

INDEPENDENT AUDITOR'S REPORT

To the Members of Arco Lab Private Limited

Report on the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of Arco Lab Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's *Code of Ethics*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a. Note No. 10.1 regarding export receivables outstanding beyond the prescribed time limit for realization as per the extant Foreign Exchange Management Act regulations; and,
- b. Note No. 19 regarding the import payables outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act regulations, and the attendant circumstances thereon.

Our opinion is not modified in respect of these matters.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.



The Board's Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of the Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in "Annexure - A" of this auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure - B a statement on the matters specified in paragraphs 3 and 4 of the order.



2. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit & Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued there under;
 - e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
 - g. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we give a separate report in the Annexure - C; and
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company during the year to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties") during the year, with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the Management contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that was enabled at application level and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail (edit log) facility enabled at the database level was not available for the period 1st April 2023 to 7th September 2023. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Place: Bengaluru
Date: May 16, 2024



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

A handwritten signature in black ink, appearing to be "R. Umesh", written over a horizontal line.

R. UMESH
Partner
M. No. 27892
UDIN: 24027892BKFRWZ4984

ANNEXURE-A TO THE AUDITOR'S REPORT

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

Place: Bengaluru
Date: May 16, 2024



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

R. UMESH
Partner
M. No. 27892
UDIN: 24027892BKFRWZ4984

**ANNEXURE - B TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT
OF EVEN DATE**

- (i) In respect of its Property, Plant and Equipment:
- a) i. The Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment;
- ii. The Company has maintained proper records showing full particulars of the intangible assets;
- b) Property, Plant and Equipment have been physically verified during the year by the Management in line with an internal programme of verification. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of verification is reasonable having regard to size of the Company and the nature of its assets;
- c) The company does not have any immovable property. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the company, where the company is lessee in the agreement;
- d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets and hence clause (i)(d) of the order is not applicable;
- e) According to the information and explanations given to us and based on our examination of the relevant records, no proceedings have been initiated or are pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, and hence clause (i)(e) of the order is not applicable.
- (ii) The Company is engaged in the business of providing business support services and does not carry any inventory. Further, the Company has not availed of any working capital limits from a bank or a financial institution. Accordingly, clause (ii) of the order is not applicable.
- (iii) In respect of loans, advances, guarantees or investments:

- a) According to the information and explanations given to us and based on our examination of the relevant records, the Company has granted the following loans during the year.

Particulars	Aggregate Loans Granted in INR Millions	Balance Outstanding in INR Millions
Subsidiary	0.20	-
Associate of Holding Company	700.00	500.00
Others (Employee Loans)	8.15	3.49

Excepting the above, the Company has not granted loans or advances in the nature of loans or provided any guarantee or security to any entity.

- b) In our opinion, the loans granted and investments made by the Company during the year are prima facie not prejudicial to the Company's interest.
- c) Based on our examination of the relevant records, the Company has specified schedules for the repayment of the principal and interest on the above loans granted and in general, the repayments made by the borrowing entities are regular.
- d) Based on our examination of the relevant records, there are no overdue amounts in respect of the loans granted.



- e) In view of what is stated under clause (d) above, reporting under sub-clause (e) is not applicable.
 - f) Based on our examination of the relevant records, there are no loans granted which are repayable on demand or without specifying any terms or repayment period and hence reporting under sub-clause (f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us and based on our examination of the relevant books and records as produced before us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made.
- (v) In our opinion and according to the information and explanations given to us and based on our examination of the relevant books and records as produced before us, the Company has not accepted any deposits from the public in terms of Chapter-V the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 and no order has been passed by Company Law Board or National Company Law Tribunal or any other Tribunal. Hence reporting under this clause is not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and based on examination of the books and records as produced before us, in respect of statutory dues and other dues:
- a) The Company has been generally regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities during the period wherever applicable. There were no material undisputed amounts in respect of the above statutory dues, which were in arrears as at 31st March 2024, for a period more than six months from the date they became due.
 - b) There were no statutory dues which were not deposited on account of any dispute.
- (viii) According to the information and explanation given to us and based on our verification of the records and relevant documents, the Company has not surrendered or disclosed additional income during the year in the tax assessments under Income Tax Act, 1961. Hence reporting under this clause is not applicable.
- (ix) In respect of its loans and borrowings:
- a. According to the information and explanation given to us and based on our verification of the records and relevant documents, the Company has not defaulted in repayment of dues to any financial institution, bank, Government or debenture holders.
 - b. According to the information and explanations given to us and on the basis of our audit procedures, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c. According to the information and explanations given to us and based on our verification of the records and relevant documents, during the year, the term loans availed of by the company were prima facie applied for the purposes for which the loans were availed.



- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, no funds raised on short-term basis have been used for long-term purposes by the company.
 - e. According to the information and explanations given to us and the procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. The company does not have any joint venture.
 - f. According to the information and explanations given to us and the procedures performed by us, the company has not borrowed funds by pledging the securities held in its subsidiaries or associates. The company does not have any joint venture.
- (x) In respect of moneys raised by way of initial public offer, further public offer, preferential allotment and private placement of shares / convertible debentures:
- a. The Company has not raised moneys by way of initial public offer or further public offer during the year.
 - b. The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) In respect of fraud:
- a. To the best of our knowledge and belief, according to the information and explanations given to us by the Management and the records produced before us, no frauds were noticed or reported during the year.
 - b. As reported above, no frauds were noticed or reported during the year and hence report under sub-section (12) of section 143 is not applicable.
 - c. As represented to us by the management, the Company is not required to implement a whistleblower policy under the provisions of sub-section 9 of section 177 of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.
- (xii) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us and based on our verification of the records and relevant documents, all transactions with related parties entered into by the Company are in compliance with section 188 of the Companies Act where applicable and the details of the same have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Provisions of Section 177 are not applicable to the Company.
- (xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013 and hence reporting under this clause is not applicable.
- (xv) According to the information and explanation given to us by the Management and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence this clause is not applicable.




GNANOBA & BHAT
CHARTERED ACCOUNTANTS

- (xvi) In our opinion and according to the information and explanation given to us,
- a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - b. The Company has not conducted any Non-Banking Financial or Housing Finance activities.
 - c. The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
 - d. As represented by the Management, the Group does not have any Core Investment Companies.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and hence reporting under this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us and based on our examination of the records, there were no unspent CSR amounts and hence there is no requirement of transfer of funds to a Fund specified in Schedule VII to the Companies Act as per second proviso to sub-section (5) of section 135 or to a special account as per sub-section (6) of section 135 of the Companies Act, 2013.
- (xxi) Since the company is not required to present consolidated financial statements as the accounts of its wholly owned subsidiary and associate is consolidated with the ultimate holding company, reporting under this clause is not applicable.

Place: Bengaluru
Date: May 16, 2024



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S


R. UMESH
Partner

M. No. 27892

UDIN: 24027892BKFRWZ4984

**ANNEXURE - C TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH C OF OUR REPORT
OF EVEN DATE**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over the financial reporting of M/s Arco Lab Private Limited ("the Company") as on 31st March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Place: Bengaluru
Date: May 16, 2024



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

A handwritten signature in black ink, appearing to be "R. Umesh", written over a horizontal line.

R. UMESH
Partner
M. No. 27892
UDIN: 24027892BKFRWZ4984

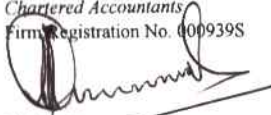
ARCO LAB PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2024

