

STRIDES PHARMA SCIENCE LIMITED

December 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	295.20	CARE A; Positive	Reaffirmed
Long-term / Short-term bank facilities	464.80	CARE A; Positive / CARE A2+	Reaffirmed
Short-term bank facilities	1,440.00	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Strides Pharma Science Limited (Strides) continue to derive strengths from experienced promoters and management team, its established track record of operations in pharmaceutical industry along with accredited manufacturing facilities and low product concentration risks. Ratings also factor company's improved financial and operational performance in FY25 (FY refers to April 01 to March 31) and H1FY26, driven by growth in revenue, improvement in profitability and cash flow leading to reduction in debt level. Strides' overall gearing improved to 0.86x as on September 30, 2025 from 1.63x reported as on March 31, 2024 and it is further expected to improve to ~0.70x by March 2026.

CARE Ratings Limited (CareEdge Ratings) expects company to continue grow its revenue and profitability, supported by new product launches in the US market, facilitating further debt reduction, and strengthen the company's overall credit profile. CareEdge Ratings expects Strides' debt coverage indicators marked by PBILDT interest coverage and net debt to PBILDT to improve to more than 5x and around 1.6x respectively in FY26.

However, the above rating strengths are constrained by inherent regulatory risks associated with the pharmaceutical industry, competitive industry scenario, high promoter share pledge and susceptibility of profitability to raw material price volatility and forex fluctuation. The elevated level of promoter pledging will remain a key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to successfully scaleup operations consistently by ~10% and achieve PBILDT margins consistently ~19%.
- Improvement in net total debt to PBILDT at ~1.6x on a sustained basis.

Negative factors

- Significant decline in total operating income (TOI) from current levels or decline in PBILDT margin below 13%.
- Large debt funded capex resulting in net total debt/PBILDT going beyond 2.5x on a sustained basis.
- Continuing losses in group companies, resulting in additional support either in the form of corporate guarantees or intercompany loans to be extended by Strides, which impact liquidity of Strides significantly resulting in adjusted overall gearing (where debt level factors the exposure towards group entities) going beyond 2x.

Analytical approach: Consolidated

CareEdge Ratings has adopted consolidated approach for Strides and its subsidiaries considering operational, financial and managerial linkages. Entities consolidated are listed under **Annexure 6**.

Outlook: Positive

Positive outlook reflects CareEdge Ratings expectations of sustained improvement in the company's performance, driven by new product launches and resulting improvement in its credit risk profile. The outlook may be revised to stable, if the company is unable to sustain expected improvement in performance and reduce its debt levels as envisaged.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and management team

Strides was founded in 1990 by Arun Kumar, the company's primary promoter, who brings nearly 34 years of experience in the pharmaceutical sector. The promoter has a strong track record acquiring distress companies, turnaround its operations and monetize them profitably. Strides' business model combines organic and inorganic growth strategies, leveraging opportunities to scale efficiently. The company's day-to-day operations are managed by a team of qualified professionals.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Established track record in pharmaceutical industry with accredited manufacturing facilities

The company has seven manufacturing facilities, of which four are approved by the USFDA. The company exports to ~100 countries and the other key authorisations are the UK Medicines and Healthcare products Regulatory Agency (MHRA), World Health Organisation (WHO), Therapeutic Goods Administration, Australia (TGA), Brazilian Health Surveillance Agency (ANVISA), Pharmaceuticals and Medical Devices Agency, Japan (PMDA) and Health Sciences Authority, Singapore (HSA). All the company's plants are fully complaint.

Low product concentration risks

Strides has a diversified portfolio of over 70 products. The company has a healthy pipeline of approved products, of which ~60 products to be launched in the next 36 months. Given diversified products, Strides has the benefit of prioritizing other products if some products face price erosions. Having a product profile with diverse mix of acute and chronic products combined with having a large basket of approved products is expected to ensure lower dependency on new ANDA filings and approvals in the near term. The company currently has ~230+ abbreviated new drug applications (ANDAs) filings of which 215+ are approved as of July 2025. In the U.S. market, Strides ranks among the top three for 37 products, which together contribute around 75% of its U.S. revenue. As articulated by the management, the US business is expected to reach a sales level of US\$400 million (~₹3,600 crore) by FY28.

