

# REPORT ON CORPORATE GOVERNANCE

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

In order to ensure sustainable returns to all stakeholders of the business, it is imperative, especially for large organizations, to adopt and follow certain policies, procedures and processes, which together constitute a "Code of Corporate Governance". It is important that such a Code is institutionalized, to ensure transparency, consistency and uniformity of decision making processes and actions. Ranbaxy has always believed in such a "Sound" Code of Corporate Governance, as a tool for highest standards of management and business integrity.

## 2. BOARD OF DIRECTORS

The details of Directors on the Board of the Company as on December 31, 2012, are as under:

Name of the Director	Category	Number of Directorships held in other companies <sup>®</sup>	Number of Board Committee memberships held in other companies <sup>^</sup>	Number of Chairmanship of Board Committees held in other companies <sup>^</sup>
Dr. Tsutomu Une, Chairman	Non-Executive-Non-Independent	-	-	-
Mr. Takashi Shoda	-do-	-	-	-
Dr. Kazunori Hirokawa*	-do-	-	-	-
Dr. Anthony H. Wild	Non-Executive-Independent	-	-	-
Mr. Akihiro Watanabe	-do-	-	-	-
Mr. Percy K. Shroff	-do-	-	-	-
Mr. Rajesh V. Shah	-do-	4	1	-
Mr. Arun Sawhney,** CEO & Managing Director	Executive	-	-	-

<sup>®</sup> Excludes private and foreign companies and companies registered under Section 25 of the Companies Act, 1956.

<sup>^</sup> Includes only the membership of Audit and Shareholders'/Investors' Grievance and Share Transfer Committees of Indian public limited companies.

\* Dr. Kazunori Hirokawa was appointed as an Additional Director on May 9, 2012.

\*\* Mr. Arun Sawhney was re-appointed as CEO & Managing Director of the Company by the Shareholders for a further period of five years effective January 1, 2012.

### Note:

None of the Directors are related inter-se.

## 3. BOARD MEETINGS

Dates of Board meetings are fixed in advance. Agenda papers are circulated to Directors in advance through a specifically designed portal for the Board of Directors and hard copies are also made available to the Directors.

### Meetings and Attendance

During the year 2012, **five** Board meetings were held on January 21, February 23, May 9, August 9 and November 8, 2012.

Attendance of Directors at Board Meetings and at the Annual General Meeting (AGM)		
Name of the Director	No. of Board Meetings attended	Whether Attended the AGM held on May 8, 2012
Dr. Tsutomu Une	5	Yes
Mr. Takashi Shoda	5	Yes
Dr. Anthony H. Wild	5	Yes
Mr. Akihiro Watanabe	5	Yes
Mr. Percy K. Shroff	5	Yes
Mr. Rajesh V. Shah	5	Yes
Dr. Kazunori Hirokawa	3	N.A.
Mr. Arun Sawhney	5	Yes

At the Board Meeting held on February 23, 2012, Mr. Indrajit Banerjee, President & CFO was made a permanent Invitee for the Board meetings.

#### 4. COMMITTEES OF THE BOARD

##### (i) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of reference include –

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.
- Approving internal audit plans and reviewing efficacy of the function.
- Discussion and review of periodic audit reports.
- Discussions with external auditors about the scope of audit including the observations of the auditors.
- Recommend to the Board, appointment of the statutory auditors and fixation of audit fees.
- Reviewing with the management the performance of statutory and internal auditors.

Minutes of meetings of the Audit Committee are circulated to members of the Committee, Board and the Invitees.

##### Composition and Attendance

During the year 2012, **four** meetings of the Audit Committee were held on February 22, May 8, August 8 and November 7, 2012 respectively. The composition of the Committee and details of the meetings attended by the members during the year are as under:

Name of the Member	No. of Meetings attended
Mr. Akihiro Watanabe, Chairman	4
Dr. Tsutomu Une	4
Dr. Anthony H. Wild	4
Mr. Percy K. Shroff	4
Mr. Rajesh V. Shah	4
<b>Permanent Invitee</b>	
Mr. Arun Sawhney	4

Mr. Takashi Shoda and Dr. Kazunori Hirokawa attended four and two meetings respectively as invitees.

