

**RANBAXY LABORATORIES LIMITED**  
**Audited Financial Results for the year ended December 31, 2009**

(Rs in Mn)

Particulars	(STANDALONE)				(CONSOLIDATED)	
	Quarter ended (unaudited) December 31		Year ended (audited) December 31		Year ended (audited) December 31	
	2009	2008	2009	2008	2009	2008
<b>Sales</b>						
- Within India	4,239.77	3,965.93	16,981.62	15,454.78	17,032.78	15,481.73
- Outside India	11,024.71	5,680.37	28,377.47	27,938.85	56,408.54	57,073.50
<b>Total Sales</b>	<b>15,264.48</b>	<b>9,646.30</b>	<b>45,359.09</b>	<b>43,393.63</b>	<b>73,441.32</b>	<b>72,555.23</b>
Less : Excise duty	35.67	67.70	147.29	310.01	147.29	310.01
<b>Net sales</b>	<b>15,228.81</b>	<b>9,578.60</b>	<b>45,211.80</b>	<b>43,083.62</b>	<b>73,294.03</b>	<b>72,245.22</b>
Other operating income	396.52	445.90	2,615.80	1,637.85	2,676.33	1,894.73
<b>Total Operating Income</b>	<b>15,625.33</b>	<b>10,024.50</b>	<b>47,827.60</b>	<b>44,721.47</b>	<b>75,970.36</b>	<b>74,139.95</b>
<b>Total expenditure</b>						
Decrease/(increase) in stock in trade and work in progress	526.54	(321.57)	(352.57)	(1,242.89)	1,097.38	(1,833.04)
Consumption of materials	3,683.82	3,704.38	16,020.79	17,484.86	23,962.49	24,776.87
Purchase of traded goods	1,446.34	1,090.90	4,812.06	4,211.64	7,020.12	8,887.73
Employee cost	1,795.64	1,282.09	7,284.04	6,087.86	14,174.73	12,626.47
Foreign exchange loss/ (gain)	(3,354.11)	10,626.42	(1,790.40)	10,264.46	(1,931.23)	11,064.03
Depreciation and amortization	559.80	628.29	1,482.03	1,544.69	2,676.12	2,824.69
Other Operating expenses	3,740.24	4,073.41	13,614.82	15,715.50	22,591.28	23,843.62
<b>Total expenditure</b>	<b>8,398.27</b>	<b>21,083.92</b>	<b>41,070.77</b>	<b>54,066.12</b>	<b>69,590.89</b>	<b>82,190.37</b>
<b>Profit/(loss) from operations before other income and interest</b>	<b>7,227.06</b>	<b>(11,059.42)</b>	<b>6,756.83</b>	<b>(9,344.65)</b>	<b>6,379.47</b>	<b>(8,050.42)</b>
Interest and other income	1,463.51	775.78	2,763.87	2,086.64	2,935.45	2,599.46
<b>Profit/(loss) before finance cost</b>	<b>8,690.57</b>	<b>(10,283.64)</b>	<b>9,520.70</b>	<b>(7,258.01)</b>	<b>9,314.92</b>	<b>(5,450.96)</b>
Interest expense	54.79	367.18	394.66	1,458.28	710.43	2,055.01
Foreign exchange (gain)/ loss on loans	(813.21)	1,698.13	(1,493.13)	7,474.52	(1,493.13)	7,494.35
<b>Profit/(loss) from ordinary activities before tax</b>	<b>9,448.99</b>	<b>(12,348.95)</b>	<b>10,619.17</b>	<b>(16,190.81)</b>	<b>10,097.62</b>	<b>(15,000.32)</b>
Tax expense/ (benefit)	4,566.66	(4,158.73)	4,899.33	(5,742.79)	6,990.87	(5,650.84)
<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>4,882.33</b>	<b>(8,190.22)</b>	<b>5,719.84</b>	<b>(10,448.02)</b>	<b>3,106.75</b>	<b>(9,349.48)</b>
Share in loss of associates(Net)					(32.38)	(78.21)
Minority interests					(109.45)	(84.37)
<b>Profit/(Loss) after tax and minority interests</b>					<b>2,964.92</b>	<b>(9,512.05)</b>

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(Rs in Mn)

Particulars	(STANDALONE)				(CONSOLIDATED)	
	Quarter ended (unaudited) December 31		Year ended (audited) December 31		Year ended (audited) December 31	
	2009	2008	2009	2008	2009	2008
Paid - up equity share capital (Face value of Rs. 5 each)	2,102.09	2,101.85	2,102.09	2,101.85	2,102.09	2101.85
Reserves excluding revaluation reserves			37,485.42	33,309.22	39,502.35	38,918.97
<b>Earnings per share (Rs.)</b>						
Basic	11.61	(21.90)	13.61	(27.29)	7.05	(24.85)
Diluted	9.69	(21.90)	10.74	(27.29)	4.60	(24.85)
Public shareholding #						
- Number of shares	146,204,850	144,431,309	146,204,850	144,431,309	146,204,850	144,431,309
- Percentage of shareholding	34.78%	34.36%	34.78%	34.36%	34.78%	34.36%
Promoters and promoter group share holding						
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%	100.00%	100%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	63.92%	63.92%	63.92%	63.92%	63.92%	63.92%