	Note	Rs. In Million	
		As at 31-Mar-24	As at 31-Mar-23
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(i)	14.29	22.05
(b) Capital work-in-progress	3(ii)	0.08	0.18
(c) Right-of-use assets	4(i)	57.31	106.35
(d) Other intangible assets	3(iii)	16.08	4.11
(e) Intangible assets under development	3(iv)	40.38	11.02
(f) Financial assets			
(i) Investments	5	1,756.52	1,313.17
(ii) Loans	6(i)	535.46	-
(iii) Other financial assets	7(i)	22.62	22.87
(g) Income-tax assets (net)	8	-	0.02
(h) Other non-current assets	9(i)	3.90	8.99
Total non-current assets		2,446.64	1,488.76
II Current assets			
(a) Financial assets			
(i) Trade receivables	10	417.52	355.35
(ii) Cash and cash equivalents	11	7.15	41.86
(iii) Loans	6(ii)	3.49	3.25
(iv) Other financial assets	7(ii)	32.91	28.00
(b) Other current assets	9(ii)	31.49	39.83
Total current assets		492.56	468.29
TOTAL ASSETS		2,939.20	1,957.05
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12	3.53	3.53
(b) Other equity	13	1,884.43	1,492.44
Total Equity		1,887.96	1,495.97
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(i)	361.11	-
(ii) Lease liability	4(ii)	36.47	83.87
(iii) Other financial liabilities	15(i)	0.05	0.50
(b) Deferred tax liability (net)	16	101.30	24.17
(c) Provisions	17(i)	90.90	78.97
(d) Non-current tax liabilities	18(i)	0.81	-
Total non-current liabilities		590.64	187.51
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(ii)	111.11	-
(ii) Lease liability	4(ii)	32.52	34.43
(iii) Trade payables			
- Total outstanding dues of micro and small enterprises	19	5.72	6.74
- Total outstanding dues of creditors other than micro and small enterprises		167.84	131.36
(iv) Other financial liabilities	15(ii)	7.56	7.56
(b) Other current liabilities	20	107.55	83.70
(c) Provisions	17(ii)	9.22	8.77
(d) Current tax liabilities (net)	18(ii)	19.08	1.01
Total current liabilities		460.60	273.57
TOTAL EQUITY AND LIABILITIES		2,939.20	1,957.05

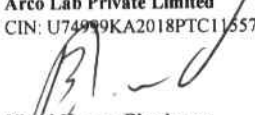
The accompanying notes are an integral part of the financial statements

In terms of our report attached

For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration No. 000939S


R Umesh
Partner
Membership No. 027892

For and on behalf of Board of Directors of
Arco Lab Private Limited
CIN: U74999KA2018PTC115573


Vinod Kumar Bhaskaran
Director
DIN: 07729849


Shashidhar Koppa Lingaraj
Director
DIN: 07636554

Place: Bengaluru
Date: Mar 16, 2024



ARCO LAB PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note	Rs. In Million	
		For the year ended 31-Mar-24	For the year ended 31-Mar-23
1 Revenue from operations	21	1,386.56	1,174.43
2 Other income	22	63.56	7.32
3 Total Income		1,450.12	1,181.75
4 Expenses			
(a) Employee benefits expense	23	620.93	661.02
(b) Finance costs	24	71.30	11.40
(c) Depreciation and amortisation expenses	25	41.00	43.83
(d) Other expenses	26	543.18	313.37
Total		1,276.41	1,029.62
5 Profit before exceptional items and tax (3-4)		173.71	152.13
6 Exceptional items gain / (loss) (net)		-	-
7 Profit before tax (5+6)		173.71	152.13
8 Tax expense	27		
(a) Current tax		58.07	43.77
(b) Deferred tax expense / (benefit)		(11.83)	(5.06)
9 Profit / (Loss) for the year (7-8)		127.47	113.42
10 Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss		353.48	201.32
(ii) Income tax relating to items that will not be reclassified to profit or loss		(88.96)	(50.50)
B) (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax relating to items that may be reclassified to profit or loss		-	-
Total Other comprehensive Income		264.52	150.82
11 Total Comprehensive Income for the period (9+10)		391.99	264.24
12 Earnings per equity share (nominal value of Rs. 10/- each) in Rs.			
- Basic	29	361.18	395.84
- Diluted	29	361.18	395.84

The accompanying notes are an integral part of the financial statements

2

In terms of our report attached

For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration No. 000939S

R Umesh
Partner
Membership No. 027892

For and on behalf of Board of Directors of
Arco Lab Private Limited
CIN: U74999KA2018PTC115573

Vinod Kumar Bhaskaran
Director
DIN: 07729849

Shashidhar Koppa Lingaraj
Director
DIN: 07636554

Place: Bengaluru
Date : May 16, 2024



Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	173.71	152.13
Adjustments for:		
-Depreciation and amortisation	41.00	43.83
-(Profit)/loss on sale off of assets	(0.45)	(0.10)
-Discounting of deposits and interest on unwinding of discount	(0.04)	0.12
-Provision for bad & doubtful debts	9.32	6.44
-Interest on lease liability	10.07	10.42
-Interest on borrowings	48.81	-
-Guarantee commission	4.01	-
-Expenses on employee stock option plans	2.31	2.54
-Interest income	(59.49)	(2.51)
-Other receivables written off	0.22	-
-Loss on sale of investment	1.35	-
-Provision for gratuity & leave encashment	23.84	27.34
-Sundry balances written back	(0.61)	0.15
-Net unrealised exchange (gain) / loss	0.65	(0.31)
Operating profit / (loss) before working capital changes	254.70	240.04
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(70.02)	(200.86)
Increase/(decrease) in trade and other payables	34.22	50.04
Net change in working capital	(35.80)	(150.82)
Cash generated from operations	218.91	89.22
Income taxes paid	(39.17)	(16.86)
Net cash flow generated from / (used in) operating activities (A)	179.74	72.36
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advance	(40.80)	(6.95)
Proceeds from sale of property, plant and equipment	10.53	-
Interest received	59.49	2.51
Purchase of long-term investments	(93.04)	(1,063.26)
Proceeds from sale of long-term investments	0.50	-
Loans given/repaid (net)	(534.56)	(0.90)
Security deposits paid	0.14	0.10
Net cash flow (used in) investing activities (B)	(597.74)	(1,068.49)
C. Cash flow from financing activities		
Lease payments	(36.11)	(36.99)
Proceeds from issue of share capital	-	1,070.06
Proceeds of long-term borrowings	500.00	-
Repayment of long-term borrowings	(27.78)	-
Guarantee commission paid on borrowings	(4.01)	-
Interest paid on borrowings	(48.81)	-
Net cash flow generated from financing activities (C)	383.29	1,033.07
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(34.71)	36.94
Cash and cash equivalents at the beginning of the year	41.86	4.92
Cash and cash equivalents at the end of the year	7.15	41.86
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 11)	7.15	41.86
Cash and cash equivalents at the end of the year *	7.15	41.86
* Comprises:		
(a) Cash on hand	0.05	0.04
(b) Balances with banks - in current accounts	7.04	41.82
(c) Funds in transit	0.06	-
Total	7.15	41.86

The accompanying notes are an integral part of the financial statements
In terms of our report attached

2

For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration No. 000939S

R Umesh
Partner
Membership No. 027892

Place: Bengaluru
Date: May 16, 2024



For and on behalf of Board of Directors of
Arco Lab Private Limited
CIN: U74999KA2018PTC115573

Vinod Kumar Bhaskaran
Director
DIN: 07729849

Shashidhar Koppa Lingaraj
Director
DIN: 07636554





ARCO LAB PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2024 AND MARCH 31, 2023

A) Equity share capital		Rs. In Million
Particulars	Amount	
Balance as at April 1, 2022	1.72	
Changes in equity share capital during the year	1.81	
Balance as at March 31, 2023	3.53	
Changes in equity share capital during the year	-	
Balance as at March 31, 2024	3.53	

B) Other equity		Rs. In Million			
Particulars	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Securities premium	Retained earnings	Equity Instruments through OCI	Re -measurement of the defined benefit liabilities / (assets)	
Balance as at April 1, 2022	51.01	114.98	0.50	(6.54)	159.95
Profit / (Loss) for the period	-	113.42	-	-	113.42
Addition of securities premium during the year	1,068.25	-	-	-	1,068.25
Other comprehensive income for the year (net of tax)	-	-	142.65	8.17	150.82
Total comprehensive income	1,068.25	113.42	142.65	8.17	1,332.49
Balance as at March 31, 2023	1,119.26	228.40	143.15	1.63	1,492.44
Profit / (Loss) for the period	-	127.47	-	-	127.47
Other comprehensive income for the year (net of tax)	-	-	263.53	0.99	264.52
Total comprehensive income	-	127.47	263.53	0.99	391.99
Balance as at March 31, 2024	1,119.26	355.87	406.68	2.62	1,884.43



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

1 General Information

Arco Lab Private Limited ("the Company") is headquartered in Bengaluru, India. The Company was incorporated on 20th August 2018 and is primarily a service provider providing outsourcing and business support services for all processes, sub-processes, transactions, activities and all other work performed in various industries with specific emphasis on pharmaceutical sector, within India and across the world. Presently, the Company provides these services predominantly to its group entities.

The company is registered under Micro, Small and Medium Enterprises Act, 2006.

2 Significant accounting policies

A Basis for Preparation of Financial statements

The Company is a wholly owned subsidiary of Strides Pharma Science Limited, a listed company which is required to prepare its financial statements in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, these financial statements are prepared in accordance with Ind AS under the historical cost convention on the accrual basis with revenues recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year. Costs and earnings in excess of billings for the year are recognized as Unbilled Revenue.