Members of the Audit Committee are financially literate and have held or hold senior positions in reputed organizations. The Chairman of the Audit committee has accounting and financial management expertise.

The Statutory Auditors, Internal Auditor, Cost Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting held on May 8, 2012.

##### (ii) Compensation Committee

The Company has constituted a Compensation Committee whose terms of reference include –

- Administration and superintendence of Employee Stock Option Schemes (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options.
- Recommendation for fixation and periodic revision of compensation of the CEO & Managing Director and Executive Directors to the Board for approval, review and approve compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.

Minutes of meetings of the Compensation Committee are circulated to members of the Committee, Board and the Invitees.

##### Composition and Attendance

During the year 2012, **two** meetings of the Compensation Committee were held on January 21 and February 22, 2012. The composition of the Committee and details of the meetings attended by the members during the year are as under:

Name of the Member	No. of Meetings attended
Mr. Rajesh V. Shah, Chairman	2
Dr. Tsutomu Une	2
Mr. Percy K. Shroff	2
Dr. Anthony H Wild	2
<b>Permanent Invitee</b>	
Mr. Arun Sawhney	2

Mr. Takashi Shoda and Mr. Akihiro Watanabe attended the above Compensation Committee meetings as invitees. Mr. Indrajit Banerjee, President & CFO also attended the meeting held on February 22, 2012.

Senior Executives of the HR Function are invited to make presentations at the meetings of the Committee.

### Remuneration Policy

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company, its divisions and units;
- Track record, potential and performance of individual managers; and
- External competitive environment.

### Remuneration to the CEO & Managing Director

Remuneration has been paid to Mr. Arun Sawhney, CEO & Managing Director of the Company, pursuant to the approvals of the Shareholders, Board of Directors and Compensation Committee, as under:

Name of the Director	Salary, Allowances & Incentive	Commission	Perquisites	Retiral Benefits	Stock Options (Number)	Service Contract	
						Tenure	Notice Period
	----- Rs. Lacs -----						
Mr. Arun Sawhney	892.23 <sup>®</sup>	–	47.23*	32.63	15,759	5 years	6 months

<sup>®</sup> Excludes Retention Bonus, which the Board is authorized to pay to Mr. Arun Sawhney on completion of three years of services.

\* Includes perquisite value of stock options.

### Notes:

1. The shareholders of the Company in their Annual General Meeting held on May 8, 2012 (AGM) approved the re-appointment of Mr. Arun Sawhney as the CEO & Managing Director for a period of five years and payment of remuneration for a period of three years effective January 1, 2012 on terms as set out in the AGM Notice. The appointment and payment of remuneration to Mr. Arun Sawhney is in accordance with the conditions stipulated under Notification No. GSR 534 (E) dated July 14, 2011 read with the clarification dated August 16, 2012, issued by the Ministry of Corporate Affairs.
2. During the year, Mr. Arun Sawhney was granted 15,759 stock options pursuant to Employee Stock Option Plan-2011 of the Company, which will vest over a period of three years from the date of grant. Under the said Plan, each option is exercisable for one equity share at face value of Rs.5/- each.
3. Retiral benefits are exclusive of provisions for future liabilities in respect of retirement benefits (which are based on actuarial valuation done on overall Company basis).

### Remuneration to Non-Executive Directors

The Company benefits from diverse professional expertise and experience of its Non-Executive Directors as they make valuable contributions at the Board and Committee meetings, review the operations and advise on the major issues and strategy of the Company.

