



ARCO LAB PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2025

		Rs. In Million	
		As at	As at
	Note	31-Mar-25	31-Mar-24
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(i)	14.94	14.29
(b) Capital work-in-progress	3(ii)	0.04	0.08
(c) Right-of-use assets	4(i)	32.43	57.31
(d) Other intangible assets	3(iii)	11.74	16.08
(e) Intangible assets under development	3(iv)	130.34	40.38
(f) Financial assets			
(i) Investments	5	3,415.88	1,756.52
(ii) Loans	6(i)	-	535.46
(iii) Other financial assets	7(i)	23.05	22.62
(g) Other non-current assets	9(i)	3.65	3.90
Total non-current assets		3,632.07	2,446.64
II Current assets			
(a) Financial assets			
(i) Trade receivables	10	541.64	417.52
(ii) Cash and cash equivalents	11	13.36	7.15
(iii) Loans	6(ii)	3.37	3.49
(iv) Other financial assets	7(ii)	12.37	32.91
(b) Income tax assets (net)	8	6.54	-
(c) Other current assets	9(ii)	55.74	31.49
Total current assets		633.02	492.56
TOTAL ASSETS		4,265.09	2,939.20
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12	3.53	3.53
(b) Other equity	13	3,196.37	1,884.43
Total Equity		3,199.90	1,887.96
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(i)	2.60	361.11
(ii) Lease liability	4(ii)	5.79	36.47
(iii) Other financial liabilities	15(i)	-	0.05
(b) Deferred tax liability (net)	16	510.85	101.30
(c) Provisions	17(i)	128.60	90.90
(d) Non-current tax liabilities	18(i)	0.36	0.81
Total non-current liabilities		648.20	590.64
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(ii)	0.57	111.11
(ii) Lease liability	4(ii)	35.53	32.52
(iii) Trade payables			
- Total outstanding dues of micro and small enterprises	19	10.26	5.72
- Total outstanding dues of creditors other than micro and small enterprises		223.09	167.84
(iv) Other financial liabilities	15(ii)	7.56	7.56
(b) Other current liabilities	20	129.89	107.55
(c) Provisions	17(ii)	10.09	9.22
(d) Current tax liabilities (net)	18(ii)	-	19.08
Total current liabilities		416.99	460.60
TOTAL EQUITY AND LIABILITIES		4,265.09	2,939.20

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

Place: Bengaluru

Date : 15 May 2025



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 PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Note	Rs. In Million	
		For the year ended 31-Mar-25	For the year ended 31-Mar-24
1 Revenue from operations	21	1,551.19	1,386.56
2 Other income	22	63.54	63.56
3 Total Income		1,614.73	1,450.12
4 Expenses			
(a) Employee benefits expense	23	730.01	620.93
(b) Finance costs	24	56.75	71.30
(c) Depreciation and amortisation expenses	25	38.00	41.00
(d) Other expenses	26	680.67	543.18
Total		1,505.43	1,276.41
5 Profit before exceptional items and tax (3-4)		109.30	173.71
6 Exceptional items gain / (loss) (net)		-	-
7 Profit before tax (5+6)		109.30	173.71
8 Tax expense	27		
(a) Current tax		40.40	58.07
(b) Prior year tax		(4.97)	-
(c) Deferred tax expense / (benefit)		(5.29)	(11.83)
9 Profit / (Loss) for the year (7-8)		79.16	127.47
10 Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss		1,647.62	353.48
(ii) Income tax relating to items that will not be reclassified to profit or loss		(414.84)	(88.96)
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		1,232.78	264.52
11 Total Comprehensive Income for the period (9+10)		1,311.94	391.99
12 Earnings per equity share (nominal value of Rs. 10/- each) in Rs.	29		
- Basic		224.30	361.18
- Diluted		224.30	361.18

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 **Shashidhar Koppa Lingaraj**
Director Director
DIN: 07729849 DIN: 07636554

Place: Bengaluru
Date: 15 May 2025



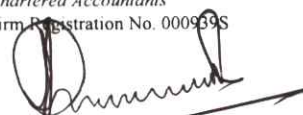
ARCO LAB PRIVATE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Rs. In Million	
	31-Mar-25	31-Mar-24
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	109.30	173.71
Adjustments for:		
-Depreciation and amortisation	38.00	41.00
-(Profit)/loss on sale off of assets	(0.92)	(0.45)
-Discounting of deposits and interest on unwinding of discount	(0.15)	(0.04)
-Provision for bad & doubtful debts	6.04	9.32
-Interest on lease liability	5.18	10.07
-Interest on borrowings	41.78	48.81
-Guarantee commission	3.22	4.01
-Expenses on employee stock option plans	1.53	2.31
-Interest income	(58.13)	(59.49)
-Other receivables written off	1.59	0.22
-Loss on sale of investment	-	1.35
-Provision for gratuity & leave encashment	37.62	23.84
-Sundry balances written back	(0.08)	(0.61)
-Net unrealised exchange (gain) / loss	0.11	0.65
Operating profit / (loss) before working capital changes	185.09	254.70
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(136.87)	(70.02)
Increase/(decrease) in trade and other payables	40.38	34.22
Net change in working capital	(96.49)	(35.80)
Cash generated from operations	88.60	218.90
Income taxes paid	(61.50)	(39.17)
Net cash flow generated from / (used in) operating activities (A)	27.10	179.73
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advance	(88.13)	(40.80)
Proceeds from sale of property, plant and equipment	19.50	10.53
Interest received	58.13	59.49
Purchase of long-term investments	-	(93.04)
Proceeds from sale of long-term investments	-	0.50
Loans given/repaid (net)	537.22	(534.56)
Security deposits paid	1.37	0.14
Net cash flow generated from / (used in) investing activities (B)	528.09	(597.74)
C. Cash flow from financing activities		
Lease payments	(34.94)	(36.10)
Proceeds of long-term borrowings	3.36	500.00
Repayment of long-term borrowings	(472.40)	(27.78)
Guarantee commission paid on borrowings	(3.22)	(4.01)
Interest paid on borrowings	(41.78)	(48.81)
Net cash flow generated from / (used in) financing activities (C)	(548.98)	383.30
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	6.21	(34.71)
Cash and cash equivalents at the beginning of the year	7.15	41.86
Cash and cash equivalents at the end of the year	13.36	7.15
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 11)	13.36	7.15
Cash and cash equivalents at the end of the year *	13.36	7.15
* Comprises:		
(a) Cash on hand	0.47	0.05
(b) Balances with banks - in current accounts	4.72	7.04
(c) Funds in transit	8.17	0.06
Total	13.36	7.15

