



Leading with Vision  
Building with Passion  
India's No. 1 animal health company



ALIVIRA

# CONTENTS

₹ 9,151 mn

Revenue from  
Operations

₹ 881 mn

EBITDA

₹ 5,979 mn

Gross Block  
and CWIP

In 2016-17

## BUSINESS REVIEW

01-27

Creating a global brand	2
Nurturing a promise	4
Financial performance	5
How we create value	6
Our manufacturing facilities	8
Global footprint	9
Message from the Managing Director	10
Q&A with the Chief Financial Officer	12
Decisive steps for value creation	14
Committed to animal care	16
Strategy for global leadership	20
Sharper R&D focus	22
Product portfolio	24
Global Management Team	25
Board of Directors	26

## STATUTORY REPORTS

28-102

Management Discussion and Analysis	28
Board's Report	38
Corporate Governance Report	78
Business Responsibility Report	93

## FINANCIAL STATEMENTS

103-189

Standalone Financials	104
Consolidated Financials	142

## NOTICE

190

## Equity share information

Market capitalisation:  
₹ 30,701 mn  
(31 March, 2017)

Promoters holding:  
57.2%

NSE:  
SEQUENT

BSE:  
512529

## 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.

Our vision is to emerge as a leading integrated global animal health company, committed to quality veterinary solutions. We provide high-quality animal healthcare products that address people's fundamental needs for nutrition and companionship.

2016-17 saw us taking our first steps towards our stated vision of becoming a world leader in pure-play animal health markets. Our product launches, plant approvals and plans for the demerger are helping us achieve our business vision.

We are helping improve efficiency and farm productivity by providing innovative solutions to veterinarians. At the same time, we are building worldwide

scale and nurturing a growing talent pool.

Our portfolio of products, geographic reach and R&D expertise are enabling us to remain ahead of the curve in a rapidly growing industry.

We are leading with vision across markets and building a future-focused animal health company with passion.



