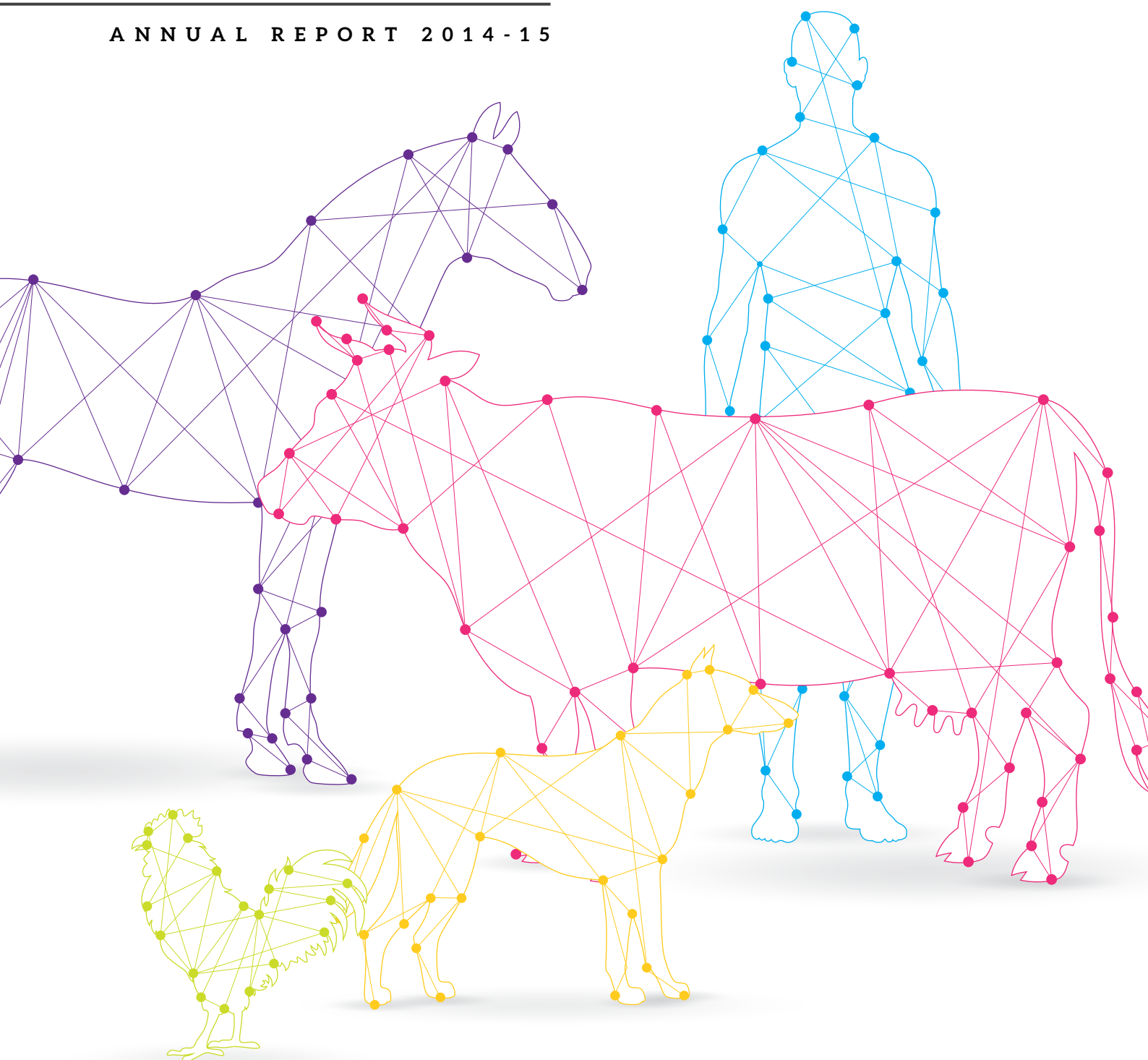


LIVING THE VISION

ANNUAL REPORT 2014 - 15



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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

As a future-focused business, our vision has always been to emerge as a valuable, independent and integrated player in the domains of Animal Health (APIs and finished dosage formulations), Human Health (APIs) and analytical services. Over the years, our strategies have always been aligned to this overarching objective.

FY 2014-15 saw us taking significant steps in that direction.

We strengthened the prominence of Alivira, our animal health brand. We have an integrated platform (Animal Health API and formulations) to address the real-world challenges of those who raise and care for animals.

We are also expediting our growth in Human Health API with focus on niche molecules. These molecules involve low volumes, yet high levels of technological knowhow; and are hence margin accretive in a competitive market scenario.

In line with our stated intent last year, we exited from non-core operations to channelise our energies on core business. We also raised capital to fund our growth momentum.

Not just that, we enhanced our investments and efforts in developing R&D expertise in our areas of focus. Our research efforts are focusing on the emerging priorities in the human and animal health sectors.