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

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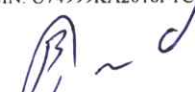
For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration No. 000939S


R Umesh
Partner
Membership No. 027892

Place: Bengaluru
Date: 15 May 2025



For and on behalf of Board of Directors of
Arco Lab Private Limited
CIN: U74999KA2018PTC15573


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, 2025 AND MARCH 31, 2024

A) Equity share capital

Rs. In Million

Particulars	Amount
Balance as at April 1, 2023	3.53
Changes in equity share capital during the year	-
Balance as at March 31, 2024	3.53
Balance as at April 1, 2024	3.53
Changes in equity share capital during the year	-
Balance as at March 31, 2025	3.53

B) Other equity

Rs. In Million

Particulars	Reserves and Surplus		Items of Other Comprehensive		Total
	Securities premium	Retained earnings	Equity Instruments	Re-measurement of the defined benefit	
Balance as at April 1, 2023	1,119.26	228.40	143.15	1.63	1,492.44
Profit / (Loss) for the period	-	127.47	-	-	127.47
Addition of securities premium during the year	-	-	-	-	-
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
Profit / (Loss) for the period	-	79.16	-	-	79.16
Other comprehensive income for the year (net of tax)	-	-	1,241.74	(8.96)	1,232.78
Total comprehensive income	-	79.16	1,241.74	(8.96)	1,311.94
Balance as at March 31, 2025	1,119.26	435.03	1,648.42	(6.34)	3,196.37

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. 0009399

R Umesh

Partner

Membership No. 027892

For and on behalf of Board of Directors of

Arco Lab Private Limited

CIN: U74999KA2018PT0115573

Vinod Kumar Bhaskaran

Director

DIN: 07729849

Shashidhar Koppa Lingaraj

Director

DIN: 07636554

Place: Bengaluru

Date : 15 May 2025



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 Material 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.

The Company does not have any requirement to prepare consolidated accounts as the accounts of the associate company viz., Neviton Softech Private Limited and its wholly owned subsidiary viz. Neviton Technologies Inc., USA, since the accounts of these entities would be consolidated with the Holding Company (Strides Pharma Science Limited).

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, 2025**

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	Motor Vehicle	8 years
7	Leasehold improvements	Lease period
8	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.

The Investment in Neviton Softech Private Limited, a subsidiary of the company is carried at cost as per Ind AS 27-Separate Financial Statements.

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, 2025****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. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Place: Bengaluru

Date : 15 May 2025

Shashidhar Koppa Lingaraj

Director

DIN: 07636554



ARCO LAB PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2025

3(i) Property, plant and equipment

Property, plant and equipment		Gross block						Depreciation			Rs. In Million		
		As at 01-Apr-24		Additions	Disposals	Asset Reclassified	As at 31-Mar-25	As at 01-Apr-24	Depreciation for the period	Disposal	Asset Reclassified	Net block	
												As at 31-Mar-25	As at 31-Mar-25
Sl No	Description												
Tangible assets													
1	Office equipment	6.66 5.80	0.69 0.93	0.02 0.07	0.07 -	7.40 6.66	3.53 2.28	1.44 1.28	0.02 0.03	0.07 -	5.02 3.53	2.38 3.13	
2	Computers	20.71 20.55	0.10 0.16	- -	(0.07) -	20.74 20.71	18.20 12.59	2.24 5.61	- -	(0.07) -	20.37 18.20	0.37 2.51	
3	Servers & networks	10.06 10.18	0.07 -	- 0.12	- -	10.13 10.06	5.15 3.53	1.70 1.68	- 0.06	- -	6.85 5.15	3.28 4.91	
4	Furniture & fixtures	4.91 4.60	0.35 0.31	- -	- -	5.26 4.91	1.20 0.73	0.58 0.47	- -	- -	1.78 1.20	3.48 3.71	
5	Vehicles	- -	3.74 -	- -	- -	3.74 -	- -	0.16 -	- -	- -	0.16 -	3.58 -	
6	Leasehold improvements	- -	2.14 -	- -	- -	2.14 -	- -	0.30 -	- -	- -	0.30 -	1.84 -	
7	Electrical installation	0.08 0.08	- -	- -	- -	0.08 0.08	0.05 0.03	0.02 0.02	- -	- -	0.07 0.05	0.01 0.03	
Total		42.42	7.09	0.02	-	49.49	28.13	6.44	0.02	-	34.55	14.94	
Previous year		41.21	1.40	0.19	-	42.42	19.16	9.06	0.09	-	28.13	14.29	

Note:
Figures in italics relate to previous year.

3(ii) Capital-work-in-progress

Sl. No	Particulars	Amount in CWIP for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Tangible assets					
(i)	Projects in progress	0.04 0.08	-	-	-	0.04 0.08
(ii)	Projects temporarily suspended	-	-	-	-	-
Total		0.04	-	-	-	0.04
<i>Previous year</i>		<i>0.08</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.08</i>

Note:
As at 31st March 2025, 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, 2025

3(iii) Other intangible assets

Sl No	Description	Gross block			Amortisation			Net Block	
		As at 01-Apr-24	Additions	Disposals	Asset Reclassified	As at 31-Mar-25	Amortisation for the period	Disposals	Asset Reclassified
1	Software licences	22.58 7.48	- 15.10	-	-	22.58 22.58	4.48 3.13	-	-
2	Registration and Brands	-	0.17	-	-	0.17	0.03	-	-
	Total	22.58	0.17	-	-	22.75	4.51	-	-
	Previous year	7.48	15.10	-	-	22.58	3.13	-	-

Note:
Figures in italics relate to previous year.