# Aggregate Public shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by Promoters and GDRs)

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**RANBAXY**  
**LABORATORIES LIMITED**  
**Audited Financial Results**  
**for the year ended December 31, 2009**

**Notes**

- 1 Other operating income mainly includes export benefits and income arising out of milestone payments and exclusivity settlements.
- 2 The research and development expenditure is classified under respective heads according to the nature of expense. The aggregate amount of such expenditure (excluding depreciation) for all periods presented is set out below :-

Particulars	STANDALONE				(Rs in Million)		CONSOLIDATED	
	Quarter ended December 31		Year ended December 31		Year ended December 31			
	2009	2008	2009	2008	2009	2008		
Research and development expenses	1,650.12	1,062.83	4,721.84	4,155.46	4,875.21	4,313.90		

- 3 Foreign exchange loss/(gain) includes loss/(gain) on foreign currency option derivatives (other than derivatives relating to loans) which are determined to be ineffective cash flow hedges in accordance with Accounting Standard 30, *Financial Instruments: Recognition and measurement*. The amount of such (gain)/loss for all periods presented is set out below:

Particulars	(Rs in Million)			
	Quarter ended December 31,		Year ended December 31,	
	2009	2008	2009	2008
Foreign exchange (gain)/loss on option derivatives	(3,889.88)	10,154.42	(3,213.88)	10,990.42

- 4 Foreign exchange (gain) /loss on loans represents exchange differences on foreign currency borrowings including Foreign Currency Convertible Bonds and mark to market (gain)/loss on outstanding derivatives relating to loans.
- 5 The segment information with respect to Consolidated results is set out below:

Particulars	(Rs in Million)	
	Year ended December 31,	
	2009	2008
<b>External revenue</b>	<b>75,970.36</b>	<b>74,139.95</b>
Pharmaceuticals	75,969.46	74,139.35
Others	0.90	0.60
<b>Profit/(loss) before tax</b>	<b>10,097.62</b>	<b>(15,000.32)</b>
Pharmaceuticals	10,096.87	(15,004.14)
Others	0.75	3.82
<b>Profit/(loss) after tax</b>	<b>3,106.75</b>	<b>(9,349.48)</b>
Pharmaceuticals	3,106.12	(9,353.30)
Others	0.63	3.82
<b>Capital employed</b>	<b>43,434.13</b>	<b>42,962.52</b>
Pharmaceuticals	43,417.24	42,946.24
Others	16.90	16.28

- 6 On the basis of profit from operations made subsequent to year end, profit on sale of materials relating to a First to File (FTF) product in the United States of America, milestone payment from an exclusivity settlement and certain other factors, the Company believes that there is virtual certainty in respect of the carrying amount of net deferred tax asset. Consequently, an amount of Rs. 1296.83 Million in standalone and Rs. 2214.17 Million in consolidated financials, representing excess over the amount arrived at on the basis of test of virtual certainty, has not been recognized as deferred tax asset.  
Further, due to a similar assessment as mentioned above, the deferred tax asset of Rs.1,227 Million relating to premium payable on redemption of FCCBs has not been carried forward with corresponding adjustment through Share Premium Account.
- 7 The Company received a sum of Rs. 35,848.78 Million consequent to the allotment of equity shares and warrants on preferential basis to Daiichi Sankyo Company, Limited, Japan on October 20, 2008. These proceeds have been utilized in line with the objects of the preferential issue, towards repayment of borrowings Rs. 34,600.05 Million and strategic investment of Rs 1,248.73 Million.
- 8 On exercise of stock options, 1,05,888 equity shares have been allotted on January 13, 2010.
- 9 The total number of Employee Stock Options outstanding as at December 31, 2009 are 7,413,016 of which 3,906,091 have vested.
- 10 The entitlement of shares on exercise of stock options granted on or before October 3, 2002 would increase in the proportion of 3:5, keeping in view issue of Bonus shares on October 11, 2002.
- 11 Status of investor complaints: a) Pending as on Sep 30, 2009- Nil; b) Received during the quarter-10-c) Disposed off during the quarter-10 d) Pending as on December 31, 2009 Nil
- 12 With reference to qualification of the previous statutory auditors as mentioned in their report on the accounts of the Company for the year ended December 31, 2008, Central Government vide its letters dated May 12, 2009 and February 03, 2010 approved the waiver of recovery of excess remuneration paid to the Executive Directors of the Company.
- 13 During the quarter,
  - a) with a view to leverage business opportunities, the Company has incorporated wholly owned subsidiary companies in Japan and Mexico.
  - b) the Company has divested its entire stake in its subsidiary company in China and joint venture company in Japan.
 The results of operations of these two entities are consolidated till the date of divestment in the consolidated Profit & Loss.
- 14 Figures for previous periods have been regrouped and recasted, wherever necessary, to correspond with the figures of the current periods.
- 15 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 24, 2010 and February 25, 2010 respectively.

By order of the Board

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Atul Sobti

CEO & Managing Director

Place : Gurgaon

Date : February 25, 2010

Regd. Office : A-11, Industrial Area, Sahibzada Ajit Singh Nagar (Mohali) - 160 055 (Punjab)

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