Sales from top 10 products reduced from 54% in FY23 to 38% in FY24 and 35% in FY25, owing to the successful take-off of new products launched. The company is also focused on multiple therapeutic segments, reducing business concentration risk. The company exits certain products if there is a significant price erosion, and hence, there is a variance in product profile compared to previous data. CareEdge Ratings expects that given the company's healthy and well-diversified product pipeline, risks associated with product concentration remains adequately mitigated. The continued addition of new products across therapeutic areas is likely to ensure a balanced revenue mix and reduce dependence on a single product or portfolio.

Robust improvement in company's operational performance

In FY25, the company's revenue grew by ~17% to ₹4,572 crore from ₹3,902 crore reported in FY24, supported by ~19% growth in the USA market, ~16% growth in other regulated markets and ~27% growth in emerging markets. Driven by revenue growth, successful new product launches, and deriving benefits from increase in economies of scale, the company's PBILDT margin improved by 263 basis points, rising to 17.59% in FY25 from 14.96% in FY24.

Further, In H1FY26, Strides reported TOI of ₹2,341 crore (H1FY25: ₹2,221 crore), reporting a growth of 5% on a y-o-y basis with improvement in PBILDT margin 19.21% (H1FY25: 16.87%). This positive momentum is expected to continue, with revenues projected to grow by around 10% in FY26 on y-o-y basis with ~19% PBILDT margin.

New product launches

The company's growth in FY25 is attributable to new product launches. During FY25 and H1FY26, Strides launched 10 products, which has led to 70 products being commercialised till July 31, 2025. Strides has filed over 230 ANDAs with approval received for over 215 ANDAs as of July 2025. The company identified 60 products, which are expected to be launched in a phased manner over three years. The company invested in new segments of control substances. Nasal spray and other products are part of the long-term strategy to propel its revenue growth in the US market.

Improving credit risk profile

In FY25, the company's total debt reduced by over ₹500 crore backed by regular repayments, transfer of partial debt as part of the business restructuring exercise and improvement in operational performance. Overall gearing has improved to 0.97x as on March 31, 2025, from 1.63x in the previous year. Gross debt level further reduced by around ₹50 crore in H1FY26 and over ₹200 crore in 8MFY26 compared to March 31, 2025.

With reduction in overall debt levels, debt coverage metrics marked by PBILDT interest coverage and net Debt / PBILDT improved to 3.23x (FY24: 2.09x) and 2.19x (FY24: 3.79x) respectively as on FY25 end. In H1FY26, with significant reduction in overall interest cost, PBILDT interest coverage further improved to 4.80x, while net Debt / PBILDT stood at 1.87x.

CareEdge Ratings expects the company's credit profile to gradually improve, supported by stronger cash flow generation and a consistent reduction in debt levels, with net Debt / PBILDT level projected at ~1.60x as of FY26-end.

Key weaknesses

Fluctuating performance; gradual signs of improvement

The company's performance in the last has been inconsistent, mainly due to several acquisitions, mergers, demergers, and the impact of the Covid-19 pandemic. These changes have led to periods of instability in operations and financial performance. However, the company's PBILDT margins are now gradually improving, reflecting the impact of ongoing changes in the business structure and strategy. Going forward, the ability to maintain this momentum and deliver consistent performance will remain a key factor to watch from a credit rating standpoint.

High pledge of promoter's shares

The level of promoter share pledging though declined significantly, continues to remain elevated. As on September 30, 2025, 44.13% promoters' holdings were pledged, marking a significant reduction from 72.70% as on March 31, 2024. While the decline is a positive development, overall pledge level remains high and continues to be a key rating monitorable.