3(iv) Intangible assets under development

Sl. No	Particulars	Amount in INR for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Intangible assets					
(i)	Projects in progress	90.13 37.00	36.82 3.38	3.38 -	- -	130.34 40.38
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	90.13	36.82	3.38	-	130.34
	Previous year	37.00	3.38	-	-	40.38

Note:
As at 31st March 2025, 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, 2025

4 Leases

(ii) Amounts Recognised in the Balance Sheet

Right-of-use asset		Gross block			Accumulated depreciation / amortisations			Rs. In Million	
		As at		Deletion	As at		Deletion	As at	
		01-Apr-24	31-Mar-25		01-Apr-24	31-Mar-25		31-Mar-25	31-Mar-25
Particulars									
		As at 01-Apr-24	Additions	Deletion		As at 31-Mar-25	Deletion for the year	As at 31-Mar-25	As at 31-Mar-25
Buildings		131.40	2.17	-		133.57	27.05	101.14	32.43
		155.00	-	23.60		131.40	28.81	74.09	57.31
Total		131.40	2.17	-		133.57	27.05	101.14	32.43
<i>Previous year</i>		<i>155.00</i>	<i>-</i>	<i>23.60</i>		<i>131.40</i>	<i>28.81</i>	<i>74.09</i>	<i>57.31</i>

Note:

Figures in italics relate to previous year.

Lease liability	Rs. In Million	
Particulars	31-Mar-25	31-Mar-24
Non- current	5.79	36.47
Current	35.53	32.52
	41.32	68.99

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

Amounts recognised in the statement of Profit or Loss		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Depreciation charge of right-of-use asset	27.05	28.81	
Buildings	27.05	28.81	
Interest expense (Included in finance costs)	5.18		10.07

(iv) Total cash outflow

Total cash outflow		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Buildings		34.94	36.11
		34.94	36.11



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

5 Investments - non-current

Investments consist of the following:

	Rs. In Million	
Particulars	31-Mar-25	31-Mar-24
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- 5,560 (As at March 31, 2024: 5,560) shares of Rs. 10 each fully paid up in Neviton Softech Private Limited. (Refer note 1)	191.92	191.92
Total (A)	191.92	191.92
(B) Investments in others: (carried at fair value through other comprehensive income)		
Equity shares, quoted (PY: unquoted)		
- 1,839,900 (As at March 31, 2024: 1,839,900) shares of Rs. 1 each fully paid up in OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) (Refer note 2)	3,223.96	1,564.60
TOTAL (B)	3,223.96	1,564.60
TOTAL (A+B)	3,415.88	1,756.52
Aggregate amount of unquoted investments	191.92	1,756.52
Aggregate amount of quoted investments	1,021.14	-
Aggregate market value of quoted investments	3,223.96	-
Aggregate amount of impairment in value of investments	-	-

Notes:

- During FY 22-23, the Board of Directors of the Company 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 50% shareholding viz., 5,560 equity shares acquired for an aggregate consideration of Euro 2.10 Mn. This investment is partly funded by the Holding Company by infusing additional equity into the Company during earlier years.
- 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. OneSource Specialty Pharma Limited, India is listed effective January 24, 2025.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

6 Loans
(i) Non-current loans

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Unsecured, considered good			
Loans to related parties including interest receivable (Refer note 30)	-	535.46	
Total	-	535.46	

(ii) Current loans

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Unsecured, considered good			
Loans to employees	3.37	3.49	
Total	3.37	3.49	

7 Other financial assets

Other financial assets consist of the following:

Non-current financial assets

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
(i) Unsecured, considered good:			
- Security deposits	23.05	22.62	
Total	23.05	22.62	

(ii) Current financial assets

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Receivable from related parties (Refer note 30)	-	19.81	
Unbilled revenue	12.37	13.10	
Total	12.37	32.91	

8 Income tax assets
Current Income tax assets (net)

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Advance tax paid (net of provision)	6.54	-	
Total	6.54	-	

9 Other Assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Considered good:			
- Capital advances	1.48	-	
- Prepaid expenses	2.17	3.90	
Total	3.65	3.90	

(ii) Other current assets

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Considered good:			
Advances to suppliers	12.39	8.77	
Prepaid expenses	35.77	20.44	
Advances to employees	0.58	0.30	
- GST receivable	7.00	1.98	
Total	55.74	31.49	

10 Trade receivables

		Rs. In Million	
Particulars	31-Mar-25	31-Mar-24	
Unsecured:			
a) Considered good - secured	-	-	
b) Considered good - unsecured	562.71	432.55	
c) Credit impaired	-	-	
	562.71	432.55	
Less: Allowances for doubtful trade receivable	21.07	15.03	
Total	541.64	417.52	

Note: Includes receivables from Related Parties

- I The Company has an aggregate export receivable of INR 14.78 Mn (PY: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, 2025

- 2 In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss 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, its subsidiaries and fellow subsidiaries as the ultimate parent company ensures /comforts the payment of these dues are settled to the Company without any default. The Provision matrix at the end of reporting period as follows:

Age of receivables	31-Mar-25		31-Mar-24	
	Trade receivable	Expected credit loss allowance	Trade receivable	Expected credit loss allowance
Within credit	120.59	3.44	10.32	0.18
Less than 180 Days	214.84	7.80	229.73	3.35
180-360 Days	44.44	4.52	119.70	3.80
360-540 Days	3.10	0.60	53.53	7.24
540-720 Days	6.93	4.59	0.25	0.06
Over 720 Days	0.13	0.13	0.40	0.40
Total	390.03	21.07	413.93	15.03

Trade Receivables ageing schedule for the year ended 31, March 2025

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	241.17	263.04	45.53	12.84	0.12	0.01	562.71
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	(3.44)	(7.80)	(4.52)	(5.18)	(0.12)	(0.01)	(21.07)
Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase In credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total	237.74	255.24	41.01	7.66	-	-	541.64

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

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)
Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase In credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total	27.26	227.88	115.90	46.48	-	-	417.52

11 Cash and cash equivalents

Particulars	Rs. In Million	
	31-Mar-25	31-Mar-24
Cash on hand	0.47	0.05
Balance with banks:		
- In current account	4.72	7.04
- Funds in transit	8.17	0.06
Total	13.36	7.15



12 Equity share capital		Rs. In Million	
Particulars		31-Mar-25	31-Mar-24
Authorised			
450,000 Equity shares of Rs. 10/- each with voting rights (March 31st 2024: 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 2024: 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 2024: 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-25		31-Mar-24	
	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	3,52,925	35,29,250
Issued and subscribed during the year	-	-		
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:

Particulars	31-Mar-25	31-Mar-24
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:

Particulars	31-Mar-25	31-Mar-24
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.

