



**IFRS  
CONSOLIDATED  
FINANCIALS**

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## Extract of Audited Consolidated IFRS Financial Statements

We have adopted IFRS as issued by International Accounting Standards Board (IASB) for preparing our financial statements for the purpose of filings with SEC. The financial statements for fiscal 2009 will be our first annual financial statement in full compliance with IFRS. We have furnished all our interim financial reports of fiscal 2009 with SEC which were prepared under IFRS. The Annual Report in Form 20-F will also be made available at the Company's website. A hard copy of such Annual Report in Form 20-F will also be made available to the shareholders, free of charge, upon request. For details visit [www.drreddys.com](http://www.drreddys.com)

The extract of the audited consolidated financial statements prepared under IFRS has been provided hereunder.

### Consolidated Balance Sheet

ALL AMOUNTS IN INDIAN RUPEES MILLIONS, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

|                                                           | AS OF<br>31 MARCH 2009 | AS OF<br>31 MARCH 2008 |
|-----------------------------------------------------------|------------------------|------------------------|
| <b>ASSETS</b>                                             |                        |                        |
| Property, plant and equipment                             | 20,882                 | 16,765                 |
| Goodwill                                                  | 7,300                  | 16,997                 |
| Other intangible assets                                   | 14,879                 | 16,756                 |
| Investment in equity accounted associates                 | 262                    | 237                    |
| Deferred tax asset                                        | 1,259                  | 808                    |
| Other non-current assets                                  | 200                    | 83                     |
| <b>Total non-current assets</b>                           | <b>44,782</b>          | <b>51,646</b>          |
| Inventories                                               | 13,226                 | 11,133                 |
| Current tax assets                                        | 58                     | 177                    |
| Trade receivables                                         | 14,592                 | 6,823                  |
| Other current assets                                      | 5,008                  | 3,681                  |
| Other investments                                         | 530                    | 4,753                  |
| Cash and cash equivalents                                 | 5,596                  | 7,421                  |
| <b>Total current assets</b>                               | <b>39,010</b>          | <b>33,988</b>          |
| <b>Total assets</b>                                       | <b>83,792</b>          | <b>85,634</b>          |
| <b>EQUITY</b>                                             |                        |                        |
| Share capital                                             | 842                    | 841                    |
| Share premium                                             | 20,204                 | 20,036                 |
| Fair value reserve                                        | 11                     | (2)                    |
| Foreign currency translation reserve                      | 2,168                  | 1,567                  |
| Share based payment reserve                               | 676                    | 709                    |
| Hedging reserve                                           | (156)                  | (7)                    |
| Equity shares held by controlled trust                    | (5)                    | (5)                    |
| Retained earnings                                         | 18,305                 | 24,211                 |
| <b>Total equity</b>                                       | <b>42,045</b>          | <b>47,350</b>          |
| <b>LIABILITIES</b>                                        |                        |                        |
| Long-term loans and borrowings, excluding current portion | 10,132                 | 12,698                 |
| Provisions                                                | 42                     | –                      |
| Other non-current liabilities                             | 350                    | 321                    |
| Deferred tax liabilities                                  | 4,670                  | 5,664                  |
| <b>Total non-current liabilities</b>                      | <b>15,194</b>          | <b>18,683</b>          |
| Bank overdraft                                            | 218                    | 435                    |
| Short-term loans and borrowings                           | 5,850                  | 4,428                  |
| Long-term loans and borrowings, current portion           | 3,501                  | 1,791                  |
| Current tax liabilities                                   | 632                    | 340                    |
| Trade payables                                            | 5,987                  | 5,427                  |
| Derivative financial instruments                          | 332                    | 105                    |
| Provisions                                                | 1,928                  | 750                    |
| Other current liabilities                                 | 8,105                  | 6,325                  |
| <b>Total current liabilities</b>                          | <b>26,553</b>          | <b>19,601</b>          |
| <b>Total liabilities</b>                                  | <b>41,747</b>          | <b>38,284</b>          |
| <b>Total equity and liabilities</b>                       | <b>83,792</b>          | <b>85,634</b>          |

## Consolidated Income Statement

ALL AMOUNTS IN INDIAN RUPEES MILLIONS, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

|                                                                                             | FOR THE YEAR ENDED<br>31 MARCH 2009 | FOR THE YEAR ENDED<br>31 MARCH 2008 |
|---------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Revenues                                                                                    | 69,441                              | 50,006                              |
| Cost of revenues                                                                            | 32,941                              | 24,598                              |
| <b>Gross profit</b>                                                                         | <b>36,500</b>                       | <b>25,408</b>                       |
| Selling, general and administrative expenses                                                | 21,020                              | 16,835                              |
| Research and development expenses                                                           | 4,037                               | 3,533                               |
| Impairment loss on other intangible assets                                                  | 3,167                               | 3,011                               |
| Impairment loss on goodwill                                                                 | 10,856                              | 90                                  |
| Other expense / (income), net                                                               | 254                                 | (402)                               |
| <b>Total operating expenses, net</b>                                                        | <b>39,334</b>                       | <b>23,067</b>                       |
| <b>Results from operating activities</b>                                                    | <b>(2,834)</b>                      | <b>2,341</b>                        |
| Finance expense                                                                             | 1,668                               | 1,080                               |
| Finance income                                                                              | (482)                               | (1,601)                             |
| <b>Finance expense / (income), net</b>                                                      | <b>1,186</b>                        | <b>(521)</b>                        |
| Share of profit of equity accounted investees, net of income tax                            | 24                                  | 2                                   |
| <b>Profit / (loss) before income tax</b>                                                    | <b>(3,996)</b>                      | <b>2,864</b>                        |
| Income tax (expense) / benefit                                                              | (1,172)                             | 972                                 |
| <b>Profit / (loss) for the period</b>                                                       | <b>(5,168)</b>                      | <b>3,836</b>                        |
| <b>Attributable to:</b>                                                                     |                                     |                                     |
| Equity holders of the Company                                                               | (5,168)                             | 3,846                               |
| Minority interest                                                                           | –                                   | (10)                                |
| <b>Profit / (loss) for the period</b>                                                       | <b>(5,168)</b>                      | <b>3,836</b>                        |
| <b>Earnings / (loss) per share</b>                                                          |                                     |                                     |
| Basic (Rs.)                                                                                 | (30.69)                             | 22.88                               |
| Diluted (Rs.)                                                                               | (30.69)                             | 22.80                               |
| <b>Weighted average number of equity shares used in computing earnings per equity share</b> |                                     |                                     |
| Basic                                                                                       | 168,349,139                         | 168,075,840                         |
| Diluted                                                                                     | 168,349,139                         | 168,690,774                         |