# To create value for all.



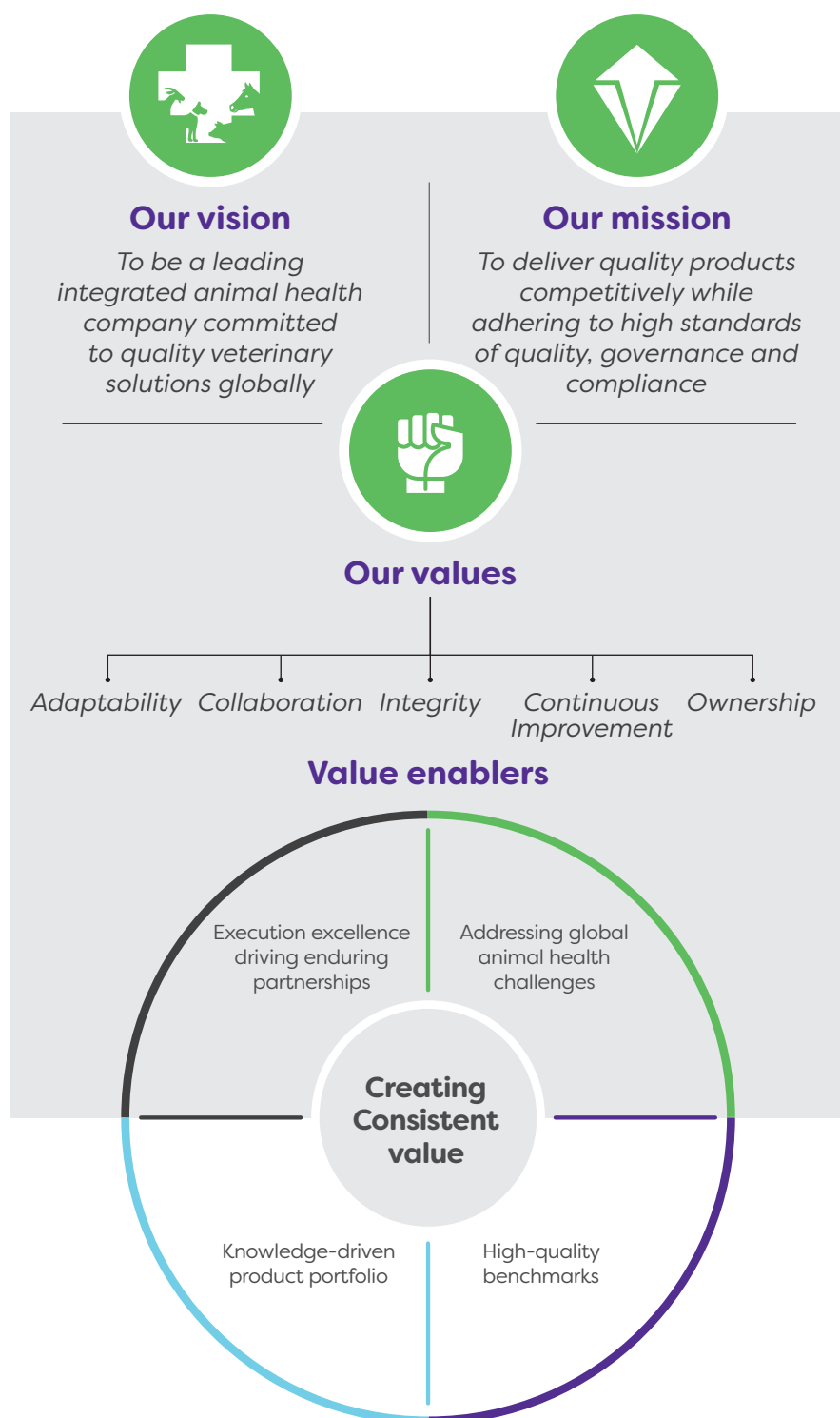
## CREATING A GLOBAL BRAND

Headquartered in Mumbai, SeQuent is an integrated pharmaceutical company with a global footprint, operating in the domains of Animal Health (API and formulation), Human Health (API) and Analytical Services.

Through our subsidiary, Alivira Animal Health Limited (Alivira), we are emerging as a global and integrated company in the animal health segment. 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.

Over the years, our strategy has constantly evolved in keeping with the market opportunities and the ever-changing environment. A rapidly changing environment, such as the one we find ourselves in, offers only very short-term victories to companies that set out to beat the opposition or to capture more market share. SeQuent believes that the long-term advantage lies with those organisations that focus on the environment as a whole and not just on the competition.

SeQuent, in keeping with the changing times, has consolidated on its core businesses and now stands at the footsteps of chartering a growth path with its animal health business while demerging the Human Health into a separate entity.



## Alivira



### Animal Health

Active Pharmaceutical  
Ingredient (API)

Formulations

#### Key achievements of 2016-17

- Received USFDA approval for our Vizag facility dedicated to animal health APIs
- Forayed into vaccines with IDT Biologika, Germany - for marketing vaccines in India
- Integrated operations of acquired businesses in Brazil (Evince), Spain and Mexico, successfully
- Transitioned business in Turkey to new GMP regime
- Forayed into Ukraine and initiated product trials
- Expanded to five new countries taking the total footprint to 95+ countries
- Launched three new formulations in Europe and 28 products across other key markets



