

April 22, 2026

Alivira Animal Health Limited: [ICRA]AA- (Stable)/[ICRA]A1+; Assigned

Summary of rating action

Instrument [^]	Current rated amount (Rs. crore)	Rating action
Long term – Fund Based – Term Loans	110.0	[ICRA]AA- (Stable); assigned
Long term – Fund Based – Working Capital Facilities	115.0	[ICRA]AA- (Stable); assigned
Short Term – Non Fund based (Interchangeable)*	(20.00)	[ICRA]A1+; assigned
Total	225.00	

[^] Instrument details are provided in Annexure II; * Sublimit of fund based working capital limits

Rationale

For arriving at the rating, ICRA has taken a consolidated view of Alivira Animal Health Limited (Alivira/AAHL), along with its parent, Viyash Scientific Limited (VSL/the company), given the common management and significant operational and financial linkages between the entities. The analysis also considers the ongoing and future funding support likely to be extended by VSL to Alivira.

The assigned rating factors in VSL's diversified business profile, characterised by its established presence in both the animal and human health segments of the pharmaceutical industry, in addition to its strong research and development (R&D) capabilities supporting its business prospects. The company is ranked amongst the top 30 players globally within the animal health segment. The rating also considers VSL's diversified presence across formulations, active pharmaceutical ingredients (APIs) and intermediates for the human health segment, along with APIs and formulations for the animal health segment. VSL also has a diversified geographical presence, with revenues derived from India, Brazil, Europe and the US being its key markets.

The rating also considers VSL's strong financial profile, characterised by healthy operating margins, comfortable debt protection metrics and a strong liquidity position. Sequent Scientific Limited (SSL, pre-merger entity) reported revenue growth of 14% YoY in FY2025, supported by a healthy recovery in revenues in the Turkey market. During the same period, Viyash Lifesciences Private Limited (VLPL) reported YoY revenue growth of 11.4%. On a restated basis, VSL reported YoY revenue growth of around 12% in 9M FY2026, supported by strong ramp-up in its formulations segment, which reported YoY growth of around 14.5% for the same period. Growth in the formulations segment in 9M FY2026 was led by sustained demand momentum in emerging markets. Going forward, VSL's revenue growth is expected to remain healthy, supported by strong underlying demand in both the human and animal health segments, in addition to the company's robust product portfolio. The rating is also supported by VSL's healthy operating margins, which improved to 18.9% in 9M FY2026 from 12.9% in FY2025. As of December 31, 2025, the company incurred total ESOP costs of around Rs. 30.8 crore. Going forward, ESOP costs are expected to increase in FY2027 on account of accelerated vesting of options following the merger, which is also expected to impact the company's operating margins. Excluding the same, margins are expected to remain strong going forward.

The merger with Viyash Lifesciences Private Limited (VLPL) has also supported the company's credit metrics, wherein its total debt vis-à-vis operating profit before interest, tax, depreciation, and amortisation (OPBDITA) improved to 0.9 times as on December 31, 2025, from 3.0 times as on March 31, 2025. ICRA also notes that SSL had an animal health-dedicated portfolio, whereas VLPL focused on human health; the ability of VSL to derive synergy benefits from these diverse business lines over the medium term will remain a key monitorable. The company's liquidity position is strong, with total cash and liquid investments of Rs. 276.1 crore as on December 31, 2025. ICRA also notes that the company enjoys financial flexibility owing to its strong promoter profile, wherein the Carlyle Group is a majority shareholder in VSL.

The rating also takes into account the susceptibility of the company's profitability to volatility in raw material prices. VSL is also exposed to significant regulatory risks due to its presence in regulated markets such as the US and Europe. Any scrutiny or

observations by regulatory agencies such as the US FDA and EU GMP could adversely impact the company's operations. The company's globally diversified operations also remain vulnerable to foreign exchange (forex) fluctuations. While it is a net exporter, significant volatility could have an impact on the company's profit margins. Historically, the company has also faced pressures in Turkey, as the market encountered a period of hyperinflation, and hence remains exposed to forex fluctuations across multiple currencies. That said, forex risk is partially mitigated by hedging a part of exposure.

The company's working capital intensity is moderate and stood at 31.3% in FY2025 and 30.1% in 9M FY2026. This is characterised by its presence across numerous geographies. The company is not expected to incur any significant expansion capex over the next 3-4 years and will undertake capex in the range of Rs. 100-150 crore per annum.

SSL and VLPL have completed a number of acquisitions over the last decade to expand and diversify their product portfolio and geographical presence. VSL continues to be on the lookout for further inorganic opportunities, and any significant debt-funded acquisition impacting credit metrics would be considered an event risk and evaluated on a case-by-case basis.