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B Cash Flow Statements

Cash flows are reported using the indirect method, whereby the profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

C Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenditure relating to the acquisition such as cost of installation / erection and interest up to the date of commissioning of the asset as applicable.

Capital Work-in-progress

Projects under which assets are not ready for its intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributed finance costs.

D Intangible Assets

- (i) Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price including duties and taxes (other than those refundable subsequently from the authorities), and directly attributable expenditure incurred for making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefit in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case, such expenditure is added to the cost of the asset.
- (ii) An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:
 - the technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - the intention to complete the intangible asset and use or sell it;
 - the ability to use or sell the intangible asset;
 - how the intangible asset will generate probable future economic benefits;
 - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;and
 - the ability to measure reliably the expenditure attributable to the intangible asset during its development.
- (iii) The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.
- (iv) Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

E Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined based on the lease period. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized in statement of profit and loss over the lease period.

F Depreciation

Depreciation on Property, Plant and Equipment and Intangible Assets, provided in the accounts on the basis of useful lives as assessed by the Management under the Straight Line Method basis is as prescribed under Schedule II of the Companies Act, 2013. Accordingly, the life of the assets is determined as under.

Sl.No	Asset	Life of assets (In years)
1	Office Equipment	5 years
2	Computers	3 years
3	Servers & Networks	6 years
4	Furniture & fixtures	10 years
5	Electrical installation	5 years
6	Software Licenses	5 years

G Financial instruments

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The company has made an irrevocable election to present in other comprehensive income, the subsequent changes in the fair value of equity instruments in OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) which is not held for trading.

H Revenue Recognition

Revenue from contract with customers:

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. A 5-step approach is used to recognize revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Sale of Services

Revenue from services rendered, is recognized in the statement of profit and loss as the underlying services are performed. Upfront payments received under these arrangements are deferred and recognized as revenue over the expected period over which the related services are expected to be performed. Costs and earnings in excess of billings for the year are recognized as Unbilled Revenue.

I Taxation

The current charge for income tax (if any) is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax assets and liabilities (if any) are recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet Date.

J Foreign Currency Transactions

Transactions denominated in Foreign Currencies are recorded using the exchange rates prevailing on the date of transaction. The difference if any, on actual payment/ realization is charged off to revenue. Amount receivable / payable as at the close of the year is accounted at the prevailing rates and the difference if any, on receipt / while making actual payment due to fluctuation in the rate of exchange is charged to revenue in that year.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

K Provisions

A provision is recognized when the enterprise has a present obligation as a result of past event(s) which may result in a probable outflow of resources to settle the obligation and in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined on the basis of the best estimate of the resources required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

L Impairment of Assets

An asset is treated as impaired if the current carrying cost of the same exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there is any change in the estimate of recoverable amount. The recoverable amount is the greater of the net selling price or the value in use.

M Contingencies

Contingent liabilities are not recognized and are shown by way of notes to the financial statements.

N Earnings Per Share

Earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving the basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share and are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

O Employee Benefits

- (i) Retirement benefits in the form of Provident Fund and Pension Schemes are charged on an accrual basis to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner.
- (ii) Gratuity liability is a defined benefit obligation and is provided based on an actuarial valuation using the Projected Unit Credit Method, with the actuarial valuation being carried out at each balance sheet date. The liability is funded through a Group Gratuity Trust with Life Insurance Corporation of India.
- (iii) Provision for Leave Encashment is made based on an actuarial valuation carried out at each balance sheet date. The liability is not funded.

For and on behalf of Board of Directors of
Arco Lab Private Limited
CIN: U74999KA2018PTC115573


Vinod Kumar Bhaskaran
Director
DIN: 07729849


Shashidhar Koppa Lingaraj
Director
DIN: 07636554

Place: Bengaluru
Date : May 16, 2024



ARCO LAB PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2024

3(i) Property, plant and equipment

Sl No	Description	Gross block				Depreciation			Net block		
		As at 01-Apr-23		As at 31-Mar-24		As at 01-Apr-23		As at 31-Mar-24		As at 31-Mar-24	
		As at 01-Apr-23	Additions	Disposals	As at 31-Mar-24	Depreciation for the period	Disposal	As at 01-Apr-23	As at 31-Mar-24	As at 31-Mar-24	As at 31-Mar-24
	<u>Tangible assets</u>										
1	Office equipment	5.80 <i>5.46</i>	0.93 <i>0.34</i>	0.07 -	6.66 <i>5.80</i>	1.28 <i>1.14</i>	0.03 -	2.28 <i>1.14</i>	3.53 <i>2.28</i>	3.13 <i>3.52</i>	
2	Computers	20.55 <i>20.78</i>	0.16 <i>0.92</i>	- <i>1.15</i>	20.71 <i>20.55</i>	5.61 <i>6.94</i>	- <i>0.73</i>	12.59 <i>6.38</i>	18.20 <i>12.59</i>	2.51 <i>7.96</i>	
3	Servers & networks	10.18 <i>10.18</i>	- -	0.12 -	10.06 <i>10.18</i>	1.68 <i>1.70</i>	0.06 -	3.53 <i>1.83</i>	5.15 <i>3.53</i>	4.91 <i>6.65</i>	
4	Furniture & fixtures	4.60 <i>3.35</i>	0.31 <i>1.25</i>	- -	4.91 <i>4.60</i>	0.47 <i>0.47</i>	- -	0.73 <i>0.26</i>	1.20 <i>0.73</i>	3.71 <i>3.87</i>	
5	Electrical installation	0.08 <i>0.08</i>	- -	- -	0.08 <i>0.08</i>	0.02 <i>0.02</i>	- -	0.03 <i>0.01</i>	0.05 <i>0.03</i>	0.03 <i>0.05</i>	
	Total	41.21	1.40	0.19	42.42	9.06	0.09	19.16	28.13	14.29	
	<i>Previous year</i>	<i>39.85</i>	<i>2.51</i>	<i>1.15</i>	<i>41.21</i>	<i>10.27</i>	<i>0.73</i>	<i>9.62</i>	<i>19.16</i>	<i>22.05</i>	

Note:

Figures in italics relate to previous year.



ARCO LAB PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2024
3(ii) Capital-work-in-progress

Sl. No	Particulars	Amount in CWIP for a period of				Total
		Rs. In Million				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	Tangible assets Projects in progress	0.08 <i>0.18</i>	-	-	-	0.08 <i>0.18</i>
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	0.08	-	-	-	0.08
	Previous year	0.18	-	-	-	0.18

Note:
As at 31st March 2024, there are no projects which are overdue or exceeded its costs as compared to the original plan.
Figures in italics relate to previous year.

3(iii) Other intangible assets

Sl. No	Description	Gross block				Amortisation			Net Block	
		Rs. In Million				Rs. In Million			Rs. In Million	
		As at 01-Apr-23	Additions	Disposals	As at 31-Mar-24	Amortisation for the period	Disposals	As at 31-Mar-24	As at 31-Mar-24	As at 31-Mar-24
1	Software licences	7.48 <i>6.43</i>	15.10 1.05	-	22.58 <i>7.48</i>	3.13 <i>1.38</i>	-	6.50 <i>3.37</i>	16.08 <i>4.11</i>	
	Total	7.48	15.10	-	22.58	3.13	-	6.50	16.08	
	Previous year	6.43	1.05	-	7.48	1.38	-	3.37	4.11	

Note:
Figures in italics relate to previous year.

3(iv) Intangible assets under development

Sl. No	Particulars	Amount in IUD for a period of				Total
		Rs. In Million				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	Tangible assets Projects in progress	37.00 <i>11.02</i>	3.38	-	-	40.38 <i>11.02</i>
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	37.00	3.38	-	-	40.38
	Previous year	11.02	-	-	-	11.02

Note:
As at 31st March 2024, there are no projects which are overdue or exceeded its costs as compared to the original plan.
Figures in italics relate to previous year.



ARCO LAB PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2024

4 Leases

(i) Amounts Recognised in the Balance Sheet

Particulars	Gross block				Accumulated depreciation / amortisations		Net block	
	As at	Additions	Deletion	As at	As at	Deletion	As at	As at
	01-Apr-23	31-Mar-24	31-Mar-24	01-Apr-23	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
Buildings	155.00 149.58	- 23.60	23.60 18.18	48.65 34.65	28.81 32.18	3.37 18.18	74.09 48.65	57.31 106.35
Total	155.00	-	23.60	48.65	28.81	3.37	74.09	57.31
<i>Previous year</i>	<i>149.58</i>	<i>23.60</i>	<i>18.18</i>	<i>34.65</i>	<i>32.18</i>	<i>18.18</i>	<i>48.65</i>	<i>106.35</i>

Note:

Figures in italics relate to previous year.