13 Other Equity		Rs.In Million	
Particulars		31-Mar-25	31-Mar-24
(i) Securities Premium			
Opening balance		1,119.26	1,119.26
Add: Shares issued during the year		-	-
Closing balance		1,119.26	1,119.26
(ii) Surplus in statement of profit and loss			
Opening balance		355.87	228.40
Add: Profit / (Loss) for the year		79.16	127.47
Closing balance		435.03	355.87
(iii) Items of other comprehensive income			
Opening balance		409.30	144.78
Add / (Less) : Other comprehensive income for the year		1,647.62	353.48
Add / (Less) : Tax impact on above		(414.84)	(88.96)
Closing balance		1,642.08	409.30
Total		3,196.37	1,884.43



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

14 Borrowings

(i) Non-current borrowing

Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Secured loans		
Loan from banks	2.60	-
Loan from others		
- Loan from Non Banking Financial Company	-	361.11
Total	2.60	361.11

(ii) Current borrowing

Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Secured loans		
Loan from banks	0.57	-
Loan from others		
- Loan from Non Banking Financial Company	-	111.11
Unsecured loans		
Total	0.57	111.11

Rs. In Million

Terms of repayment and security - ABFL Loan	31-Mar-25	31-Mar-24
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).		

Rs. In Million

Terms of repayment and security - HDFC Loan	31-Mar-25	31-Mar-24
Non-current borrowings	2.60	-
Current maturities of non-current borrowings	0.57	-
Security: Exclusive charge by way of hypothecation on all Vehicles of the Company.		
Rate of interest- 10.60%		
Repayment to be made over a period of 5 years(i.e 60 months), with the principal amount being amortized equally over 60 months (commenced from Dec'24).		

15 Other financial liabilities

Other financial liabilities consist of the following:

(i) Non-current financial liability:

Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Unsecured, considered good:		
- Security deposits	-	0.05
Total	-	0.05

(ii) Current financial liability:

Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Unsecured, considered good:		
- Deferred consideration payable	7.56	7.56
Total	7.56	7.56



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

17 Provisions

Provisions consist of the following:

Non-Current

Particulars	Rs.In Million	
	31-Mar-25	31-Mar-24
Provision for employee benefits		
- Gratuity	76.32	55.56
- Compensated absences	52.28	35.34
Total	128.60	90.90

Current

Particulars	Rs.In Million	
	31-Mar-25	31-Mar-24
Provision for employee benefits		
- Compensated absences	10.09	9.22
Total	10.09	9.22

18 Income tax liabilities (net)

(i) Non-current tax liabilities

Particulars	Rs.In Million	
	31-Mar-25	31-Mar-24
Provision for taxes (net of taxes paid in advance)	0.36	0.81
Total	0.36	0.81

(ii) Current tax liabilities

Particulars	Rs.In Million	
	31-Mar-25	31-Mar-24
Provision for taxes (net of taxes paid in advance)	-	19.08
Total	-	19.08

19 Trade payables:

Particulars	Rs.In Million	
	31-Mar-25	31-Mar-24
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	10.26	5.72
Total	10.26	5.72

Trade payables

Particulars	Rs.In Million	
	31-Mar-25	31-Mar-24
Total outstanding dues of creditors other than micro & small enterprises		
- Other than micro & small enterprises	216.80	130.52
- Dues to related parties (Refer note 30)	6.29	37.32
Total	223.09	167.84

1 As on the date of these accounts, the company has an aggregate sum of Nil (PY: 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.

Trade Payables ageing schedule for the Year ended 31, March 2025

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	1.83	8.43				10.26
- Others	151.30	70.23	0.54	-	1.02	223.09
Total	153.13	78.66	0.54	-	1.02	233.35

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
Total	113.78	56.19	0.82	-	2.77	173.56



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

Particulars	31-Mar-25	31-Mar-24
(i) Principal amount remaining unpaid as at the end of the accounting year	54.47	29.20
(ii) Interest due on the above remaining unpaid as at the end of the accounting year	4.33	2.39
(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	7.41	3.07
(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.

20 Other current liabilities**Rs. In Million**

Particulars	31-Mar-25	31-Mar-24
- Statutory liabilities	23.93	21.37
- Advance from customers	0.05	32.15
- Interest payable to vendors registered under MSMED Act	7.41	3.07
- Payable to employees	45.91	27.48
- Payable on purchase of property, plant & equipment & intangibles (includes payable to MSME)	52.59	23.48
Total	129.89	107.55



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

16 Deferred tax balances

Rs.In Million

Particulars	As at	As at
	31-Mar-25	31-Mar-24
Deferred tax assets	-	-
Deferred tax liabilities	510.85	101.30
Deferred tax assets/ (liabilities) (net)	510.85	101.30

Rs.In Million

2024-2025	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	22.75	7.41	2.96	33.12
Others	(124.05)	(2.12)	(417.80)	(543.97)
Total	(101.30)	5.29	(414.84)	(510.85)

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	3.03	(0.33)	22.75
Others	(44.22)	8.80	(88.63)	(124.05)
Total	(24.17)	11.83	(88.96)	(101.30)



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

21 Revenue from operations
Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Support service income (Refer note 30)	1,551.19	1,386.56
Total	1,551.19	1,386.56

22 Other income
Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Rental Income (Refer note 30)	0.08	0.19
Interest Income (Refer note 30)	60.07	61.59
Gain on sale of asset (net)	0.92	0.45
Miscellaneous Income	0.08	0.61
Net gain on foreign currency transactions	2.39	0.72
Total	63.54	63.56

23 Employee benefits expenses
Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Salaries and wages	642.71	544.45
Contributions to provident and other funds (Refer note 28)	38.53	32.94
Gratuity (Refer note 28)	13.73	12.43
Share based compensation expense (Refer note 35)	1.53	2.31
Staff welfare expenses	33.51	28.80
Total	730.01	620.93

24 Finance costs
Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Interest expense on:		
- Borrowings	41.66	48.81
- Interest on leases	5.18	10.07
- Interest others	6.37	3.25
- Guarantee commission (Refer note 30)	3.22	4.01
- Processing fees, bank charges and commission	0.32	5.16
Total	56.75	71.30

25 Depreciation and amortisation expenses
Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Depreciation on property, plant and equipment	6.44	9.06
Depreciation on Right-of-use asset	27.05	28.81
Depreciation on intangible assets	4.51	3.13
Total	38.00	41.00