Keeping in view their contribution and the statutory responsibility being shouldered by them, the Shareholders of the Company at the Annual General Meeting held on May 8, 2012 unanimously approved the payment of remuneration of Rs. 50 Lacs to each of the Non-Executive Non-Independent Directors and Rs.100 Lacs to each of the Non-Executive Independent Directors for the year 2011, 2012 and 2013 subject to requisite approval of the Central Government. Post approval of the Central Government, the Non-Executive Directors were paid remuneration for the year 2011 as approved by the Shareholders. Dr. Kazunori Hirokawa was appointed as Non Executive Director effective May 9, 2012. Approval of the Shareholders is being sought to pay him remuneration of Rs.32.5 Lacs for the period from May 9, 2012 to December 31, 2012 and Rs.50 Lacs for the financial year 2013 at par with other Non-Executive Non-Independent Directors subject to requisite approval of the Central Government. The Company would seek approval of the Central Government for payment of remuneration to the Non-Executive Directors as approved by the shareholders for the year 2012.

The Non-Executive Directors are also paid sitting fees for attending Board/Committee meetings. Details of sitting fees and remuneration paid to the Non-Executive Directors during the year are as under:

Name of the Director	Remuneration for the year 2011 (Rs. Lacs)	Sitting Fees (Rs. Lacs)
Dr. Tsutomu Une	50	2.65
Mr. Takashi Shoda	50	1.40
Mr. Rajesh V. Shah	100	2.20
Mr. Percy K. Shroff	100	2.45
Dr. Anthony H. Wild	100	2.60
Mr. Akihiro Watanabe	100	1.80
Dr. Kazunori Hirokawa	–	0.60

None of the Non-Executive Directors holds any shares in the Company.

**(iii) Science Committee**

The terms of reference of Science Committee include review focus areas of research and monitoring progress on generic development.

Minutes of meetings of the Science Committee are circulated to members of the Committee, Board and the Invitees.

**Composition and Attendance**

During the year 2012, **two** meetings of the Science Committee were held on February 22 and November 7, 2012. The composition of the Committee and details of the meetings attended by the members during the year are as under:

Name of the Member	No. of Meetings attended
Dr. Tsutomu Une, Chairman	2
Mr. Takashi Shoda	2
Dr. Anthony H. Wild	2
Mr. Arun Sawhney	2
<b>Permanent Invitee</b>	
Dr. Sudershan K. Arora-President-R&D	2

Dr. Kazunori Hirokawa and Mr. Akihiro Watanabe, Directors, attended one meeting of Science Committee as invitees.

Dr. Hirokawa was inducted as a member of the Science Committee effective November 8, 2012 and nominated as the Chairman of the Committee effective January 21, 2013 in place of Dr. Tsutomu Une.

**(iv) Shareholders'/Investors' Grievance and Share Transfer Committee**

The Shareholders'/Investors' Grievance and Share Transfer Committee has been constituted as per the provisions set out in the Listing Agreement. The terms of reference include –

- Approve transfers, transmissions, issue of duplicate certificates, transpositions, change of names etc, and to do all such acts, deeds, matters and things as connected therewith.
- Review complaints of the shareholders and action taken by the Company.

Minutes of meetings of the Shareholders'/Investors' Grievance and Share Transfer Committee are circulated to members of the Committee and the Board.

**Composition and Attendance**

During the year 2012, **five** meetings of the Committee were held on February 10, April 16, June 25, October 4 and December 7, 2012. The composition of the Committee and details of the meetings attended by the members during the year are as under:

Name of the Member	No. of Meetings attended
Mr. Percy K. Shroff, Chairman	5
Dr. Tsutomu Une	1
Mr. Arun Sawhney	5

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

The Company received 17 shareholders' complaints which inter-alia included non-receipt of dividend, annual report, share certificates etc. The complaints were duly attended to and the Company has furnished necessary documents/information to the shareholders. There are no complaints pending as on December 31, 2012.

The Shareholders'/Investors' Grievance and Share Transfer Committee reviews complaints received and action taken by the Company in this regard.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. S.K. Patwari, Company Secretary is the Compliance Officer of the Company.