Inherent exposure to regulatory risk

Strides is exposed to regulatory risk with its operations centered majorly around manufacturing pharmaceutical formulations. The pharmaceutical industry is highly regulated in many other countries and requires approvals, licenses, registrations and permissions for business activities. Approval process for a new product registration is complex, lengthy and expensive. The time taken to obtain approval varies by country but generally takes from six months to several years from the date of application. Delay or failure in getting approval for new product launch could adversely affect the business prospect of the company. Considering, India's significant share in the USA generic market, the USFDA has increased its scrutiny of manufacturing facilities and other regulatory compliance of the Indian pharma companies supplying generics drugs to the USA. Non-compliance may result in regulatory ban on products/facilities (as in the recent cases of import alerts issued by the USFDA to top pharma companies) and may impact a company's future approvals from USFDA. Hence, ongoing regulatory compliance has become critical for Indian pharma companies including Strides and its group companies as they seek to strengthen their position in the regulated markets such as the USA, and the UK among others.

Risk of raw material price volatility and forex fluctuation risk

The impact of pricing of raw material could be witnessed in FY22, which among others, contributed to moderation of the company's operating margins. The company derives its entire revenue from international markets, of which more than 50% is from the US, thus it is exposed to the foreign currency fluctuation risk. Strides enters into forward contracts to mitigate the forex risk, while the company's offshore pharma operations also provide a natural hedge, mitigating the foreign exchange fluctuation risk to certain extent.

Liquidity: Strong

The company's liquidity is strong marked by healthy cash accruals of over ₹600 crore in FY25 against repayment obligations of ~₹200 crore (includes lease liabilities). As of September 30, 2025, the company has free cash and liquid investments to the tune of ₹227 crore (March 31, 2025: ₹212 crore). It also has 1.61% stake in OneSource Speciality Pharma Limited with a market value of ~₹295 crore as on December 15, 2025. CareEdge Ratings expects Strides to generate GCA in the range of ₹700 crore to ₹800 crore every year against debt repayment obligation (including lease liability) of ~₹120 crore in FY26 and ~₹90 crore in FY27. Considering cash accruals generated by the company in the recent past and estimated accruals, it is expected that the company would be able to meet its debt obligations comfortably after meeting its capex and increased working capital requirements.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Among ESG factors, significant ones for pharma companies include product quality and safety in social, regulatory compliance in governance. Considering most Indian pharma companies undertake manufacturing activities of active pharmaceutical ingredients (APIs) or formulation for globally established innovator companies, environmental impact such as waste and water management, reduction of emissions also plays a vital role. Pharma companies focusing on exports also have exposure to different geographies, each having its own regulatory requirements which are continuously evolving, non-compliance with regulations or scrutiny process can result in product withdrawals, recalls, regulatory action, declining sales, reputational damage, increased litigation and related expenses. To avoid potential negative impact arising from such lapses, pharma companies are increasingly focusing on product safety and quality by increasing internal audits and quality checks, digital quality system initiatives, taking adequate insurance cover for clinical and product liability, setting up dedicated teams to constantly collaborate with the regulatory authorities and keep a close watch on latest legal changes among others.

Strides has remained compliant with the Business Responsibility and Sustainability Reporting (BRSR) requirements, with timely disclosures included in its annual report. This reflects the company's alignment with regulatory expectations and evolving stakeholder priorities. The company has established a comprehensive ESG framework, which outlines its approach to managing key sustainability areas. This framework is integrated into the company's overall governance and operational processes. Strides also has a structured risk management system in place. The risk register, which includes ESG-related risks and opportunities, is periodically reviewed by the Risk Management Committee of the Board of Directors to ensure appropriate oversight and response mechanisms. The company's ESG efforts have been externally assessed, with Strides receiving an overall ESG score of 76 of 100 from S&P Global, reflecting its performance relative to industry standards.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Pharmaceuticals](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & biotechnology	Pharmaceuticals

Strides was incorporated in 1990 and has its headquarters in Bengaluru. The company was promoted by Arun Kumar and has had multiple mergers, acquisitions, demerger and spin offs among others in the last 34 years. Strides has seven manufacturing facilities spread across four continents, including four US-FDA-approved facilities with ~70% of capacity utilisation. The company manufactures niche generic formulations across dosage forms focusing on three distinct target markets: regulated markets (the United States, Europe, and Australia), emerging markets (primarily in Africa) and donor-funded institutional business.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	3,902	4,572	2,341
PBILDT*	587	804	450
PAT [#]	-144	409	237
Overall gearing (times)	1.63	0.97	0.86
Interest coverage (times)	2.09	3.23	4.80