26 Other Expenses
Rs. In Million

Particulars	31-Mar-25	31-Mar-24
Rent	16.11	10.48
Power, fuel & water charges	6.53	7.84
Repairs and maintenances:		
- Buildings	26.27	2.94
- Others	148.71	78.67
Insurance	0.50	0.06
Rates and taxes	1.57	1.85
Subcontracting charges	305.22	266.23
Recruitment expenses	5.46	4.64
Security charges	1.34	1.74
Expenditure on corporate social responsibility (CSR) (Refer note (i) below)	2.29	1.42
Legal and professional fees	46.10	57.05
Communication expenses	5.78	7.48
Travelling and conveyance	12.12	5.72
Printing and stationery	1.57	1.42
Sales promotion	16.45	15.01
Payments to auditors (refer note (ii) below)	1.44	1.21
Provision for bad and doubtful debts/written off	6.04	9.32
Support service charges	11.96	10.97
Membership fees	62.75	57.23
Sundry balances written off	1.59	-
Loss on sale of investment	-	1.35
Miscellaneous expenses	0.87	0.55
Total	680.67	543.18



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

Note:

(i) Expenditure on Corporate Social Responsibility:

Particulars	31-Mar-25	31-Mar-24
(a) Gross amount required to be spent during the year (Refer note below)	2.56	1.81
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	2.29	1.42
(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	2.29	1.42

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 FY 22-23. Hence, the sum of Rs. 1.06 million spent during that year is carried forward and adjusted against the previous and current year's CSR requirement.

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

Particulars	31-Mar-25	31-Mar-24
Statutory audit fee	0.80	0.72
Taxation matters	0.24	0.13
Other services (Limited review)	0.40	0.36
Total	1.44	1.21

27 Tax expenses

Particulars	31-Mar-25	31-Mar-24
Current tax	40.40	58.07
Prior year tax	(4.97)	-
Deferred tax expense / (benefit)	(5.29)	(11.83)
Total	30.14	46.24

The reconciliation of estimated income tax expenses at income tax rate to income tax expense reported in statement of profit and loss is as follows:

Particulars	31-Mar-25	31-Mar-24
Profit before income taxes	109.30	173.71
Indian statutory income tax rate	25.17%	25.17%
Expected income tax expense	27.51	43.72
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of expenses that are not deductible in determining taxable profit	2.89	2.29
Tax pertaining to prior years	(0.26)	0.23
Total Income tax expense	30.14	46.24



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-25	31-Mar-24
Employers' contribution to provident fund	38.53	32.94
Employers' contribution to employee state insurance scheme	-	0.01

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-25	31-Mar-24
Discount rate(s)	6.61%	7.19%
Expected rate(s) of salary increase	10.00%	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-25	31-Mar-24
Service cost:		
Current service cost	9.73	9.03
Net interest expense	4.00	3.39
Components of defined benefit costs recognised in profit or loss	13.73	12.43
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.41)	(0.33)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	8.51	0.50
Actuarial (gains) / losses arising from experience adjustments	3.64	(1.49)
Components of defined benefit costs recognised in other comprehensive income	11.75	(1.32)
Total	25.48	11.11

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-2025	As at 31-Mar-2024
Present value of defined benefit obligation	92.89	71.13
Fair value of plan assets	16.57	15.57
Funded status	The defined benefit plan is funded.	The defined benefit plan is funded.
Net liability arising from defined benefit obligation	76.32	55.56



	Rs. in Million	
Movements in the present value of the defined benefit obligation are as follows:	Year ended 31-Mar-25	Year ended 31-Mar-2024
Opening defined benefit obligation	71.13	60.79
Current service cost	9.73	9.03
Interest cost	4.60	4.03
Acquisition / Divestiture	-	4.40
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	8.51	0.50
Actuarial gains and losses arising from experience adjustments	3.64	(1.49)
Benefits paid	(4.72)	(6.14)
Closing defined benefit obligation	92.89	71.13

	Rs. in Million	
Defined Benefit Obligation	01-Apr-24 to 31-Mar-25	01-Apr-23 to 31-Mar-24
Discount rate		
a. Discount rate - 100 basis points	97.64	74.65
b. Discount rate + 100 basis points	88.58	67.94
Salary increase rate		
a. Rate - 100 basis points	89.71	68.75
b. Rate + 100 basis points	96.14	73.57

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
2025-26	16.21
2026-27	12.43
2027-28	14.73
2028-29	11.54
2029-30	9.46
2030-31 to 2034-35	37.69

28.3 Actuarial Assumptions for Long-term Compensated Absence

	Rs. In Million	
Actuarial Assumptions	Year ended 31-Mar-25	Year ended 31-Mar-24
Discount Rate	6.61%	7.19%
Salary escalation Rate	10.00%	8.00%
Attrition Rate	-	-
Charge In the Profit and Loss account	23.89	11.41
Liability at the year end	62.37	44.56

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 figures are as certified by an actuary.

29 Earnings per share

	Rs. In Million	
Particulars	31-Mar-25	31-Mar-24
Profit attributable to the equity holders of the Company	79.16	127.47
Weighted average number of equity shares used for computation of basic earnings per share	3,52,925	3,52,925
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	3,52,925
Earnings per share in Rs.		
Basic	224.30	361.18
Diluted	224.30	361.18



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 Strides Pharma Global (UK) Limited Strides Pharma International Limited Strides Arcolab International Limited Strides Pharma Science Pty Limited SVADS Holdings SA UCL Brands Limited, Kenya (effective May 30, 2023) Strides Alathur Private Limited (formerly, Vivmed Life Sciences Pvt Ltd, India) (Merged with Strides Pharma Science Limited on September 12, 2024, with an appointed date of April 01, 2024) Strides Pharma Services Private Limited (effective September 8, 2023 and upto March 31, 2024) Strides Pharma International AG (formerly, Fairmed Healthcare AG, Switzerland) Fairmed Healthcare GmbH, Germany Strides Consumer Private Limited (effective August 5, 2024) Strides Global Consumer Healthcare Limited (effective August 5, 2024) Strides Consumer LLC (effective August 5, 2024) Beltapharm S.p.A, Italy Trusts: Strides Foundation, India
Associate of Holding Company	Universal Corporation Limited OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) (up to March 31, 2024) Stelis Pte Ltd (up to March 31, 2024) Strides Softgels Pte. Limited (up to March 31, 2024) Biolexis Private Limited (up to March 31, 2024) Biolexis Pte Ltd (up to March 31, 2024)
Enterprise owned / significantly influenced by KMP / director of Holding Company	Aurore Life Sciences Private Limited, India Aurore Pharmaceuticals Private Limited, India Hydra Active Pharma Private Limited, India (Formerly Tenshi Active Pharma Private Limited, India) Naari Pharma Private Limited Agnus Capital LLP Six Rays LLP Six Rays Pte Limited Six Rays Holdings Pte Limited Brooks Steriscience Limited Six Rays Pharma Solutions LLP Solara Active Pharma Sciences Limited Steribrooks Penems Private Limited