Key rating drivers and their description

Credit strengths

Diversified business profile with strong presence in both human and animal health segments – VSL is an established player in both the human and animal health segments. The company has a presence in APIs and formulations within animal health, and in intermediates, APIs and formulations within human health. Its geographic mix is also well diversified, with India, Turkey, Spain, Brazil, and the US being key markets. More than 50% of revenues are currently derived from the animal health segment, while the balance came from the human health segment in 9M FY2026. Going forward, the company intends to expand its presence in the companion animal health segment while increasing revenues from other segments, which is expected to further strengthen business diversification.

Strong financial risk profile characterised by healthy operating margins and strong debt metrics – VSL's robust credit metrics are supported by healthy profit margins, which improved to 18.9% in 9M FY2026 from 12.9% in FY2025, coupled with reduced dependence on debt. The company's total debt/OPBDITA and interest coverage improved to 0.9 times and 8.7 times, respectively, in 9M FY2026, from 1.7 times and 4.5 times, respectively, in FY2025. Going forward, in the absence of any major debt-funded capex plans and with likely sustenance of improved profit margins, ICRA expects the company's debt protection metrics to remain healthy.

Strong R&D capabilities backed by a sizeable portfolio of APIs for human health and animal health segments – The company has demonstrated a strong track record supported by a robust product portfolio and a healthy pipeline across both animal and human health segments. It has a portfolio of over 100 APIs and more than 1000 formulations across these segments. With an R&D team of over 250 scientists, VSL's R&D capabilities are highlighted by the 5 API regulatory approvals and launches, along with three API validations completed in Q3 FY2026. The company also has an R&D pipeline with 17 products across intermediates, formulations and APIs. Going forward, VSL's combined R&D potential is expected to support its product and filings pipeline.

Credit challenges

High competitive intensity in both human and animal health segments – The company operates in highly competitive segments across human health formulations and APIs, as well as animal health formulations, exposing it to sustained pricing pressures. Competitive intensity is particularly high in regulated markets such as the US and Europe, where pricing pressure is more pronounced. That said, strong R&D capabilities and regular product launches mitigate the impact to some extent. Competitive pressures are also partly offset by the company's presence in emerging markets such as Brazil and Turkey.

Exposure to regulatory risks across geographies and segments – As an export-oriented company with operations in developed markets such as the US and Europe, VSL is inherently exposed to regulatory developments in developed markets. The company is subject to stringent regulatory guidelines, including USFDA and EU-GMP compliance requirements, and any adverse observations by authorities could significantly impact its revenues/earnings.

Exposure to foreign exchange fluctuations and volatility in raw material prices – The company’s profitability remains vulnerable to volatility in raw material prices. Although it plans to pass on cost increases arising from the ongoing West-Asian conflict to customers, any further sizeable increase that cannot be immediately passed on could have an impact on the company’s operating margins. Operations also remain vulnerable to foreign exchange fluctuations. While the company is a net exporter, significant forex fluctuations in the geographies could have an impact on the company’s profit margins. That said, the forex risk is partially mitigated with the company hedging a part of its forex exposure. In the past, the company has faced pressures in Turkey due to hyperinflation and adverse currency movements.

Environmental and social risks

Environmental – VSL does not face material physical climate risks. However, it is exposed to tightening environmental regulations regarding breaches of waste and pollution norms, which may increase operational costs and capital expenditure.

Social – The pharmaceutical industry faces social risks relating to product safety and associated litigation risks. The industry is also prone to risks relating to access to qualified personnel for R&D, process engineering, and maintaining stringent manufacturing compliance standards. Further, Government intervention related to price caps/control also remains a social risk faced by the companies in the pharmaceutical industry

Liquidity position: Strong

VSL’s liquidity is strong, with total cash and liquid investments of Rs. 276.1 crore as on December 31, 2025. The company made total debt repayments of Rs. 430.4 crore in FY2026, with further repayments of Rs. 266.8 crore projected in FY2027. VSL’s average working capital utilisation stood at 30%, while AAHL’s stood at 61% for the period January 2025 to December 2025. The company’s planned capex in FY2027 is expected to be around Rs. 100-150 crore. VSL’s strong cash flow from operations in the range of Rs. 300-400 crore along with healthy cash balances are expected to be strong to support the upcoming outflows.

Rating sensitivities

Positive factors – The rating could be upgraded in case of significant scale up in the revenues and longer track record of improved profitability of the company, while maintaining its healthy debt metrics and improving its liquidity position.