(ii) Lease liability

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
Non-current	36.47	83.87
Current	32.52	34.43
	68.99	118.30

(iii) Amounts recognised in the statement of Profit or Loss

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
Depreciation charge of right-of-use asset	28.81	32.18
Buildings	28.81	32.18
Interest expense (Included in finance costs)	10.07	10.42

(iv) Total cash outflow

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
Buildings	36.11	36.99
	36.11	36.99



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

5 Investments - non-current

Investments consist of the following:

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- Nil (As at March 31, 2023: 100,000) shares of Rs. 10 each fully paid up in Strides Pharma Services Private Limited. (Refer Note 1)	-	1.00
- 5,560 shares of Rs.10 each fully paid up in Neviton Softech Private Limited. (Refer note 2)	191.92	-
Total (A)	191.92	1.00
(B) Investments in associates: (Carried at cost)		
Equity shares, unquoted		
- 2,780 shares of Rs. 10 each fully paid up in Neviton Softech Private Limited. (Refer note 2)	-	99.73
Total (B)	-	99.73
(C) Investments in others: (carried at fair value through other comprehensive income)		
Equity shares, unquoted		
- 1,839,900 (As at March 31, 2023: 1,839,900) shares of Rs. 1 each fully paid up in OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited). (Refer note 3)	1,564.60	1,212.44
TOTAL (C)	1,564.60	1,212.44
TOTAL [A+B+C]	1,756.52	1,313.17
Aggregate amount of unquoted investmnets	1,756.52	1,313.17
Aggregate amount of impairment in value of investments	-	-

Notes:

- 1 During the year, pursuant to a group restructuring proposal, the company liquidated its investment in it's wholly owned subsidiary viz. Strides Pharma Services Private Limited in favour of it's Holding Company.
- 2 During the previous year, the Board of Directors of the Company has approved an investment of Euro 4.10 Mn (subject to debt and working capital adjustments) to acquire 11,120 equity shares of Rs. 10 each, representing 100% shareholding of that entity, in a phased manner over a period of 3 years. Previous year's investment represents 25% shareholding viz., 2,780 equity shares acquired for an aggregate consideration of Euro 1.10 Mn. This investment is funded by the Holding Company by infusing additional equity into the Company. Further during the current year, additional 2,780 equity shares acquired for an aggregate consideration of Euro 1 Mn.
- 3 During March 2021, the Board of Directors of the Company approved an investment of 1,839,900 equity shares of OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) of face value Re. 1/- each at an issue price of Rs. 555/- per share aggregating to INR 1,021.14 Mn which was funded in entirety by the Holding Company viz. Strides Pharma Science Limited by infusing additional equity into the Company.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

6 Loans

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
(i) Non-current loans		
Unsecured, considered good		
Loans to related parties including interest receivable (Refer note 30)	535.46	-
Total	535.46	-

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
(ii) Current loans		
Unsecured, considered good		
Loans to employees	3.49	2.35
Loans to related parties (Refer note 30)	-	0.90
Total	3.49	3.25

7 Other financial asset

Other financial assets consist of the following:

Non-current financial asset

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
(i) Unsecured, considered good:		
- Security deposits	22.62	22.87
Total	22.62	22.87

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
(ii) Current financial assets		
Receivable from related parties (Refer note 30)	19.81	16.47
Unbilled revenue	13.10	11.53
Total	32.91	28.00

8 Income tax assets
Non current income tax assets (net)

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
Advance tax paid (net of provision)	-	0.02
Total	-	0.02

9 Other Assets

Other assets (unsecured) consist of the following:

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
(i) Other non-current assets		
Considered good:		
- Capital advances	-	0.90
- Prepaid expenses	3.90	8.09
Total	3.90	8.99

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
(ii) Other current assets		
Considered good:		
Advances to suppliers	8.77	16.32
Prepaid expenses	20.44	23.38
Advances to employees	0.30	0.13
Balances with government authorities:		
- GST receivable	1.98	-
Total	31.49	39.83

Particulars	Rs.In Million	
	31-Mar-24	31-Mar-23
10 Trade receivables		
Unsecured:		
a) Considered good - secured	-	-
b) Considered good - unsecured	432.55	361.35
c) Credit impaired	-	-
	432.55	361.35
Less: Allowances for doubtful trade receivable	15.03	6.00
Total	417.52	355.35

Note: Includes receivables from Related Parties

- 1 The Company has an aggregate export receivable of INR 48.44 Mn from various customers outstanding beyond the prescribed time limit for realization as per the extant Foreign Exchange Management Act (FEMA) regulations. The management has since reviewed these balances and based on such review, it has determined that the entire sum is recoverable. Accordingly, no provision is deemed necessary in respect of these receivables. The Company is in the process of completing the procedural formalities prescribed under that statute.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

- 2 In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. This is not applied to receivables that are due from holding company and its subsidiaries. The Provision matrix at the end of reporting period as follows:

Age of receivables	Rs.In Million			
	31-Mar-24		31-Mar-23	
	Trade receivable	Expected credit loss allowance	Trade receivable	Expected credit loss allowance
Within credit	10.32	0.18	72.27	0.69
Less than 180 Days	229.73	3.35	209.59	2.03
180-360 Days	119.70	3.80	52.86	1.30
360-540 Days	53.53	7.24	6.84	0.34
540-720 Days	0.25	0.06	7.47	1.24
Over 720 Days	0.40	0.40	0.40	0.40
Total	413.93	15.03	349.43	6.00

Trade Receivables ageing schedule for the period ended 31, March 2024

Rs.In Million

Particulars	Not due	Outstanding for the following periods from the due date					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- considered good	27.44	231.23	119.70	53.78	0.40	-	432.55
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	(0.18)	(3.35)	(3.80)	(7.30)	(0.40)	-	(15.03)
Total	27.26	227.88	115.90	46.48	-	-	417.52

Trade Receivables ageing schedule for the period ended 31, March 2023

Rs.In Million

Particulars	Not due	Outstanding for the following periods from the due date					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- considered good	110.30	183.49	52.86	14.30	0.40	-	361.35
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	(0.68)	(2.03)	(1.30)	(1.59)	(0.40)	-	(6.00)
Total	109.62	181.46	51.56	12.71	(0.00)	-	355.35

11 Cash and cash equivalents

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Cash on hand	0.05	0.04
Balance with banks:		
- In current account	7.04	41.82
- Funds in transit	0.06	-
Total	7.15	41.86



		Rs. In Million	
		31-Mar-24	31-Mar-23
12 Equity share capital			
Particulars			
Authorised			
450,000 Equity shares of Rs. 10/- each with voting rights (March 31st 2023: 450,000 Equity shares of INR 10 each)		4.50	4.50
Issued			
353,745 Equity shares of Rs. 10/- each with voting rights (March 31st 2023: 353,745 Equity shares of INR 10 each)		3.54	3.54
Subscribed and fully paid-up			
352,925 Equity shares of Rs. 10/- each with voting rights (March 31st 2023: 352,925 Equity shares of INR 10 each)		3.53	3.53
Total		3.53	3.53

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	31-Mar-24		31-Mar-23	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Equity share of Rs. 10/- each				
Opening balance	3,52,925	35,29,250	1,72,215	17,22,150
Issued and subscribed during the year	-	-	1,80,710	18,07,100
Closing balance	3,52,925	35,29,250	3,52,925	35,29,250

(b) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding Equity shares of Rs. 10/- each:

The Company has only one class of equity shares, having a par value of Rs. 10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

(c) Shares held by holding company:

		31-Mar-24	31-Mar-23
Particulars			
Equity shares of ₹10/- each fully paid			
Strides Pharma Science Limited (Holding Company & Promoter)			
Number of shares held		3,52,925	3,52,925
% of holding		100%	100%

(d) Details of equity shares held by each shareholder holding more than 5% of equity shares:

		31-Mar-24	31-Mar-23
Particulars			
Equity shares of ₹10/- each fully paid			
Strides Pharma Science Limited (Holding Company & Promoter)			
Number of shares held		3,52,925	3,52,925
% of holding		100%	100%

Note: Of 352,925 shares, 10 shares are held by Shashidhar K.L. as nominee of Strides Pharma Science Limited.