30 Related Party Transactions:

List of related parties

Party where the control exists	Name of the Related party
Enterprise owned / significantly influenced by KMP / director of Holding Company	Steriscience Pte Limited
	Steriscience Specialities Pte Limited
	Steriscience Specialities Private Limited
	Steriscience Sp Zoo, Poland
	Tenshi Kaizen USA Inc
	Tenshi Healthcare Pte. Limited
	Tenshi Kaizen B.V
	Tenshi Kaizen Inc
	Tenshi Kaizen Private Limited, UK
	Tenshi Kaizen Pharma Pte. Ltd.
	Tenshi Kaizen Private Limited
	Velbiom Probiotics Private Limited (formerly known as Tenshi Life Care Private Limited)
	Tenshi Life Sciences Pte. Limited
	Tenshi Pharmaceuticals Private Limited
	Strides Pharma Services Private Limited (effective April 01, 2024)
	Karuna Business Solutions LLP
	Y UshaRani
	Vatsavaya Satya Swapna (effective from April 25, 2024 to September 12, 2024)
	OneSource Specialty Pharma Limited, India (formerly, Stelis Biopharma Limited) (effective April 01, 2024)
	Stelis Pte Ltd (effective April 01, 2024)
Key Managerial Personnel	Strides Softgels Pte. Limited (effective April 01, 2024)
	Biolexis Private Limited (effective April 01, 2024)
	Biolexis Pte Ltd (effective April 01, 2024)
	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, 2025

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-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Support Services										
1 Agnus Capital LLP	-	-	-	-	-	-	-	-	0.61	-
2 Aurere Life Sciences Private Limited	-	-	-	-	-	-	-	-	2.53	2.40
3 Aurere Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	1.20	2.40
4 Beltapharm S p A	-	-	2.23	-	-	-	-	-	-	-
5 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	31.46	43.55
6 Six Rays Pharma Solutions	-	-	-	-	-	-	-	-	0.36	0.60
7 Six Rays Pte. Limited	-	-	-	-	-	-	-	-	0.22	0.34
8 Stelis Pte. Limited	-	-	-	-	-	-	-	-	0.10	-
9 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	74.66	65.12
10 OneSource Specialty Pharma Limited	-	-	-	-	-	179.25	-	-	180.97	-
11 Sterbrooks Penems Private Limited	-	-	-	-	-	-	-	-	-	(0.08)
12 Stenscience Pte Limited	-	-	-	-	-	-	-	-	50.51	50.80
13 Stenscience Specialties Private Limited	-	-	-	-	-	-	-	-	91.17	91.81
14 Stenscience Sp Zoo	-	-	-	-	-	-	-	-	13.57	4.10
15 Strides Consumer LLC	-	-	2.62	-	-	-	-	-	-	-
16 Strides Consumer Private Limited	-	-	1.56	-	-	-	-	-	-	-
17 Strides Global Consumer Healthcare Limited	-	-	1.19	-	-	-	-	-	-	-
18 Strides Pharma Asia Pte Limited	-	-	0.11	0.11	-	-	-	-	-	-
19 Strides Pharma Canada Inc.	-	-	0.73	0.74	-	-	-	-	-	-
20 Strides Pharma (Cyprus) Limited	-	-	3.80	0.73	-	-	-	-	-	-
21 Strides Pharma Global Pte Limited	-	-	10.48	18.53	-	-	-	-	-	-
22 Strides Pharma Global (UK) Limited	-	-	0.10	-	-	-	-	-	-	-
23 Strides Pharma Inc.	-	-	17.01	12.48	-	-	-	-	-	-
24 Strides Pharma Science Limited	835.78	760.15	-	-	-	-	-	-	-	-
25 Strides Pharma (UK) Limited	-	-	9.11	15.49	-	-	-	-	-	-
26 Strides Arcolab International Limited	-	-	0.13	-	-	-	-	-	-	-
27 Strides Pharma International Limited	-	-	0.08	-	-	-	-	-	-	-
28 Strides Pharma Science Pty Limited	-	-	0.15	-	-	-	-	-	-	-
29 SVADS Holdings SA	-	-	0.06	-	-	-	-	-	-	-
30 Tenshi Healthcare Pte. Limited	-	-	-	-	-	-	-	-	0.21	-
31 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	67.58	56.87
32 Tenshi Kaizen B.V	-	-	-	-	-	-	-	-	0.37	-
33 Tenshi Kaizen Inc	-	-	-	-	-	-	-	-	0.21	-
34 Tenshi Kaizen Pharma Pte. Limited	-	-	-	-	-	-	-	-	0.21	-
35 Tenshi Kaizen Private Limited, UK	-	-	-	-	-	-	-	-	0.28	-
36 Tenshi Kaizen USA Inc	-	-	-	-	-	-	-	-	0.21	-
37 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	1.23	1.20
38 Tenshi Life Science Pte Limited	-	-	-	-	-	-	-	-	0.21	0.34
39 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	29.60	31.74
40 Trinity Pharma (Pty) Limited	-	-	1.32	1.29	-	-	-	-	-	-
41 Triphase Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	-
42 Universal Corporation Limited	-	-	-	-	1.07	0.15	-	-	-	-
43 Brooks Sterisience Limited	-	-	-	-	-	-	-	-	6.12	5.05
44 Hydra Active Pharma Science Private Limited	-	-	-	-	-	-	-	-	0.72	0.80
45 Six Rays LLP	-	-	-	-	-	-	-	-	0.36	0.60
46 Y Usharani	-	-	-	-	-	-	1.73	1.75	-	-
47 Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	0.07	-
48 Six Rays Holdings Pte. Limited	-	-	-	-	-	-	-	-	0.22	0.35
49 UCL Brands Limited, Kenya	-	-	-	0.22	-	-	-	-	-	-
50 Navad Life Sciences Pte. Limited	-	-	-	-	-	-	-	-	0.10	-
51 Strides Softgels Pte. Limited	-	-	-	-	-	-	-	-	0.45	-
52 Fairmed Healthcare GmbH, Germany	-	-	0.03	6.46	-	-	-	-	-	-
53 Strides Pharma International AG	-	-	20.95	0.67	-	-	-	-	-	-
54 Neviton Softech Private Limited	-	-	4.71	1.28	-	1.51	-	-	-	-
Reimbursement of expenses incurred by										
1 Strides Pharma Science Limited	37.88	29.48	-	-	-	-	-	-	-	-
2 Strides Pharma Canada Inc.	-	-	0.04	-	-	-	-	-	-	-
3 Strides Pharma (UK) Limited	-	-	1.57	-	-	-	-	-	-	-
Reimbursement of expenses on behalf of										
1 Strides Pharma Science Limited	1.25	-	-	-	-	-	-	-	-	-
Employee related liability										
1 Strides Pharma Science Limited	-	4.40	-	-	-	-	-	-	-	-
Service Charges										
1 Neviton Softech Private Limited	-	-	5.96	1.33	-	3.91	-	-	-	-
Rental Income										
1 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	0.05
2 Strides Pharma Services Private Limited	-	-	-	0.14	-	-	0.08	-	-	-
Investment in shares										
1 Strides Pharma Services Private Limited	-	-	-	0.85	-	-	-	-	-	-
2 Neviton Softech Private Limited	-	-	-	92.19	-	-	-	-	-	-



