

B S R & Co.

(Registered)

Chartered Accountants

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Review Report

To the Board of Directors
Ranbaxy Laboratories Limited

- 1 We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ('Statement') of Ranbaxy Laboratories Limited ("the Company"), its subsidiaries and associate (collectively known as 'the group') for the quarter and nine months ended 30 September 2011, except for the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors on 9 November 2011. Our responsibility is to issue a report on this Statement, based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410-Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 We did not review the unaudited financial results of certain subsidiaries and of an associate, interests in which have been incorporated in the Statement. These subsidiaries and the associate account for 37% and 36% respectively of the total operating income for the quarter and nine months ended 30 September 2011, as shown in the Statement. Of the above:
 - (a) The unaudited financial results of some of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('local GAAP') have been reviewed by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 33% and 32% respectively of total operating income for the quarter and nine months ended on that date, as shown in the Statement. The aforesaid local GAAP financial results have been restated by the management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to the Statement under the generally accepted accounting principles in India. The reporting packages made for this purpose have been reviewed by the other auditors and reports of those other auditors have been furnished to us. Our opinion on the Statement, insofar as it relates to these entities, is based on the aforesaid review reports of those other auditors.

V. Aggarwal

- (b) The unaudited financial results of the remaining subsidiaries and the associate have not been subjected to review either by us or by other auditors, and therefore, the unaudited financial results for the quarter and nine months ended 30 September 2011 of these entities have been furnished to us by the management. These subsidiaries and associate account for 4% and 4% respectively of total operating income for the quarter and nine months ended on that date, as shown in the Statement, and therefore are not material to the Statement, either individually or in the aggregate.
- 4 *Based on our review conducted as above, attention is drawn to Note 7 to the attached Statement, regarding matters referred to therein, which are being negotiated between the Company and the Department of Justice and the Food and Drug Administration (FDA) of the United States of America. In our view, a provision on a best-estimate basis by the management should have been made as per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets. Considering the sensitivity of the matter, verbal representations regarding this matter were made available to us. The Company has not, on the basis that it would seriously prejudice its position, disclosed the amount of demand intimated by the Department of Justice as well as the amount of negotiation offer made by it which is explicitly conditional on the conclusion of all actions including those by the FDA. The management believes, that at present, there is significant uncertainty about the outcome of the above-mentioned matters, and therefore, no provision in this respect has been made in the attached Statement. In the absence of quantification of the provision, we are unable to comment on the impact of the above matter.*
- 5 *Except for the impact of the above substantive issue on the relevant items of the attached Statement, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement issued by Securities and Exchange Board of India (SEBI), including the manner in which it is to be disclosed, or that it contains any material misstatement.*

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



Vikram Aggarwal
Partner
Membership No.: 089826

Place: Gurgaon, India
Date: 9 November 2011