**No.1**

Animal health  
company from India



**6**

World-class  
manufacturing facilities



**5**

State-of-the-art  
R&D centres



**450+**

Animal health finished  
dosages across 12  
dosage forms



**23+**

Animal health APIs



**35+**

Animal health  
formulations and APIs  
under development



**95+**

Country sales presence  
for animal health  
formulations and APIs

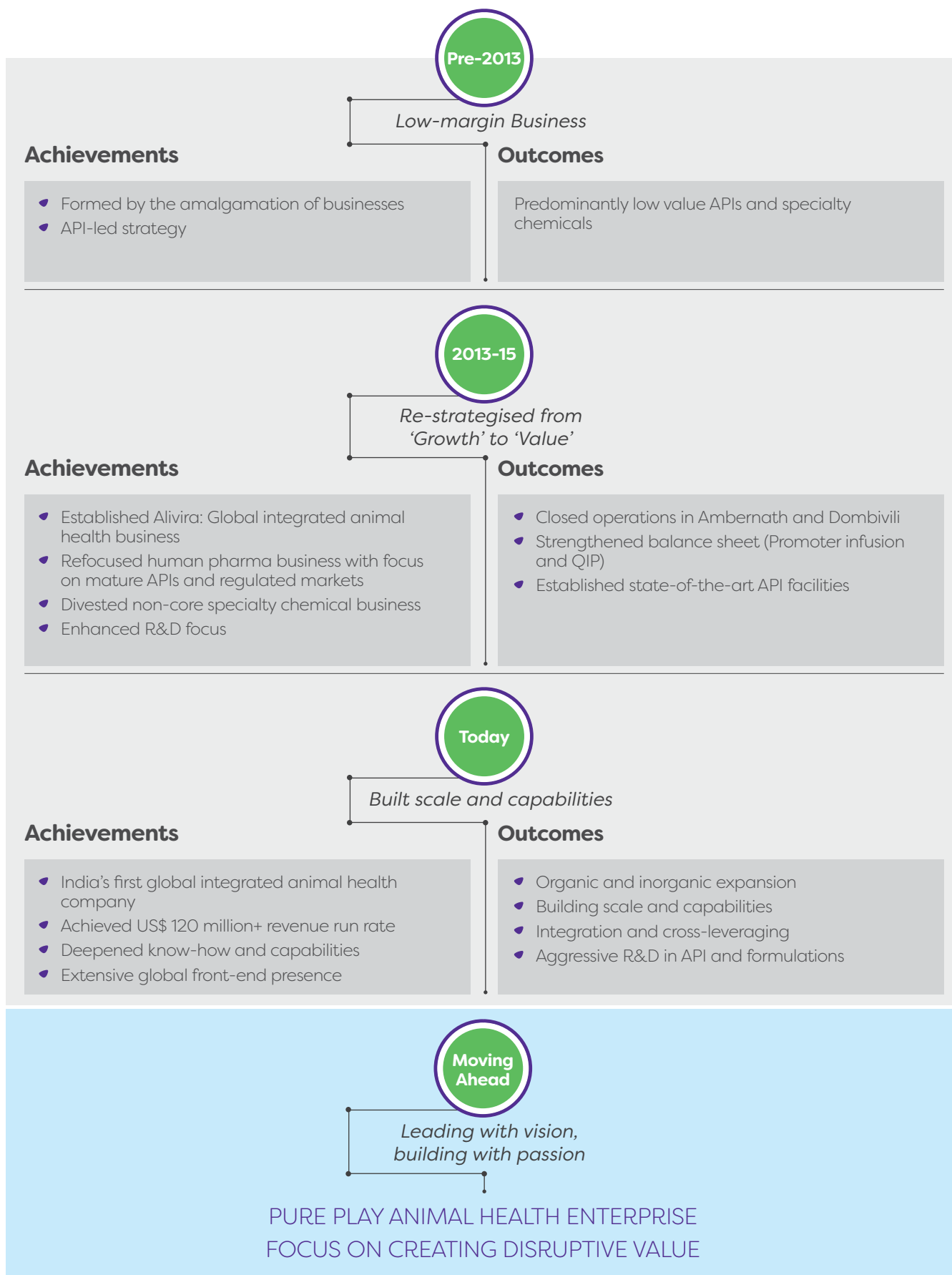


**700+**

Motivated members





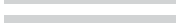

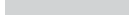
# NURTURING A PROMISE



# FINANCIAL PERFORMANCE\*



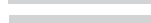


## REVENUE FROM OPERATIONS ₹ in Millions

47% 

<b>FY16-17</b>	<b>9,151</b>	
FY15-16	6,214	
FY14-15	4,654	
FY13-14	4,555	
FY12-13	3,269	