		Rs. In Million	
		31-Mar-24	31-Mar-23
13 Other Equity			
Particulars			
(i) Securities Premium			
Opening balance		1,119.26	51.01
Add: Shares issued during the year		-	1,068.25
Closing balance		1,119.26	1,119.26
(ii) Surplus in statement of profit and loss			
Opening balance		228.40	114.98
Add: Profit / (Loss) for the year		127.47	113.42
Closing balance		355.87	228.40
(iii) Items of other comprehensive income			
Opening balance		144.78	(6.04)
Add / (Less): Other comprehensive income for the year		353.48	201.32
Add / (Less): Tax impact on above		(88.96)	(50.50)
Closing balance		409.30	144.78
Total		1,884.43	1,492.44



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Notes forming part of financial statements for the year ended March 31, 2024

16 Deferred tax balances

Rs.In Million

Particulars	As at	As at
	31-Mar-24	31-Mar-23
Deferred tax assets	-	-
Deferred tax liabilities	101.30	24.17
Deferred tax assets/ (liabilities) (net)	101.30	24.17

Rs.In Million

2023-2024	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Provision for employee benefits	20.05	-	(0.33)	19.72
Others	(44.22)	11.83	(88.63)	(121.02)
Total	(24.17)	11.83	(88.96)	(101.30)

Rs.In Million

2022-2023	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Provision for employee benefits	21.37	1.20	(2.52)	20.05
Others	(0.09)	3.86	(47.99)	(44.22)
Total	21.28	5.06	(50.51)	(24.17)



14 Borrowings

(i) Non-current borrowing

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Secured loans		
Loan from others		
- Loan from Aditya Birla Finance Limited	361.11	-
Total	361.11	-

(ii) Current borrowing

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Secured loans		
Loan from others		
- Loan from Aditya Birla Finance Limited	111.11	-
Total	111.11	-

Terms of repayment and security -ABFL Loan	31-Mar-24	31-Mar-23
Non-current borrowings	361.11	-
Current maturities of non-current borrowings	111.11	-
Security: Exclusive charge by way of hypothecation on both fixed and current assets of the Company.		
Rate of interest- 12.60%		
Repayment to be made over a period of 5 years(i.e 60 months), with the principal amount being amortized equally over 54 months (commenced from Jan'24).		

15 Other financial liabilities

Other financial liabilities consist of the following:

(i) Non-current financial liability:

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
- Security deposits	0.05	0.50
Total	0.05	0.50

(ii) Current financial liability:

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Unsecured, considered good:		
- Deferred consideration payable	7.56	7.56
Total	7.56	7.56

17 Provisions

Provisions consist of the following:

Non-Current

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Provision for employee benefits		
- Gratuity (Refer note 28)	55.56	46.18
- Compensated absences	35.34	32.79
Total	90.90	78.97

Current

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Current		
Provision for employee benefits		
- Gratuity (Refer note 28)	-	-
- Compensated absences	9.22	8.77
Total	9.22	8.77

18 Income tax liabilities (net)

(i) Non-current tax liabilities

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Provision for taxes (net of taxes paid in advance)	0.81	-
Total	0.81	-

(ii) Current tax liabilities

Rs.In Million

Particulars	31-Mar-24	31-Mar-23
Provision for taxes (net of taxes paid in advance)	19.08	1.01
Total	19.08	1.01



		Rs.In Million	
		31-Mar-24	31-Mar-23
19 Trade payables:			
Particulars			
Trade payables:			
- Total outstanding dues of micro enterprises and small enterprises		5.72	6.74
Total		5.72	6.74

		Rs.In Million	
		31-Mar-24	31-Mar-23
Trade payables			
Particulars			
Total outstanding dues of creditors other than micro & small enterprises			
- Other than micro & small enterprises		130.52	126.64
- Dues to related parties (Refer note 30)		37.32	4.72
Total		167.84	131.36

As on the date of these accounts, the company has an aggregate sum of INR 3.11 Mn payable to vendors towards services rendered which is outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act (FEMA) regulations. The Company is in the process of collating the requisite documentation for initiating the balance payment. Pending this no provision has been made in these accounts for additional liability if any, on account of delay in payment.

		Rs.In Million				
		Trade Payables ageing schedule for the Year ended 31, March 2024				
Particulars	Not due	Outstanding for the following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
- MSME	3.52	2.20				5.72
- Others	110.26	53.99	0.82		2.77	167.84
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	113.78	56.19	0.82	-	2.77	173.56

		Rs.In Million				
		Trade Payables ageing schedule for the Year ended 31, March 2023				
Particulars	Not due	Outstanding for the following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
- MSME	1.77	4.97				6.74
- Others	86.00	42.07	0.20	0.36	2.73	131.36
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	87.77	47.04	0.20	0.36	2.73	138.10

Note: (i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		Rs.In Million	
		31-Mar-24	31-Mar-23
Particulars			
(i) Principal amount remaining unpaid as at the end of the accounting year		29.20	6.74
(ii) Interest due on the above remaining unpaid as at the end of the accounting year		2.39	0.55
(iii) The amount of interest paid along with the amounts of the payment made beyond the appointed day		-	-
(iv) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act, 2006;		-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year		3.07	0.68
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

		Rs.In Million	
		31-Mar-24	31-Mar-23
20 Other current liabilities			
Particulars			
- Statutory liabilities		21.37	29.96
- Advance from customers		32.15	12.48
- Interest payable to vendors registered under MSMED Act		3.07	0.68
- Payable to employees		27.48	31.14
- Payable on purchase of property, plant & equipment & intangibles (includes payable to MSME)		23.48	9.44
Total		107.55	83.70



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

21 Revenue from operations		Rs. In Million	
Particulars	31-Mar-24	31-Mar-23	
Support service income (Refer note 30)	1,386.56	1,174.43	
Total	1,386.56	1,174.43	

22 Other income		Rs. In Million	
Particulars	31-Mar-24	31-Mar-23	
Rental Income (Refer note 30)	0.19	0.62	
Interest Income (Refer note 30)	61.59	4.66	
Gain on sale of asset (net)	0.45	0.10	
Miscellaneous Income	0.61	0.15	
Net gain on foreign currency transactions	0.72	1.79	
Total	63.56	7.32	

23 Employee benefits expenses		Rs. In Million	
Particulars	31-Mar-24	31-Mar-23	
Salaries and wages	544.45	579.63	
Contributions to provident and other funds (Refer note 28)	32.94	35.19	
Gratuity (Refer note 28)	12.43	18.14	
Share based compensation expense (Refer note 35)	2.31	2.54	
Staff welfare expenses	28.80	25.52	
Total	620.93	661.02	

24 Finance costs		Rs. In Million	
Particulars	31-Mar-24	31-Mar-23	
Interest expense on:			
- Borrowings	48.81	-	
- Interest on leases	10.07	10.42	
- Interest others	3.25	0.83	
- Guarantee commission (Refer note 30)	4.01	-	
- Processing fees, bank charges and commission	5.16	0.15	
Total	71.30	11.40	

25 Depreciation and amortisation expenses		Rs. In Million	
Particulars	31-Mar-24	31-Mar-23	
Depreciation on property, plant and equipment	9.06	10.27	
Depreciation on Right-of-use asset	28.81	32.18	
Depreciation on intangible assets	3.13	1.38	
Total	41.00	43.83	

26 Other Expenses		Rs. In Million	
Particulars	31-Mar-24	31-Mar-23	
Rent	10.48	4.73	
Power, fuel & water charges	7.84	7.42	
Repairs and maintenances:			
- Buildings	2.94	6.65	
- Others	69.40	60.27	
Insurance	0.06	0.06	
Rates and taxes	1.85	25.72	
Subcontracting charges	262.17	105.31	
Recruitment expenses	2.98	2.93	
Security charges	1.74	1.23	
Expenditure on corporate social responsibility (CSR) (Refer note (i) below)	1.42	1.06	
Legal and professional fees	111.00	52.41	
Communication expenses	7.48	8.73	
Travelling and conveyance	5.72	5.28	
Printing and stationery	1.42	1.25	
Sales promotion	15.01	1.34	
Payments to auditors (refer note (ii) below)	1.21	0.85	
Provision for bad and doubtful debts/written off	9.32	6.44	
Support service charges	10.97	-	
Membership fees	18.27	21.55	
Loss on sale of investment	1.35	-	
Miscellaneous expenses	0.55	0.14	
Total	543.18	313.37	



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

Note:

(i) Expenditure on Corporate Social Responsibility:

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
(a) Gross amount required to be spent during the year (Refer note below)	1.81	-
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	1.42	1.06
(c) Short fall of CSR spent	-	-
(d) Contribution to a trust controlled by the company in relation to CSR activities	-	-
(e) Provision towards liability incurred by entering into a contractual obligation for CSR activities	-	-
Total	1.42	1.06

Nature of CSR activities:

Infrastructure upgradation at Government Higher Primary School.