As the burgeoning global population, increasing middle class and rising urbanisation stimulate demand in our areas of focus, we are committed to create sustainable value and grow organically and inorganically.

We are working hard. We are making the most of the opportunity landscape.

We are
living the
vision.

Growing our value proposition

SeQuent Scientific Limited (SeQuent) is a leading integrated pharmaceutical Company with a global footprint, operating in the domains of Animal Health (APIs and finished dosage formulations), Human Health (APIs) and analytical services.

Over the years, we have made a judicious shift in our strategy from 'Driving Growth' to 'Creating Value'. Through our subsidiary, Alivira Animal Health Limited (Alivira), we are emerging as a global and integrated company in the animal health segment. In Animal Health, we have presence in both the APIs and formulations, built on a solid platform of quality and compliance.

In the Human Health segment, we focus on building a portfolio of niche APIs, which are produced in low volumes, but require high levels of technological proficiency, thereby limiting competition.

Our analytical services business division provides analytical and bio-analytical services, primarily to pharmaceutical and consumer product companies.

OUR VISION

To become an integrated global leader in the Animal Health Ingredient space, manufacture niche molecules and be a specialised Human APIs resource for our customers.

OUR MISSION

To deliver quality products competitively, while adhering to high standards of quality and compliance.

OUR VALUES

KNOWLEDGE: We understand customers, their needs and apply our extensive knowledge and rich experience in supporting them. We seize opportunities to surge ahead.

TALENT: We employ talented individuals who reflect the passion and proficiency to support customers. We provide world-class products and strive to become the reliable partner for our customers.

STRENGTH: We are capable to provide customised solutions in a short time; this guarantees ease and convenience to our customers.

EXPERTISE: Our core expertise is our high quality benchmarks, state-of-the-art manufacturing facilities, and our R&D centre, which enable us to deliver excellence for driving our standing partnerships.

7

Manufacturing assets with approvals from global regulatory bodies including USFDA, EUGMP, WHO and TGA, among others

BUSINESS AREAS

HUMAN HEALTH API

ANIMAL HEALTH
API AND FORMULATIONS

ANALYTICAL SERVICES



1

State-of-the-art R&D centre with 120+ scientists driving innovation

216

Animal Health formulation products (182 - Current portfolio and 34 - Pipeline)

34

Human Health API products (20 - Current Portfolio and 14 - Pipeline)

31

Animal Health API products (19 - Current portfolio and 12 - Pipeline)

82+

Country sales presence

Quality control laboratory at Vizag, India facility

Strategic framework

ONE GOAL

Emerge as a leading animal health and niche human APIs player globally.

HOW WE WILL ACHIEVE THIS

GROWTH STRATEGY

HUMAN HEALTH APIs

- Focus on difficult to make niche molecules that require high chemistry capabilities and less volume
- Strategic tie-up with companies for 'difficult to make' APIs
- 20 complex molecules commercialised and 14 molecules in the pipeline

ANIMAL HEALTH APIs

- Leverage relationship with leading global players by offering a wide range of Animal Health APIs
- Best-in-class regulatory compliant infrastructure with 800+ tons capacity
- Robust R&D programme with 19 commercialised products and 12 product under development

ANIMAL HEALTH FORMULATIONS

- Grow existing emerging market business in India, Turkey, Africa and MENA as well as expand to selected attractive markets like Brazil and SE Asia
- Leveraging Provet's manufacturing platform and dossiers to enter into regulated markets such as the US, selected EU and ANZ
- Formulation business driven with current portfolio of 182 products and 34 products under development








ANALYTICAL SERVICES

- Increase business with existing clients by offering additional services tapped into additional projects in their global R&D portfolio
- Augmenting existing workforce and infrastructure with the addition of a new facility to capitalise on growth opportunities

RESULT

We are well positioned to capitalise on the high growth Animal Health and Human APIs sector to deliver consistent stakeholder value

Best-in-class facilities

LOCATION	PRODUCTS MANUFACTURED	FACILITY DETAILS
Polatli, Turkey 	Animal Health formulations	Injectable suspensions / solutions, Oral solutions / suspension, Intramammary suspension, Aerosol and Pour-on / Spot-on Turkish GMP approved
Ambernath, India  Maharashtra	Animal Health formulations	Oral liquids and granules for injection cGMP approved
Visakhapatnam, India  Andhra Pradesh	Animal Health APIs	EU supplies ongoing US filings initiated cGMP facility 5 clean rooms
Mangalore, India  Karnataka	Human Health APIs	TGA, USFDA, WHO-PQ approved 6 clean rooms
Mahad, India  Maharashtra	Human & Animal Health APIs	EU supplies ongoing cGMP facility
Tarapur, India  Maharashtra	Animal Health APIs	Intermediates
Mysore, India  Karnataka	Human Health APIs	Intermediates

Year at a glance

Revenue from operations

(₹ in Millions)