## 5. GENERAL BODY MEETINGS

Details of the General Meetings held in the last three years:

### Annual General Meeting

Year	Date	Day	Time	Venue	Special Resolutions Passed
2010	10-5-2010	Monday	11.00 A.M.	The National Institute of Pharmaceutical Education & Research, Sector 67, S.A.S. Nagar, Punjab	No Special Resolution passed.
2011	9-5-2011	Monday	11.00 A.M.	The National Institute of Pharmaceutical Education & Research, Sector 67, S.A.S. Nagar, Punjab	<ul style="list-style-type: none"> <li>Approval under Section 81(1A) of the Companies Act, 1956 for allotment of 3,000,000 Equity Shares to the eligible employees, including any Director of the Company under Ranbaxy Employee Stock Option Plan-2011.</li> <li>Approval under Section 81(1A) of the Companies Act, 1956 for allotment of Equity Shares within the aforesaid overall ceilings of 3,000,000 Equity Shares to the eligible employees including any Director of any current or future subsidiaries of the Company under Ranbaxy Employee Stock Option Plan-2011.</li> </ul>
2012	8-5-2012	Tuesday	11.00 A.M.	The National Institute of Pharmaceutical Education & Research, Sector 67, S.A.S. Nagar, Punjab	<ul style="list-style-type: none"> <li>Approval for payment of remuneration to the Non-Executive Directors for the years 2011, 2012 and 2013.</li> <li>Approval for waiver of recovery of excess remuneration paid to Mr. Arun Sawhney for the year 2011.</li> <li>Approval for re-appointment of Mr. Arun Sawhney as CEO &amp; Managing Director of the Company for a period of five years with effect from January 1, 2012 and fixation of ceilings of remuneration for a period of three years.</li> </ul>

## 6. CODE OF CONDUCT

The Code of Conduct for the Directors and Employees of the Company is posted on the website of the Company.

### Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Ranbaxy Code of Conduct for the financial year ended December 31, 2012.

Arun Sawhney  
CEO & Managing Director

Gurgaon (Haryana)  
February 8, 2013

## 7. Certificate from CEO and CFO

Certificate from CEO and CFO of the Company, for the financial year ended December 31, 2012, forms part of the Annual Report.

## 8. DISCLOSURES

### A. Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company.

### B. Disclosure of Compliances by the Company

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

### C. Disclosure of Accounting Treatment

There have not been any significant changes in the accounting policies during the year.

### D. Risk Management

The Board of Directors is apprised about Risk Management framework, methodology for categorization of risk and mitigation plans.

- E. The Company has complied with all the mandatory requirements and has adopted non-mandatory requirements as per details given below:

**(1) The Board**

The Company maintains the Office of the Chairman at its Corporate Office at Plot No. 90, Sector 32, Gurgaon-122001 (Haryana) and also reimburses the expenses incurred in performance of his duties.

There is no fixed tenure for Independent Directors.

**(2) Remuneration Committee**

The Company has constituted Compensation Committee as detailed in 4(ii) hereinabove. As mentioned therein, the Committee comprises of Non-Executive Directors with the majority of Independent Directors. All the Independent Directors are eminent and qualified individuals having rich and varied experience. The Chairman of the Compensation Committee is an Independent Director and was present at the last Annual General Meeting.

**(3) Shareholders Rights**

The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication" at Sl. No. 10 below herein and also displayed on the website of the Company. Press Releases on quarterly results are sent through email to the shareholders.

**(4) Auditors' Report**

With regard to the comments contained in the Auditors' Report, explanations are given below:

- i) The accumulated losses of the Company at the end of the year are not less than fifty percent of its net worth.  
The accumulated losses are primarily due to provision of Rs. 26,480 million created by the company in the year ended December 31, 2011 for settlement with the Department of Justice (DOJ) of the United States of America for resolution of potential civil and criminal allegations by the DOJ. (Note 8 of the Financial Statements)
- ii) Short term funds used for long term purposes.  
The Company has made a provision of Rs. 26,480 million in the previous accounting year for settlement with the DOJ. This has resulted into long-term funds being lower by Rs. 5,558.22 million compared to long-term assets as at 31 December 2012. Accordingly, short-term funds of Rs. 5,558.22 million have used for long-term purposes which is temporary in nature.

**(5) Training of Board Members**

Presentations on business segments, operations, key markets, strategy, regulatory frameworks, risk assessment & management are made to the Board of Directors from time to time. Further, Directors are updated about the major developments related to the Company. The Directors also visit important locations of the Company for understanding and review of the Company's operations.