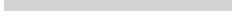

## EBIDTA ₹ in Millions

60% 






<b>FY16-17</b>	<b>881</b>	
FY15-16	552	
FY14-15	305	
FY13-14	206	
FY12-13	(107)	

## GROSS BLOCK + CWIP ₹ in Millions

11% 

<b>FY16-17</b>	<b>5,979</b>	
FY15-16	5,374	
FY14-15	5,642	
FY13-14	4,027	
FY12-13	4,100	

## DEBT TO EQUITY Ratio

<b>FY16-17</b>	<b>0.4</b>	
FY15-16	0.3	
FY14-15	5.2	
FY13-14	7.4	
FY12-13	3.3	

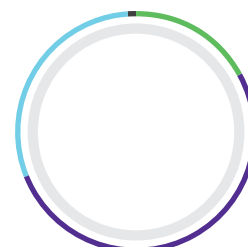
## REVENUE BY GEOGRAPHY %

EUROPE	38
ASIA	23
REST OF WORLD	39



## REVENUE BY SEGMENT %

ANIMAL HEALTH API	17
ANIMAL HEALTH FORMULATIONS	52
HUMAN API	30
ANALYTICAL SERVICES	01



\*FY16-17 and FY15-16 figures as per Ind AS and FY 14-15, FY 13-14, FY 12-13 as per Indian GAAP



# How we create VALUE





## Formulations

Multi-location manufacturing across key geographies.

## API

State-of-the-art USFDA approved dedicated animal health facility.

## Management

Created global capabilities, including local management teams across acquisitions.

## R&D

Established multi-region R&D programme, leveraging local capabilities.

## Regulatory

Expedited filings with global regulatory agencies leveraging acquired know-how.

## Technical

Supported global operations with expertise from India.

## Expanded

Reach to new markets of Europe, Turkey, LATAM and recently Ukraine.

## Strengthened

Presence in India's cattle markets.

## Organic

Foray into SEA (Philippines, Myanmar and Vietnam), Nigeria and West Africa.





## OUR MANUFACTURING FACILITIES

### Visakhapatnam

*Andhra Pradesh, India*

- USFDA and EU approved
- Reactor capacity of 224.6 KL with six clean rooms



### Barcelona

*Spain*

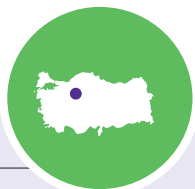
- EU-GMP approved
- Manufactures: Liquids - oral solutions/suspension, solid (powders) - beta-lactam and non-beta lactam antibiotics
- Specialises in nutrition products - Veterinary premixes



### Polatli

*Turkey*

- Turkish GMP approved
- Manufactures: Beta-lactam and non-beta lactam injectable solutions/suspensions, oral solutions/suspension, aerosol and pour-on, spot-on, intra mammaryes



### Campinas

*Brazil*

- MAPA approved (Ministry of Agriculture)
- Manufactures: Oral medicated powders (water soluble), non-medicated powders - feed additives, oral solutions, drug premixes



### Ambernath

*Maharashtra, India*

- Certified by: India - NAFDAC\*, Kenya - Pharmacy and Poisons Board, Uganda NDA<sup>^</sup>, Ethiopia - FMHCA<sup>+</sup>
- Manufactures granules for injections, oral liquids (solutions and suspension) and powders



### Tarapur

*Maharashtra, India*

- Intermediate facility
- Reactor capacity of 64 KL with two clean rooms



\*NAFDAC - National Agency for Food and Drug Administration and Control  
<sup>^</sup>NDA - National Drug Authority  
<sup>+</sup>FMHCA - Food, Medicine and Health Care Administration and Control Authority of Ethiopia