Note: Consequent to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 dated 20 September 2022, the company was not required to spend any sum towards CSR in the previous year. Hence, the sum of Rs. 1.06 million spent during the previous year is carried forward and adjusted against the current year's CSR requirement.

(ii) Payments to auditors comprises (net of GST credit):

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
Statutory audit fee	0.72	0.72
Taxation matters	0.13	0.13
Other services (Limited review)	0.36	-
Total	1.21	0.85

27 Tax expenses

Particulars	Rs. In Million	
	31-Mar-24	31-Mar-23
Current tax	58.07	43.77
Deferred tax expense / (benefit)	(11.83)	(5.06)
Total	46.24	38.71



28 Employee benefit plans

28.1 Defined contribution plans

The employees of the Company are members of a state-managed retirement benefit plan operated by the government. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

During the year, the Company has recognized the following amounts in the Profit and Loss Account-

Particulars	Rs. in Million	
	31-Mar-24	31-Mar-23
Employers' contribution to provident fund	32.94	35.19
Employers' contribution to employee state insurance scheme	0.01	0.07

28.2 Defined benefit plans

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity under this Act. The amount of gratuity payable on termination / retirement is the last drawn basic salary per month of the employee proportionate for a period of 15 days per completed year of service. The Company has constituted a Group Gratuity Trust and the above liability is funded through the Group Gratuity Trust with Life Insurance Corporation of India.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation as at	
	31-Mar-24	31-Mar-23
Discount rate(s)	7.19%	7.35%
Expected rate(s) of salary increase	8.00%	8.00%

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:	Rs. in Million	
	31-Mar-24	31-Mar-23
Service cost:		
Current service cost	9.03	12.50
Net interest expense	3.40	5.64
Components of defined benefit costs recognised in profit or loss	12.43	18.14
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.33)	(0.43)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(1.04)
Actuarial (gains) / losses arising from changes in financial assumptions	0.50	(6.35)
Actuarial (gains) / losses arising from experience adjustments	(1.49)	(2.87)
Components of defined benefit costs recognised in other comprehensive income	(1.32)	(10.69)
Total	11.11	7.45

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:	Rs. in Million	
	As at 31-Mar-2024	As at 31-Mar-2023
Present value of defined benefit obligation	71.13	60.79
Fair value of plan assets	15.57	14.60
Funded status	The defined benefit plan is funded.	The defined benefit plan is funded.
Net liability arising from defined benefit obligation	55.56	46.19



	Rs. in Million	
Movements in the present value of the defined benefit obligation are as follows:	Year ended 31-Mar-24	Year ended 31-Mar-2023
Opening defined benefit obligation	60.79	96.34
Current service cost	9.03	12.50
Interest cost	4.03	6.10
Acquisition / Divestiture	4.40	(18.80)
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	(1.04)
Actuarial gains and losses arising from changes in financial assumptions	0.50	(6.35)
Actuarial gains and losses arising from experience adjustments	(1.49)	(2.87)
Benefits paid	(6.14)	(25.08)
Closing defined benefit obligation	71.13	60.79

	Rs. in Million	
Defined Benefit Obligation	01-Apr-23 to 31-Mar-24	01-Apr-22 to 31-Mar-23
Discount rate		
a. Discount rate - 100 basis points	74.65	63.65
b. Discount rate + 100 basis points	67.94	58.17
Salary increase rate		
a. Rate - 100 basis points	68.75	58.53
b. Rate + 100 basis points	73.57	63.09

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Expected future Cash outflows towards the plan are as follows-

Financial Year	Rs. in Million
2024-25	14.42
2025-26	10.11
2026-27	9.30
2027-28	11.01
2028-29	8.56
2029-30 to 2033-34	28.04

28.3 Actuarial Assumptions for Long-term Compensated Absence

	Rs. In Million	
Actuarial Assumptions	Year ended 31-Mar-24	Year ended 31-Mar-23
Discount Rate	7.19%	7.35%
Salary escalation Rate	8.00%	10.00%
Attrition Rate	-	-
Charge In the Profit and Loss account	11.41	9.20
Liability at the year end	44.56	41.56

Note: The estimates and rate of escalation in salary considered in actuarial valuation take into consideration inflation, seniority, promotion and other relevant factors such as employment market conditions. These figure are as certified by an actuary.

29 Earnings per share

	Rs. In Million	
Particulars	31-Mar-24	31-Mar-23
Profit attributable to the equity holders of the Company	127.47	113.42
Weighted average number of equity shares used for computation of basic earnings per share	3,52,925	2,86,531
Add : Effect of potentially dilutive equity shares - Employee Stock option	-	-
Weighted average number of equity shares used for computation of diluted earnings per share	3,52,925	2,86,531
Earnings per share in Rs.		
Basic	361.18	395.84
Diluted	361.18	395.84



30 Related Party Transactions:

List of related parties

Party where the control exists	Name of the Related party
Holding Company	Strides Pharma Science Limited
Subsidiary Company	Neviton Softech Private Limited (effective January 8, 2024) Strides Pharma Services Private Limited (up to September 7, 2023)
Associate Company	Neviton Softech Private Limited (up to January 7, 2024) Neviton Technologies Inc., USA (effective August 8, 2023)
Fellow Subsidiaries	Strides Pharma Asia Pte Ltd Strides Pharma Canada Inc. Strides Pharma (Cyprus) Limited Strides Pharma Global Pte Limited Strides Pharma Inc Strides Pharma UK Ltd Trinity Pharma Pty Ltd Universal Corporation Limited (up to september 30, 2022) UCL Brands Limited, Kenya (effective May 30, 2023) Strides Alathur Private Limited (formerly, Vivmed Life Sciences Pvt Ltd, India) Strides Pharma Services Private Limited (effective September 8, 2023) Strides Pharma International AG (formerly, Fairmed Healthcare AG, Switzerland) Fairmed Healthcare GmbH, Germany Trusts: Strides Foundation, India
Associate of Holding Company	OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) Strides Consumer LLC (upto August 8, 2022) Strides Consumer Private Limited (upto August 8, 2022) Stelis Pte Ltd (till June 23, 2022) Strides Global Consumer Healthcare Limited (upto August 8, 2022) Biolexis Private Limited Biolexis Pte Ltd (Formerly Stelis Pte Ltd) (effective June 24, 2022) Universal Corporation Limited (effective October 1, 2022)
Enterprise owned / significantly influenced by KMP /	Aurora Life Sciences Private Limited, India Aurora Pharmaceuticals Private Limited, India Hydra Active Pharma Private Limited, India (Formerly Tenshi Active Pharma Private Limited, India) Naari Pharma Private Limited Axxelent Pharma Science Limited (up to February 21, 2023) Agnus Capital LLP Agnus Ventures LLP Dairy Power Limited Six Rays LLP Six Rays Pte Limited Six Rays Holdings Pte Limited Brooks Steriscience Limited Naari Pte. Ltd Six Rays Pharma Solutions LLP Solara Active Pharma Sciences Limited Steribrooks Penems Private Limited
	Steriscience BV Steriscience Pte Limited Steriscience Specialties Private Limited Steriscience Sp Zoo, Poland Tenshi Kaizen USA Inc Tenshi Kaizen Pharma Pte. Ltd. Tenshi Kaizen Private Limited Velbiom Probiotics Private Limited (formerly known as Tenshi Life Care Private Limited) Tenshi Life Sciences Private Limited (Merged with Tenshi Pharmaceuticals Private Limited on January 06, 2023, with an appointed date of April 01, 2021) Tenshi Life Sciences Pte. Limited Tenshi Pharmaceuticals Private Limited Triphase Pharmaceuticals Private Limited (up to March 02, 2023) Karuna Healthcare Private Limited (Merged with Tenshi Pharmaceuticals Private Limited on January 06, 2023, with an appointed date of April 01, 2021) Emerge Vocational Skills Private Limited Chayadeep Properties Private Limited Y UshaRani
Key Managerial Personnel	Shashidhar K L, Whole Time Director Vinod Kumar Bhaskaran, Whole Time Director Stuti Sharma, Whole Time Director (effective July 25, 2023) Debarati S Tripathi, Whole Time Director (up to June 30, 2023)