**(6) Mechanism for evaluating Non-Executive Board Members**

The Company benefits from diverse professional expertise and experience of Non-Executive Directors. The Directors make contributions at the Board/Committee meetings, review of the operations and advise on the major issues and strategy of the Company from time to time. The Company also benefits from the advice of Non-Executive Directors sought by the management on critical issues from time to time. The contributions made and the time devoted by the Non-Executive Directors are recognized by the Company. The Board of Directors at its meeting held on January 20, 2013 constituted a Nomination Committee. The terms of reference of the Nomination Committee inter alia include evaluation of performance of the Directors.

**(7) Whistle Blower Policy**

With an objective to further strengthen the process of conducting business in a fair, transparent and ethical manner, the Company has set up a mechanism of Whistle Blower Policy. This Policy is intended to govern reporting and investigation of allegations on violations of the Code of Conduct of the Company, for which a dedicated email id [ombudsperson.whistleblower@ranbaxy.com](mailto:ombudsperson.whistleblower@ranbaxy.com) has been established. Mr. Akihiro Watanabe, Chairman of the Audit Committee of the Company has been nominated by the Board as Ombudsperson for this purpose. No employee was denied access to the Audit Committee during the year.

**9. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES, 2009**

In December 2009, the Ministry of Corporate Affairs had issued the Guidelines on the voluntary adoption of Corporate Governance Practices. The Company has endeavored to adopt these Guidelines and follows the Guidelines such as separation of office of Chairman and Managing Director, taking certificate of independence from Independent Directors, constitution of Compensation Committee which determines remuneration policy, providing timely information to Board of Directors for quality decision making, identification of risks, review of internal controls, constitution and functioning of Audit Committee, adoption of Whistle Blower Policy and training to Directors. While some of these Guidelines like maximum tenure of independent directors, rotation of audit firm etc. have not yet become due, the Guidelines on remuneration to Non-Executive Directors and payment of sitting fees would require amendment to the Companies Act.

## 10. MEANS OF COMMUNICATION

(a) The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in the Business Standard/ Financial Express, the Punjabi Tribune and are displayed on the website of the Company [www.ranbaxy.com](http://www.ranbaxy.com). Further in compliance of Clause 52 of the Listing Agreement, the above information and other communication sent to Stock Exchanges have also been filed under Corporate Filing Dissemination System (CFDS) and are available at website, [www.corpfiling.com](http://www.corpfiling.com).

In accordance with the Circulars issued by the Ministry of Corporate Affairs on the Green Initiatives and amendment in Clause 32 of the Listing Agreements with the Stock Exchanges, the Company sends Annual Reports and Notice of Annual General Meeting along with Proxy Form electronically/physically. Press Releases on quarterly results are sent through email to the shareholders.

The official news releases and the presentations made to the investors/analysts are also displayed on the Company's website.

(b) Management Discussion and Analysis Report forms part of the Report of the Directors.

## 11. SHAREHOLDER INFORMATION

### Annual General Meeting

Date : May 7, 2013

Time : 11.00 A.M.

Venue : The National Institute of Pharmaceutical Education and Research (NIPER)  
Sector-67, S.A.S. Nagar, (Mohali)- 160 062 (Punjab).

No Special resolution is proposed to be passed by Postal ballot at the aforesaid Annual General Meeting.

### Financial Calendar

Adoption of Quarterly Results for the quarter ending      Tentative Schedule

- June 30, 2013	1 <sup>st</sup> /2 <sup>nd</sup> week of August, 2013
- September 30, 2013	3 <sup>rd</sup> /4 <sup>th</sup> week of October, 2013
- December 31, 2013	3 <sup>rd</sup> /4 <sup>th</sup> week of January, 2014
- March 31, 2014	1 <sup>st</sup> /2 <sup>nd</sup> week of May, 2014

### Book Closure Dates

April 27, 2013 to May 7, 2013  
(both days inclusive)

### LISTING ON STOCK EXCHANGES

The Equity Shares of the Company as on December 31, 2012 were listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Global Depository Receipts (GDRs) are listed on the Stock Exchange at Luxembourg.