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-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Sale of Assets										
1 Strides Pharma Science Limited	19.50	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 Strides Pharma Science Limited	0.02	-	-	-	-	-	-	-	-	-
2 Neviton Softech Private Limited	-	-	54.83	14.85	-	24.44	-	-	-	-
Loans given by the company										
1 OneSource Specialty Pharma Limited	-	-	-	-	-	700.00	-	-	-	-
2 Strides Pharma Services Private Limited	-	-	-	0.20	-	-	-	-	-	-
3 Shashidhar K L	-	-	-	-	-	-	-	1.50	-	-
Loans repaid to the company										
1 OneSource Specialty Pharma Limited	-	-	-	-	-	200.00	-	-	500.00	-
2 Shashidhar K L	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-
Security deposit repaid										
1 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	0.09
Interest income on Loan										
1 OneSource Specialty Pharma Limited	-	-	-	-	-	59.47	-	-	58.10	-
2 Strides Pharma Services Private Limited	-	-	-	0.03	-	-	-	-	-	-
Interest Expense on Loan										
1 Strides Pharma Science Limited	-	1.94	-	-	-	-	-	-	-	-
Guarantee Commission Expense										
1 Strides Pharma Science Limited	3.22	4.01	-	-	-	-	-	-	-	-
ESOP										
1 Strides Pharma Science Limited	1.53	2.31	-	-	-	-	-	-	-	-
Support service expenses										
1 Strides Pharma Canada Inc	-	-	11.79	10.97	-	-	-	-	-	-
2 Strides Pharma Inc	-	-	0.72	-	-	-	-	-	-	-
Rental Expense										
1 Vatsavaya Satya Swapna	-	-	-	-	-	-	1.40	-	-	-
Donation Paid										
1 Strides Foundation, India	-	-	2.29	1.42	-	-	-	-	-	-
Managerial Remuneration										
1 Shashidhar K L	-	-	-	-	-	-	31.72	17.34	-	-
2 Vinod Kumar Bhaskaran	-	-	-	-	-	-	17.74	8.07	-	-
3 Debarati S Triparti	-	-	-	-	-	-	-	1.86	-	-
4 Stuti Sharma	-	-	-	-	-	-	7.05	4.43	-	-



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Balance of trade payables										
1 Strides Pharma Science Limited	2.49	31.22	-	-	-	-	-	-	-	-
2 Neviton Softech Private Limited	-	-	1.45	2.16	-	-	-	-	-	-
3 Strides Pharma Canada Inc.	-	-	0.39	3.95	-	-	-	-	-	-
4 Strides Pharma Inc.	-	-	0.52	-	-	-	-	-	-	-
5 Strides Pharma (UK) Limited	-	-	1.44	-	-	-	-	-	-	-
5 OneSource Specialty Pharma Limited	-	-	-	-	-	1.01	-	-	1.01	-
Balance of Capex payable										
1 Neviton Softech Private Limited	-	-	43.04	23.24	-	-	-	-	-	-
Balance of Advances received										
1 Strides Pharma Science Limited	-	32.15	-	-	-	-	-	-	-	-
2 Tenshi Life Science Pte Limited	-	-	-	-	-	-	-	-	0.05	-
Balance of trade receivables										
1 Biorex Pte Ltd	-	-	-	-	4.22	4.11	-	-	-	-
2 Agnus Capital LLP	-	-	-	-	-	-	-	-	0.08	-
3 Hydra Active Pharma Science Private Limited	-	-	-	-	-	-	-	-	1.76	0.94
4 Beltapharm S.p.A.	-	-	2.24	-	-	-	-	-	-	-
5 Strides Pharma Science Limited	144.98	-	-	-	-	-	-	-	-	-
6 Strides Pharma (Cyprus) Limited	-	-	-	0.36	-	-	-	-	-	-
7 Strides Pharma Global Pte Limited	-	-	0.87	4.58	-	-	-	-	-	-
8 Strides Pharma Inc.	-	-	4.06	2.83	-	-	-	-	-	-
9 Strides Pharma (UK) Limited	-	-	1.43	2.14	-	-	-	-	-	-
10 Trinity Pharma (Pty) Ltd	-	-	0.33	0.65	-	-	-	-	-	-
11 Strides Arcolab International Limited	-	-	0.13	-	-	-	-	-	-	-
12 Strides Pharma International Limited	-	-	0.08	-	-	-	-	-	-	-
13 Strides Pharma Science Pty Limited	-	-	0.16	-	-	-	-	-	-	-
14 SVADS Holdings SA	-	-	0.10	-	-	-	-	-	-	-
15 Strides Pharma Global (UK) Limited	-	-	0.10	-	-	-	-	-	-	-
16 Universal Corporation Limited	-	-	-	-	0.20	0.14	-	-	-	-
17 Strides Alathur Private Limited	-	-	-	0.63	-	-	-	-	-	-
18 Strides Pharma Services Private Limited	-	-	-	0.05	-	-	-	-	0.14	-
19 Aureo Life Sciences Private Limited	-	-	-	-	-	-	-	-	3.69	0.95
20 Aureo Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	3.89	2.59
21 Biorex Private Limited	-	-	-	-	-	-	-	-	-	11.02
22 Stelis Pte. Limited	-	-	-	-	-	-	-	-	0.10	-
23 Naari Pharma Private Limited	-	-	-	-	-	-	-	-	6.83	6.17
24 Six Rays Pharma Solutions	-	-	-	-	-	-	-	-	0.94	0.52
25 Six Rays Pte. Limited	-	-	-	-	-	-	-	-	0.14	0.09
26 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	69.79	-
27 Steriscience Pte Ltd	-	-	-	-	-	-	-	-	48.94	78.96
28 Steriscience Specialties Private Limited	-	-	-	-	-	-	-	-	28.97	46.79
29 Steriscience Sp.Zoo	-	-	-	-	-	-	-	-	10.71	8.61
30 Strides Consumer LLC	-	-	0.33	-	-	-	-	-	-	-
31 Strides Consumer Private Limited	-	-	5.36	-	-	-	-	-	-	-
32 Strides Global Consumer Healthcare Limited	-	-	0.35	-	-	-	-	-	-	-
33 Tenshi Kaizen Pharma Pte Ltd.	-	-	-	-	-	-	-	-	0.21	-
34 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	53.85	45.66
35 Tenshi Life Science Pte Ltd	-	-	-	-	-	-	-	-	-	0.09
36 Tenshi Healthcare Pte. Ltd	-	-	-	-	-	-	-	-	0.21	-
37 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	6.79	30.79
38 Tenshi Kaizen B.V	-	-	-	-	-	-	-	-	0.37	-
39 Tenshi Kaizen Inc	-	-	-	-	-	-	-	-	0.21	-
40 Tenshi Kaizen Private Limited, UK	-	-	-	-	-	-	-	-	0.28	-
41 Tenshi Kaizen USA Inc	-	-	-	-	-	-	-	-	0.21	-
42 Brooks Steriscience Limited	-	-	-	-	-	-	-	-	6.62	11.17
43 OneSource Specialty Pharma Limited	-	-	-	-	-	149.57	-	-	108.05	-
44 Six Rays Holdings Pte. Limited	-	-	-	-	-	-	-	-	0.11	0.26
45 Sixrays LLP	-	-	-	-	-	-	-	-	1.11	0.70
46 Velbiom Probiotics Private Limited	-	-	-	-	-	-	-	-	1.43	1.16
47 Y Usharani	-	-	-	-	-	-	0.19	0.36	-	-
48 UCL Brands Limited	-	-	-	0.22	-	-	-	-	-	-
49 Strides Pharma International AG	-	-	12.15	0.72	-	-	-	-	-	-
50 Fairmed Healthcare GmbH	-	-	-	6.43	-	-	-	-	-	-
Security Deposits Received										
1 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	0.05