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax; [#]before considering PAT from discontinued operations.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - ST-Working Capital Limits	-	-	-	-	955.00	CARE A2+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	464.80	CARE A; Positive / CARE A2+
Non-fund-based - ST-Working Capital Limits	-	-	-	-	485.00	CARE A2+
Term Loan-Long Term	-	-	-	31/12/2029	295.20	CARE A; Positive

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	295.20	CARE A; Positive	1) CARE A; Positive (02-Jul-25)	1)CARE A; Stable (31-Mar-25) 2)CARE A; Stable (12-Jul-24)	-	-
2	Fund-based/Non-fund-based-LT/ST	LT/ST	464.80	CARE A; Positive / CARE A2+	1) CARE A; Positive / CARE A2+ (02-Jul-25)	1)CARE A; Stable / CARE A2+ (31-Mar-25) 2)CARE A; Stable / CARE A2+ (12-Jul-24)	-	-
3	Non-fund-based - ST-Working Capital Limits	ST	485.00	CARE A2+	1) CARE A2+ (02-Jul-25)	1)CARE A2+ (31-Mar-25) 2)CARE A2+ (12-Jul-24)	-	-
4	Fund-based - ST-Working Capital Limits	ST	955.00	CARE A2+	1) CARE A2+ (02-Jul-25)	1)CARE A2+ (31-Mar-25) 2)CARE A2+	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
						(12-Jul-24)		

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - ST-Working Capital Limits	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based - ST-Working Capital Limits	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Amexel Pte Ltd	Full consolidation	Subsidiary
2	Apollo Life sciences Holdings Proprietary Limited	Full consolidation	Subsidiary
3	Arco Lab Private Limited	Full consolidation	Subsidiary
4	Strides Consumer LLC	Full consolidation	Subsidiary
5	Beltapharm S.p.A	Full consolidation	Subsidiary
6	Strides Consumer Private Limited	Full consolidation	Subsidiary
7	Strides Pharma International AG	Full consolidation	Subsidiary
8	Fairmed Healthcare GmbH	Full consolidation	Subsidiary
9	Strides Global Consumer Healthcare Limited	Full consolidation	Subsidiary
10	Pharmapar Inc.	Full consolidation	Subsidiary
11	Strides Pharma International AG	Full consolidation	Subsidiary
12	Strides Arcolab International Ltd.	Full consolidation	Subsidiary
13	Strides CIS Limited	Full consolidation	Subsidiary
14	Strides Pharma New Zealand	Full consolidation	Subsidiary
15	Strides LifeSciences Limited	Full consolidation	Subsidiary
16	Strides Netherlands B. V.	Full consolidation	Subsidiary
17	Strides Nordics ApS	Full consolidation	Subsidiary
18	Strides Pharma (Cyprus) Limited	Full consolidation	Subsidiary
19	Strides Pharma (SA) Pty Ltd.	Full consolidation	Subsidiary
20	Strides Pharma Global (UK) Ltd.	Full consolidation	Subsidiary
21	Strides Pharma Asia Pte. Ltd.	Full consolidation	Subsidiary
22	Strides Pharma Science Pty Ltd	Full consolidation	Subsidiary
23	Strides Pharma Canada Inc.	Full consolidation	Subsidiary
24	Strides Pharma Global Pte. Limited	Full consolidation	Subsidiary
25	Strides Pharma Inc.	Full consolidation	Subsidiary
26	Strides Pharma International Limited	Full consolidation	Subsidiary
27	Strides Pharma UK Ltd.	Full consolidation	Subsidiary
28	SVADS Holdings SA	Full consolidation	Subsidiary
29	Trinity Pharma (Pty) Ltd.	Full consolidation	Subsidiary
30	Vensun Pharmaceuticals. Inc.	Full consolidation	Subsidiary
31	UCL Brands Limited	Full consolidation	Subsidiary
32	Neviton Softech Private Limited	Full consolidation	Subsidiary
33	Neviton Technologies Inc.	Full consolidation	Subsidiary
34	Universal Corporation Limited	Moderate	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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