The Company confirms that it has paid annual listing fees due to the Stock Exchanges for the year 2012-2013.

### STOCK CODE

1. The National Stock Exchange of India Ltd.	- Ranbaxy
2. Bombay Stock Exchange Ltd.	- 359 (Physical) 500359 (Demat)

### REGISTRAR AND TRANSFER AGENTS

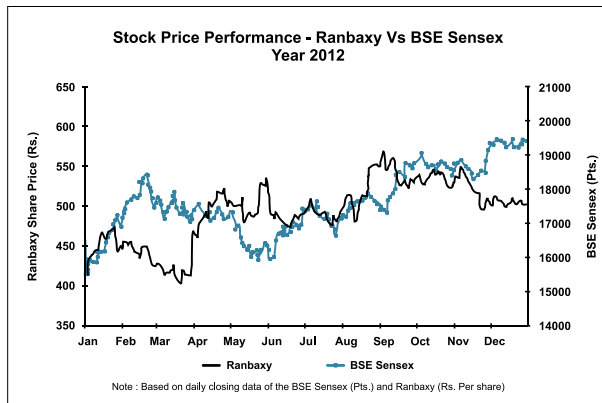
M/s. Alankit Assignments Ltd. (Alankit), 2E/8, 1<sup>st</sup> Floor, Jhandewalan Extension, New Delhi-110 055 is the Registrar and Share Transfer Agent for physical shares of the Company. Alankit is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

However, keeping in view the convenience of shareholders, documents relating to shares will continue to be received by the Company at Corporate Office of the Company at Plot No. 90, Sector 32, Gurgaon-122001 (Haryana) Tel. No. 91-124-4135000, Registered Office at A- 41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali – 160 071 (Punjab) and Head Office at 12<sup>th</sup> Floor, Devika Tower, 6, Nehru Place, New Delhi-110019, Tel. No. 91-11-26237508; email address: [secretarial@ranbaxy.com](mailto:secretarial@ranbaxy.com).



**Market Price Data (Rs.)**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
January 2012	478.00	402.20	479.00	402.10
February 2012	468.90	418.00	468.75	422.05
March 2012	473.00	395.20	474.00	395.00
April 2012	532.65	453.70	532.60	453.20
May 2012	542.15	471.05	542.35	470.00
June 2012	519.35	470.15	519.85	470.20
July 2012	514.50	473.00	514.90	473.00
August 2012	562.00	474.95	562.00	474.60
September 2012	578.30	517.00	578.40	517.00
October 2012	554.50	519.00	558.00	498.30
November 2012	559.80	490.10	559.95	490.00
December 2012	518.90	496.00	519.00	496.50

**SHARE TRANSFER SYSTEM**

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to some of the Directors with appropriate individual limits. The delegated Director(s) attend(s) to the share transfer formalities once in a fortnight. The shares for transfers received in physical form are transferred expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders. Confirmation in respect of the requests for dematerialisation of shares is sent to the respective depositories i.e. NSDL and CDSL expeditiously.

**DEMATERIALISATION OF SHARES**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on December 31, 2012, 417,380,286 equity shares of the Company, forming 98.69 % of the Share Capital of the Company, stand dematerialised.

**International Securities**

**Identification Number** - INE015A01028  
(with NSDL and CDSL)

**Shareholding Pattern as on December 31, 2012**

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters-Daiichi Sankyo Company, Ltd., Japan	268,711,323	63.54
Mutual Funds & UTI	9,292,160	2.20
Insurance Companies	33,649,936	7.95
FIIIs	45,024,503	10.65
Banks & Financial Institutions	994,099	0.24
Bodies Corporate	12,566,504	2.97
Public shareholding	43,712,170	10.33
GDRs	8,963,108	2.12
<b>Grand Total</b>	<b>422,913,803</b>	<b>100.00</b>