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

Related Party Transactions

Rs. in Million

Nature of Transactions	Holding company		Subsidiary / Fellow subsidiaries		Associate / Associate of holding company		Directors / Promoters / KMP / Relatives of KMP or Promoters		Enterprise owned / significantly influenced by KMP/ director of Holding Company	
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Support Services										
1 Agnus Capital LLP	-	-	-	-	-	-	-	-	-	0.71
2 Agnus Ventures LLP	-	-	-	-	-	-	-	-	-	0.03
3 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	2.40	-
4 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	2.40	-
5 Biolexis Private Limited	-	-	-	-	-	-	-	-	-	10.20
6 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	43.55	22.36
7 Naari Pte Ltd	-	-	-	-	-	-	-	-	-	22.23
8 Six Rays Pharma Solutions	-	-	-	-	-	-	-	-	0.60	0.97
9 Six Rays Pte Limited	-	-	-	-	-	-	-	-	0.34	0.33
10 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	65.12	70.94
11 OneSource Specialty Pharma Limited	-	-	-	-	179.25	131.03	-	-	-	-
12 Steribooks Penems Private Limited	-	-	-	-	-	-	-	-	(0.08)	0.38
13 Steriscience Pte Ltd	-	-	-	-	-	-	-	-	50.80	73.20
14 Steriscience Specialties Private Ltd	-	-	-	-	-	-	-	-	91.81	92.60
15 Steriscience Sp Zoo	-	-	-	-	-	-	-	-	4.10	4.43
16 Strides Consumer LLC	-	-	-	-	-	0.34	-	-	-	-
17 Strides Consumer Private Limited	-	-	-	-	-	0.81	-	-	-	-
18 Strides Global Consumer Healthcare Limited	-	-	-	-	-	0.41	-	-	-	-
19 Strides Pharma Asia Pte Limited	-	-	0.11	0.11	-	-	-	-	-	-
20 Strides Pharma Canada Inc	-	-	0.74	0.73	-	-	-	-	-	-
21 Strides Pharma (Cyprus) Limited	-	-	0.73	0.71	-	-	-	-	-	-
22 Strides Pharma Global Pte Limited	-	-	18.53	17.73	-	-	-	-	-	-
23 Strides Pharma Inc.	-	-	12.48	11.34	-	-	-	-	-	-
24 Strides Pharma Science Limited	756.24	598.45	-	-	-	-	-	-	-	-
25 Strides Pharma (UK) Limited	-	-	15.49	10.30	-	-	-	-	-	-
26 Tenshi Healthcare Pte. Ltd	-	-	-	-	-	-	-	-	-	0.34
27 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	56.87	52.15
28 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	1.20	1.20
29 Tenshi Life Science Pte Ltd	-	-	-	-	-	-	-	-	0.34	0.33
30 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	31.74	33.85
31 Trinity Pharma (Pty) Ltd	-	-	1.29	1.25	-	-	-	-	-	-
32 Triphase Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	0.48
33 Universal Corporation Limited	-	-	-	-	0.15	-	-	-	-	-
34 Strides Alathur Private Limited	-	-	3.91	3.98	-	-	-	-	-	-
35 Dairy Power Limited	-	-	-	-	-	-	-	-	-	0.38
36 Brooks Steriscience Limited	-	-	-	-	-	-	-	-	5.05	4.90
37 Hydra Active Pharma Science Private Limited	-	-	-	-	-	-	-	-	0.80	0.80
38 Axxelent Pharma Science Private Limited	-	-	-	-	-	-	-	-	-	1.68
39 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	0.33
40 Emerge Vocational Skills Private Limited, India	-	-	-	-	-	-	-	-	-	0.05
41 Six Rays LLP	-	-	-	-	-	-	-	-	0.60	0.60
42 Y Usharam	-	-	-	-	-	-	1.75	1.69	-	-
43 Six Rays Holdings Pte Limited	-	-	-	-	-	-	-	-	0.35	0.34
44 UCL Brands Limited, Kenya	-	-	0.22	-	-	-	-	-	-	-
45 Fairmed Healthcare GmbH, Germany	-	-	6.46	-	-	-	-	-	-	-
46 Strides Pharma International AG	-	-	0.67	-	-	-	-	-	-	-
47 Neviton Softech Private Limited	-	-	1.28	-	1.51	-	-	-	-	-
Issue of Share Capital										
1 Strides Pharma Science Limited	-	1,070.06	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred by										
1 Strides Pharma Science Limited	29.48	19.29	-	-	-	-	-	-	-	-
2 OneSource Specialty Pharma Limited	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses on behalf of										
1 OneSource Specialty Pharma Limited	-	-	-	-	-	3.20	-	-	-	-
2 Strides Pharma Services Private Limited	-	-	-	0.12	-	-	-	-	-	-
Employee related liability										
1 Strides Pharma Science Limited	4.40	-	-	-	-	-	-	-	-	-
2 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	(24.03)
Service Charges										
1 Neviton Softech Private Limited	-	-	1.33	-	3.91	6.75	-	-	-	-
Rental Income										
1 OneSource Specialty Pharma Limited	-	-	-	-	-	0.10	-	-	-	-
2 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.05	0.17
3 Strides Pharma Services Private Limited	-	-	0.14	0.36	-	-	-	-	-	-
Investment in shares										
1 Strides Pharma Services Private Limited	-	-	0.85	1.00	-	-	-	-	-	-
2 Neviton Softech Private Limited	-	-	92.19	-	-	92.17	-	-	-	-
3 OneSource Specialty Pharma Limited	-	-	-	-	-	970.09	-	-	-	-
Sale of Assets										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	0.47
2 OneSource Specialty Pharma Limited	-	-	-	-	-	0.06	-	-	-	-
3 Strides Pharma Science Limited	10.48	-	-	-	-	-	-	-	-	-
Sale of Investment										
1 Strides Pharma Science Limited	0.50	-	-	-	-	-	-	-	-	-
Divestment										
1 Strides Pharma Services Private Limited	-	-	1.85	-	-	-	-	-	-	-
Purchase of Assets										
1 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	0.21
2 Neviton Softech Private Limited	-	-	14.85	-	24.44	10.09	-	-	-	-



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

Rs. in Million

Related Party Transactions

Nature of Transactions	Holding company		Subsidiary / Fellow subsidiaries		Associate / Associate of holding company		Directors / Promoters / KMP / Relatives of KMP or Promoters		Enterprise owned / significantly influenced by KMP/ director of Holding Company	
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Loans given by the company										
1 OneSource Specialty Pharma Limited	-	-	-	-	700.00	36.00	-	-	-	-
2 Strides Pharma Services Private Limited	-	-	0.20	0.50	-	-	-	-	-	-
3 Shashidhar K L	-	-	-	-	-	-	1.50	1.50	-	-
Loans repaid to the company										
1 OneSource Specialty Pharma Limited	-	-	-	-	200.00	35.61	-	-	-	-
2 Shashidhar K L	-	-	-	-	-	-	1.50	1.50	-	-
3 Strides Pharma Services Private Limited	-	-	0.70	-	-	-	-	-	-	-
Loans received by the company										
1 Strides Pharma Science Limited	200.00	-	-	-	-	-	-	-	-	-
Loans repaid by the company										
1 Strides Pharma Science Limited	200.00	-	-	-	-	-	-	-	-	-
Interest income on Loan										
1 OneSource Specialty Pharma Limited	-	-	-	-	59.47	0.43	-	-	-	-
2 Strides Pharma Services Private Limited	-	-	0.03	0.02	-	-	-	-	-	-
Interest Expense on Loan										
1 Strides Pharma Science Limited	1.94	-	-	-	-	-	-	-	-	-
Guarantee Commission Expense										
1 Strides Pharma Science Limited	4.01	-	-	-	-	-	-	-	-	-
ESOP										
1 Strides Pharma Science Limited	2.31	2.54	-	-	-	-	-	-	-	-
Support service expenses										
1 Strides Pharma Canada Inc	-	-	10.97	-	-	-	-	-	-	-
Security Deposit Repaid										
1 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.09	-
Donation Paid										
1 Strides Foundation, India	-	-	1.42	1.06	-	-	-	-	-	-
Managerial Remuneration										
1 Shashidhar K L	-	-	-	-	-	-	17.34	10.37	-	-
2 Vinod Kumar Bhaskaran	-	-	-	-	-	-	7.70	5.93	-	-
3 Debarati S Triparti	-	-	-	-	-	-	1.46	6.33	-	-
4 Sruti Sharma	-	-	-	-	-	-	4.43	-	-	-