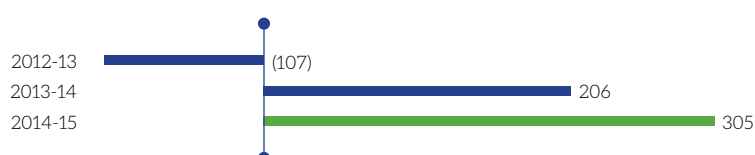


2.2% ▲

Y-o-Y

EBIDTA

(₹ in Millions)



48.1% ▲

Y-o-Y

Gross block + CWIP

(₹ in Millions)

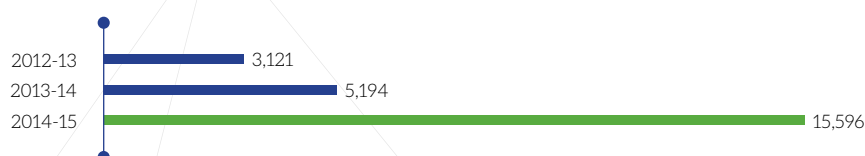


40.1% ▲

Y-o-Y

Market capitalisation

(₹ in Millions)

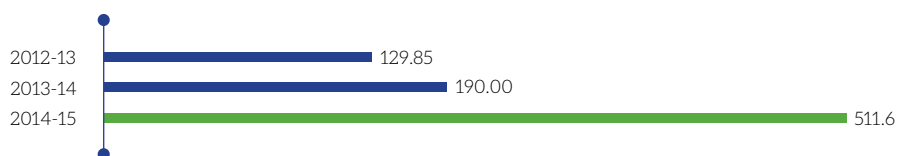


200.3% ▲

Y-o-Y

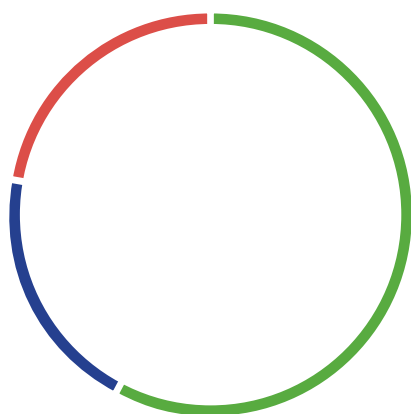
Share price

(₹)



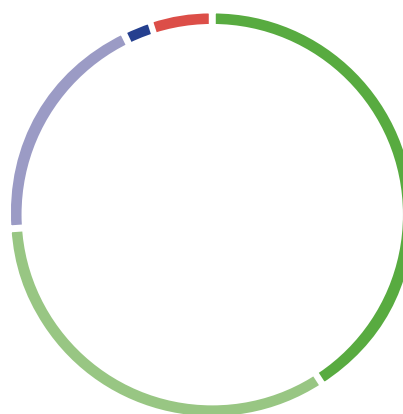
169.3% ▲
Y-o-Y

Revenue by geography (%)



Asia	58
Europe	20
Rest of World	22

Revenue by segment (%)



Human API	41
Animal Health API	33
Animal Health Formulations	19
Analytical Services	2
Specialty Chemicals & Others	5

Message from the Managing Director



Manish Gupta
Managing Director

Dear Shareholders,

We have entered the new financial year 2016 with renewed confidence, strength and commitment. We believe FY 2015 was exciting, yet a remarkably eventful year for your Company. As FY 2014 came to a close, your Company had outlined its vision to drive business with a recalibrated model with a focus on core business. The outlying strategy of this model was to drive value rather than growth. I am happy to state that we have made significant progress in our efforts to be future ready and live our vision to become a leading, global and integrated company in the animal health segment, while also focussing on building core competence in niche Human Health APIs.

From a macro standpoint, the global economy in 2014 showed

signs of improvement, but a mix of geopolitical tensions and slow pace of reforms kept the overall growth in check. The pharmaceutical industry on the other side registered a healthy uptick for the global medicine sales on the back of momentum recovery in the developed pharmaceutical markets like the US, and significant contribution from emerging markets like China and India.

Globally, as the aging population is growing, the changing demographics, coupled with economic growth is likely to drive market to the new highs. This gives our Human Health API vertical enough upside to build a niche portfolio and maintain leadership position in it. The animal healthcare, which is a US\$ 28 billion market and an important core of pharmaceutical business, is a growing industry for a couple of reasons. The industry focuses, both on the livestock and companion animals, therefore touching the life of billions of people and animals world over. The rising demand in quality animal meat and milk, changing pattern of animal diseases and increasing animal companionship has resulted in a fair growth during the course of 2015, and is expected to expand further to US\$ 42 billion through 2019 at a CAGR of 7%. At SeQuent, animal health remains the mainstay and a dedicated business under the aegis of Alivira.

When you look at SeQuent in greater granularity, we strategised five key avenues as part of our effort to realign our business in the direction of profitability. I am glad to communicate that we have made headway in each of those focus areas as outlined below:

Create a valuable, independent, integrated and global animal health business

In FY 2015, our veterinary business underwent a rebranding exercise to be christened as Alivira Animal Health. This was in keeping with our commitment to improve animal