

# BSR & Co.

(Registered)

Chartered Accountants

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To the Board of Directors  
**Ranbaxy Laboratories Limited**

1. We have audited the accompanying Standalone Financial Results ('Statement') of Ranbaxy Laboratories Limited ('the Company') for the year ended 31 December 2011, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 December 2011 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. The Statement has been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter. Management is responsible for the preparation of the Statement that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

3. Our responsibility is to express an opinion on the Statement based on our audit of the annual financial results. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement(s).

An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

4. *As stated in Note 5 of the attached Statement, the managerial remuneration paid by the Company to its Chief Executive Officer 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 million. We are informed that as required by the relevant provisions of the Act, the Company is taking necessary steps to seek approval from the Shareholders of the Company and the Central Government for excess remuneration paid. Pending the said approvals in this regard, the impact thereof on the attached Statement cannot be determined.*

*V. Aggarwal*

**B S R & Co.**

5. *As stated in Note 8 of the attached Statement, the claims and contractual payment expense included in other operating expenses for the quarter and year ended 31 December 2011 qualifies for a separate line item disclosure in accordance with clause 41 of the Listing Agreement with the Stock Exchange as the same is more than 10% of total expenditure for the quarter and year ended 31 December 2011. As informed to us, the Company has not disclosed the said amount as a separate line item in view of certain terms of agreement between the parties.*
6. Without qualifying our opinion, we draw attention to note 4(a) of the attached Statement, wherein it has been stated that the management is negotiating towards a settlement with the Department of Justice ("DOJ") of the United States of America for resolution of potential civil and criminal allegations by the DOJ. Accordingly, a provision of Rs. 26,480 million has been recorded which the management believes will be sufficient to resolve all potential civil and criminal liability. Consequent upon the development leading towards a settlement and the Company making a provision as above, the comments made in our review report of the quarter and nine months ended 30 September 2011 on the matter stand resolved.
7. In our opinion and to the best of our information and according to the explanations given to us the Statement:
  - (i) *Subject to our comments in paragraph (5) above, is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and*
  - (ii) *Subject to our comment in paragraph (4) above, the effect of which is not ascertainable, gives a true and fair view of the net loss and other financial information of the Company for the year ended 31 December 2011.*
8. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



**Vikram Aggarwal**  
*Partner*  
Membership No.: 089826

Place: Gurgaon, India  
Date: 23 February 2012