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

Related party closing balances

Rs. in Million

Nature of Transactions	Holding company		Subsidiary / Fellow subsidiaries		Associate of holding company		Directors / Promoters / KMP / Relatives of KMP or Promoters		Enterprise owned / significantly influenced by KMP/ director of Holding Company	
	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Balance of trade payables										
1 Strides Pharma Science Limited	31.22	4.74	-	-	-	-	-	-	-	-
2 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	3.20
3 Neviton Softech Private Limited	-	-	2.16	-	-	12.88	-	-	-	-
4 Strides Pharma Canada Inc.	-	-	3.95	-	-	-	-	-	-	-
5 OneSource Specialty Pharma Limited	-	-	-	-	1.01	1.01	-	-	-	-
Balance of Capex payable										
1 Neviton Softech Private Limited	-	-	23.24	-	-	-	-	-	-	-
Balance of Advances received										
1 Strides Pharma Science Limited	32.15	12.29	-	-	-	-	-	-	-	-
2 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	-	0.19
Balance of trade receivables										
1 Biolexis Pte Ltd	-	-	-	-	4.11	4.05	-	-	-	-
2 Agnus Capital LLP	-	-	-	-	-	-	-	-	-	0.77
3 Agnus Ventures LLP	-	-	-	-	-	-	-	-	-	0.03
4 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	0.32
5 Hydra Active Pharma Science Private Limited	-	-	-	-	-	-	-	-	0.94	0.94
6 Strides Pharma Canada Inc.,	-	-	-	0.18	-	-	-	-	-	-
7 Strides Pharma (Cyprus) Limited	-	-	0.36	0.18	-	-	-	-	-	-
8 Strides Pharma Global Pte Limited	-	-	4.58	9.04	-	-	-	-	-	-
9 Strides Pharma Inc	-	-	2.83	0.37	-	-	-	-	-	-
10 Strides Pharma (UK) Limited	-	-	2.14	1.45	-	-	-	-	-	-
11 Trinity Pharma (Pty) Ltd	-	-	0.65	0.32	-	-	-	-	-	-
12 Universal Corporation Limited	-	-	-	-	0.14	-	-	-	-	-
13 Strides Alathur Private Limited	-	-	0.63	0.00	-	-	-	-	-	-
14 Strides Pharma Services Private Limited	-	-	0.05	0.39	-	-	-	-	-	-
15 Aurore Life Sciences Private Limited	-	-	-	-	-	-	-	-	0.95	0.16
16 Aurore Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	2.59	-
17 Biolexis Private Limited	-	-	-	-	-	-	-	-	11.02	11.02
18 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	6.17	-
19 Six Rays Pharma Solutions	-	-	-	-	-	-	-	-	0.52	0.39
20 Six Rays Pte Limited	-	-	-	-	-	-	-	-	0.09	0.25
21 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	41.29
22 Steribooks Penems Private Limited	-	-	-	-	-	-	-	-	-	0.09
23 Steriscience Pte Ltd	-	-	-	-	-	-	-	-	78.96	39.76
24 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	46.79	72.97
25 Steriscience Sp.Zoo	-	-	-	-	-	-	-	-	8.61	4.43
26 Tenshi Kaizen Pharma Pte Ltd	-	-	-	-	-	-	-	-	-	0.21
27 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	45.66	62.45
28 Tenshi Life Science Pte Ltd	-	-	-	-	-	-	-	-	0.09	0.17
29 Tenshi Healthcare Pte. Ltd	-	-	-	-	-	-	-	-	-	0.50
30 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	30.79	28.32
31 Brooks steriscience Limited	-	-	-	-	-	-	-	-	11.17	6.19
32 OneSource Specialty Pharma Limited	-	-	-	-	149.57	67.43	-	-	-	-
33 Six Rays Holdings Pte. Limited	-	-	-	-	-	-	-	-	0.26	0.23
34 Sixrays LLP	-	-	-	-	-	-	-	-	0.70	0.23
35 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	1.16	0.35
36 Y Usharani	-	-	-	-	-	-	0.36	0.16	-	-
37 UCL Brands Limited	-	-	0.22	-	-	-	-	-	-	-
38 Strides Pharma International AG	-	-	0.72	-	-	-	-	-	-	-
39 Faarmed Healthcare GmbH	-	-	6.43	-	-	-	-	-	-	-
Security Deposits Received										
1 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	0.05	0.09
2 Strides Pharma Services Private Limited	-	-	-	0.41	-	-	-	-	-	-
Loans including interest receivable										
1 OneSource Specialty Pharma Limited	-	-	-	-	535.46	0.39	-	-	-	-
Balance of other receivables / (payables)										
1 Strides Pharma Science Limited	16.57	13.02	-	-	-	-	-	-	-	-
2 Strides Pharma Services Private Limited	-	-	-	0.51	-	-	-	-	-	-
3 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	-	0.20
4 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	3.25	3.25
5 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	-



ARCO LAB PRIVATE LIMITED
Notes forming part of the financial statements for the year ended March 31, 2024

31 Operating Ratios

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% of variance	Note No
Current ratio (in times)	Total current assets	Total current liabilities	1.07	1.71	-38%	1
Debt-Equity ratio (in times)	Debt (including lease liabilities)	Equity	0.29	-	0%	
Debt service coverage ratio (in times)	Earning for debt service = Net profit after taxes + Depreciation + Finance cost	Debt service = Interest and lease payments + Principal repayments	1.85	3.54	-48%	2
Return on equity ratio (in %)	Profit for the year less preference dividend (if any)	Average total equity	0.08	0.14	-45%	3
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.59	5.18	-31%	4
Trade payables turnover ratio (in times)	Purchases + Other expenses	Average trade payable	3.40	2.95	15%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	43.38	6.03	619%	5
Net profit ratio (in %)	Profit for the year	Total Income	0.09	0.10	-5%	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total debt - Deferred tax assets	0.10	0.11	-5%	
Return on Investment	Unrealised gain	Weighted average of investments	0.26	0.29	-8%	

Notes:

- 1 Decrease in current ratio is on account of increased trade payable and increase of short term debt.
- 2 Decrease in Debt service coverage ratio is on account of increase of debt.
- 3 Decrease in return on equity is on account of increase in share holders equity consequent to continued profitability of operations
- 4 Trade receivable turnover ratio is decreased due increase in sales and increase in receivables at year end.
- 5 Increase in net capital turnover is on account of increase in sales and reduction in working capital.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2024

32 Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2024 that have not been hedged by a derivative instrument or otherwise:

Particulars	31-Mar-24		31-Mar-23	
	Amount in Foreign Currency	INR in Million	Amount in Foreign Currency	INR in Million
Receivables -USD	1.25	104.30	0.74	60.52
Receivables -EUR (EUR 2,032 is receivable as on 31.03.2023)	0.08	7.52	0.00	0.18
Receivables -CAD (CAD 3,000 is receivable as on 31.03.2023)	-	-	0.00	0.18
Receivables -GBP	0.02	2.14	0.03	2.91
Total		113.96		63.79
Payables- USD	-	-	0.02	1.76
Payables- GBP (GBP 3,049 is payable as on 31.03.2024)	0.00	0.32	0.02	1.80
Payables- CAD	0.06	3.95	-	-
Payables- EURO	0.04	4.03	0.03	3.11
Total		8.30		6.67

33 Segment information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of Strides Pharma Science Limited (the Holding Company) and therefore no separate disclosure on segment information is given in these financial statements.

34 Commitments and Contingent liabilities (to the extent not provided for)

Rs. in Million

	31-Mar-2024	31-Mar-2023
Contingent liabilities	-	-
Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.10	6.11

35 The ESOP titled "Strides Shasun ESOP 2016" (ESOP 2016) was approved by the shareholders of Holding Company on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Holding Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Holding Company granted 42,500 options to eligible employees of the company under the above scheme. During the year, Rs. 2.31 million (2023: Rs 2.54 million) has been debited to employee benefits expenses towards ESOP cost.

36 Previous year figures have been regrouped and reclassified where necessary to confirm to current year figures.

For and on behalf of Board of Directors of
Arco Lab Private Limited
 CIN: U74999KA2018PTC115573


Vinod Kumar Bhaskaran
 Director
 DIN: 07729849


Shashidhar Koppa Lingaraj
 Director
 DIN: 07636554

Place: Bengaluru
 Date: May 16, 2024

