,421	18,207
	558,194	252,336
16 Other expenses		
Legal and professional fees *	276,414	858,490
Rates and taxes	4,800	10,603
Bank charges	2,612	469
Donation and contribution	100,000	-
Printing and stationary	15,225	-
Miscellaneous expenses	45,385	147,314
	444,436	1,016,876

* Include payment to auditors (including service tax)

As auditor		
Statutory audit	168,540	168,540
Tax audit	56,180	56,180
Reimbursement of expenses	-	15,399
	224,720	240,119

17 Earnings per equity share		
Weighted average number of shares	3,100,020	3,100,020
Net profit / (loss) after tax attributable to equity shareholders	(325,725,855)	175,884,404
Basic and diluted profit / (loss) per share	(105.07)	56.74
Nominal value per equity share	10	10

18 Segment information

In the opinion of the management, there is only one segment as envisaged by Accounting Standard 17 "Segment Reporting". Accordingly, no disclosure for segment reporting has been made in the financial statements.

19 Related party disclosures

(a) Names of related parties

Related parties where control exists	
- Ultimate holding company	Daiichi Sankyo Company Limited, Japan
- Holding company	Ranbaxy Laboratories Limited
- Subsidiary company (with effect from 1 April 2012)	Solrex Pharmaceuticals Company (a partnership firm)
Related parties with whom transactions have taken place during the period:	
- Enterprise under the common control of the holding company ("Enterprise") (upto 31 March 2012)	Solrex Pharmaceuticals Company (a partnership firm)
- Enterprise under the common control of the holding company ("Enterprise")	Ranbaxy Life Sciences Research Limited Employee Welfare Fund Trust

(b) Transactions with related parties

Related party	Nature of transactions	Description of relationship	For the fifteen months ended 31 March 2014	For the year ended 31 December 2012
Solrex Pharmaceuticals Company	Share of (loss) / profit	Enterprise	(350,967,268)	120,922,298
Solrex Pharmaceuticals Company	Withdrawal from partnership firm	Enterprise	279,972,000	-
Ranbaxy Laboratories Limited	Loan received	Holding company	300,000	-
Ranbaxy Laboratories Limited	Current liability paid	Holding company	1,495,000,000	-
Ranbaxy Laboratories Limited	Purchase of shares of fellow subsidiaries	Holding company	-	1,774,007,000
Research Life Sciences Research Limited Employee Welfare Trust	Purchase of shares of fellow subsidiaries	Enterprise	-	6,100,000

(c) Balances due from/ to related parties

Related party	Nature of balances	Description of relationship	As at 31 March 2014	As at 31 December 2012
Ranbaxy Laboratories Limited	Loan payable	Holding company	9,938,250	9,638,250
Ranbaxy Laboratories Limited	Consideration payable for purchase of shares of subsidiary companies	Holding company	279,007,000	1,774,007,000

B S R & Co. LLP * Chartered Accountants *

Ranbaxy Drugs Limited

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

20 Deferred tax

	As at 31 March 2014	As at 31 December 2012
Deferred tax asset arising on account of		
Excess of depreciation on fixed assets provided in accounts over depreciation under income-tax law	32,453	33,329
Total deferred tax asset	32,453	33,329
Net deferred tax asset ^	-	-

^ In absence of reasonable certainty, no deferred tax asset have been recognised as at 31 March 2014

21 Certain amounts, as detailed below, reported for previous year have been reclassified to conform to current year's presentation

Particulars	Amount	Head in which the amount was disclosed in the previous year	Head in which the amount was disclosed in the current period
Payable to the holding company towards acquisition of the shares of merged entities	6,100,000	Other current liabilities	Short term borrowings
Interest Expense	7,940	Finance Costs	Other Expenses
Share in profit of partnership firm	120,922,298	Other income	Other operating income

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

Akhil Bansal
Partner
Membership No. 090906

Place: Gurgaon
Date: 8 May 2014

For and on behalf of the Board of Directors of Ranbaxy Drugs Limited

Sandeep Mehandroo
Director

Sanjay Jerry
Director

Gautam
Company Secretary

Place: Gurgaon
Date: 8 May 2014