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Loans including interest receivable										
1 OneSource Specialty Pharma Limited	-	-	-	-	-	535.46	-	-	-	-
Balance of other receivables / (payables)										
1 Strides Pharma Science Limited	-	16.57	-	-	-	-	-	-	-	-
2 Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	3.25



ARCO LAB PRIVATE LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

31 Operating Ratios

Ratio	Numerator	Denominator	31-Mar-25	31-Mar-24	% of variance	Note No
Current ratio (in times)	Total current assets	Total current liabilities	1.52	1.07	42%	1
Debt-Equity ratio (in times)	Debt (including lease liabilities)	Equity	0.01	0.29	-95%	2
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	0.30	1.85	-84%	3
Return on equity ratio (in %)	Profit for the year less preference dividend (if any)	Average total equity	0.03	0.08	-59%	4
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.23	3.59	-10%	
Trade payables turnover ratio (in times)	Purchases + Other expenses	Average trade payable	3.30	3.40	-3%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	12.51	12.23	2%	
Net profit ratio (in %)	Profit for the year	Total Income	0.05	0.09	-44%	5
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total debt - Deferred tax assets	0.05	0.10	-50%	6
Return on Investment (in %)	Unrealised gain	Weighted average of investments	0.83	0.26	216%	7

Notes:

- 1 Increase in current ratio is on account of a decrease in current borrowings due to repayment of debt.
- 2 Decrease in Debt equity ratio is on account of decrease of debt.
- 3 Decrease in Debt service coverage ratio is on account of decreased profitability of the year.
- 4 Decrease in return on equity is on account of increase in operating costs and increase in share holders equity due to revaluation of investment without a proportionate increase in profit.
- 5 Decrease in net profit ratio is due to decrease in net profits on account of increased operating costs.
- 6 Return on capital employed reduced due to increase in capital employed coupled with decreased profitability.
- 7 Return on investment has increased due to increase in returns consequent to the fair value change.



ARCO LAB PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

32 Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2025 that have not been hedged by a derivative instrument or otherwise:

Particulars	31-Mar-25		31-Mar-24	
	Amount in Foreign Currency	INR in Million	Amount in Foreign Currency	INR in Million
Receivables -USD	0.98	82.89	1.25	104.30
Receivables -AUD (AUD 3,000 is receivable as on 31.03.2025)	0.00	0.16	-	-
Receivables -CHF (CHF 1,080 is receivable as on 31.03.2025)	0.00	0.11	-	-
Receivables -EUR	0.24	22.00	0.08	7.52
Receivables -GBP	0.02	1.80	0.02	2.14
Total		106.96		113.96
Payables- USD	0.05	4.33	-	-
Payables- GBP (GBP 3,049 is payable as on 31.03.2024)	0.01	1.39	0.00	0.32
Payables- CAD	0.01	0.39	0.06	3.95
Payables- EURO	0.01	1.31	0.04	4.03
Total		7.41		8.30

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-2025	31-Mar-2024
Contingent liabilities	-	-
Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6.74	10.10

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.1.53 million (2024: Rs 2.31 million) has been debited to employee benefits expenses towards ESOP cost.

36 Demerger of identified business of the Company into a new company

The Board of Directors of the Company on March 19, 2025, have in principle approved the demerger of Life Sciences and Digital Innovation Capabilities in a phased manner into a new company to be formed for this purpose as a wholly owned subsidiary of the Company. The Scheme of Demerger is expected to be filed shortly with National Company Law Tribunal (Bengaluru Bench). Pending finalisation of the detailed scheme and processes involved for till approvals, the financial effect of the scheme is yet to be ascertained.

37 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 : 15 May 2025