**Distribution of Shareholding as on December 31, 2012**

From To	No. of Shareholders		No. of Shares	
	Number	% Total	Number	% Total
1 - 1000	152,638	94.15	16,276,529	3.85
1001 - 2000	4,893	3.02	7,052,395	1.67
2001 - 4000	2,666	1.64	7,462,333	1.76
4001 - 6000	784	0.48	3,818,062	0.90
6001 - 8000	341	0.21	2,361,862	0.56
8001 - 10000	193	0.12	1,739,856	0.41
10001 - 20000	295	0.18	4,020,372	0.95
20001 & above	315	0.20	380,182,394	89.90
<b>Total</b>	<b>162,125</b>	<b>100.00</b>	<b>422,913,803</b>	<b>100.00</b>

**Liquidity of Shares**

The equity shares of the Company have been included in the Sensex of the leading Stock Exchanges.

**Outstanding Stock Options**

Number of Stock Options outstanding as on December 31, 2012 - 6,527,575\*

\* Options granted upto October 3, 2002 are entitled for additional shares on a proportionate basis in view of issue of bonus shares by the Company in the ratio of 3 for 5 in October 2002.

8,963,108 GDRs representing 8,963,108 equity shares of Rs.5 each constituting 2.12% of the issued, subscribed and paid-up share capital of the Company, were outstanding as on December 31, 2012.

**Outstanding Unclaimed Shares**

Pursuant to the provision of Clause 5A (II) of the Listing Agreements with the Stock Exchanges, the Company during previous year had sent three reminders to those shareholders whose shares were lying unclaimed in the physical form. Subsequently the Company on July 4, 2012 transferred 532,930 unclaimed shares of those shareholders to a special demat account titled "RANBAXY LABORATORIES LIMITED-UNCLAIMED SHARES SUSPENSE ACCOUNT" opened in terms



of the said clause. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims these shares. The details of the shares in the said Suspense Account are as under:

Particulars	No. of Shareholders	No. of equity shares of Rs.5/- each
Aggregate number of shareholders and the outstanding shares transferred to the Unclaimed Suspense Account on July 4, 2012.	1170	5,32,930
Number of shareholders who approached the Company for transfer of shares from the said Unclaimed Suspense Account during the period from July 4, 2012 up to December 31, 2012.	5	1,602
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the said period.	5	1,602
Aggregate number of Shareholders and the Outstanding shares lying in the Unclaimed Suspense Account as on December 31, 2012.	1165	5,31,328

#### Plant Locations of the Company

1. Village Toansa, P.O. Railmajra  
Distt. Nawansahar - 144533 (Punjab)
2. A-41, Industrial Area Phase VIII-A  
Sahibzada Ajit Singh Nagar  
Mohali – 160 071 (Punjab)
3. Industrial Area 3  
A.B. Road, Dewas-455 001, Madhya Pradesh
4. Village & P.O. Ganguwala  
Tehsil Paonta Sahib 173 025,  
Distt. Sirmour (Himachal Pradesh)
5. Village Batamandi  
Tehsil Paonta Sahib-173 025  
Distt. Sirmour, (Himachal Pradesh)
6. Plot No. 1341 & 1342 EPIP-1,  
Hill Top Industrial Area,  
Village-Bhatolikalan (Barotiwala)  
Baddi –174103, (Himachal Pradesh)
7. Plot No. B-2  
Madkaim Industrial Estate, Ponda, Goa
8. K-5, 6,7, Ghirongi Malanpur  
Dist. Bhind-477 116, (Madhya Pradesh)

#### Address for Correspondence

Shareholders are requested to contact –

Mr. S.K. Patawari  
Company Secretary  
Ranbaxy Laboratories Ltd.  
Plot No. 90, Sector 32, Gurgaon-122001, Haryana.  
Tel.No. 91-124-4185888, 4135000, Fax No.91-124-4106490  
Email address: [secretarial@ranbaxy.com](mailto:secretarial@ranbaxy.com)

## **Certificate**

To the Members of  
**Ranbaxy Laboratories Limited**

We have examined the compliance of conditions of Corporate Governance by Ranbaxy Laboratories Limited (the Company) for the year ended 31 December, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : Gurgaon  
Dated : 26 February 2013