Negative factors – The rating could witness a downward revision in case of any adverse impact on the revenue/ profitability of the company in any of the key geographies/segments it operates in, leading to deterioration in debt protection metrics. Further, any sizeable debt-funded capex/acquisition leading to an adverse impact on the company’s debt metrics and liquidity position can trigger a downward rating revision. A sustained increase in Total Debt/OPBDITA above 1.5 times could also lead to a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of AAHL along with its parent, VSL while assigning the ratings. The list of entities considered are listed in Annexure-III.

About the company

Viyash Scientific Limited (VSL) (erstwhile Sequent Scientific Limited) was formed consequent to the merger of Viyash Life Sciences Private Limited (VLPL) with Sequent Scientific Limited (SSL) in November 2025.

SSL was involved in the development, manufacturing, and marketing of pharmaceutical products for the animal and human health segments. It manufactures APIs for both segments and formulations for animal health. Its products are supplied to domestic and international markets, including the US, Europe, Latin America and various emerging regions. The company held a portfolio of more than 35 commercial APIs and over 1000 product registrations as on December 31, 2025.

Alivira Animal Health Limited (AAHL) was incorporated in September 2013 as a joint venture between Shashun Pharmaceuticals Limited and erstwhile Sequent Scientific Limited and is currently a wholly owned subsidiary of Viyash Scientific Limited (VSL). It operates as a dedicated animal health player engaged in the manufacturing and supply of veterinary APIs and formulations. Its portfolio includes anthelmintic APIs (drugs used to treat parasitic worm infections), veterinary APIs, and formulations used across multiple species in livestock and companion animal segments.

VLPL was established in February 2019 by Dr. Haribabu Bodepudi, with Dr. Srihari Raju Kalidindi joining as co-founder in August 2019. It operated as an integrated pharmaceutical player focused on human healthcare, involved in the manufacturing of APIs (70+), intermediates, and select formulations (around 30). Its product range spans multiple therapeutic categories such as antiretrovirals, cardiovascular and central nervous system treatments, analgesics, antibiotics, antihistamines, diabetes care, gastrointestinal therapies, anticoagulants, oncology, and related areas.

Key financial indicators

Viyash Scientific Limited (Consolidated)	FY2025 [^]	9M FY2026 [*]
Operating income	3,001.7	2,508.5
PAT	15.8	158.3
OPBDIT/OI	12.9%	18.9%
PAT/OI	0.5%	6.3%
Total outside liabilities/Tangible net worth (times)	0.6	0.5
Total debt/OPBDIT (times)	1.7	0.9
Interest coverage (times)	4.5	8.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, [^] Restated, ^{*} provisional financials

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr 22 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term Loans	Long term	110.0	[ICRA]AA-(Stable)	-	-	-	-	-	-
Working Capital Facilities	Long term	115.0	[ICRA]AA-(Stable)	-	-	-	-	-	-
Non Fund based (Interchangeable)	Short term	(20.00)	[ICRA]A1+	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund Based – Term Loans	Simple
Long term – Fund Based – Working Capital Facilities	Simple
Short Term – Non Fund based (Interchangeable)*	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term Loans	Sep 2024	NA	Apr 2027	110.0	[ICRA]AA- (Stable)
NA	Working Capital Facilities	NA	NA	NA	115.0	[ICRA]AA- (Stable)
NA	Non Fund based (Interchangeable)	NA	NA	NA	(20.00)	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Company name	VSL Ownership	Consolidation approach
ALIVIRA ANIMAL HEALTH LIMITED	100%	Full Consolidation
APPCO Pharma LLC	60%	Full Consolidation
ALIVIRA ANIMAL HEALTH LIMITED, Ireland	100%	Full Consolidation
ALIVIRA SA, Belgium	100%	Full Consolidation
ALIVIRA BV, Netherlands	100%	Full Consolidation
Alivira Animal Health UK Ltd.	100%	Full Consolidation
N-VET AB	100%	Full Consolidation
PROVET VETERINER ÜRÜNLERİ SAN. VE TIC. A.Ş.	100%	Full Consolidation
TOPKIM TOPRAK ILAC PREMIKS SANAYI A.S	100%	Full Consolidation
ALIVIRA SAUDE ANIMAL BRASIL PARTICIPACOES LTDA, Brazil	100%	Full Consolidation
Alivira Saude Animal Ltda, Brazil	100%	Full Consolidation
Expetron Distribuidora de Produtos Veterinários Ltda	100%	Full Consolidation
Laboratorios Karizoo S.A, Spain	60%	Full Consolidation
VILA VINA PARTICIPACIONES S.L, Spain	60%	Full Consolidation
PHYTOTHERAPIC SOLUTIONS S.L, Spain	60%	Full Consolidation
LABORATORIOS KARIZOO, S.A. DE C.V, Mexico	60%	Full Consolidation
Bremer Pharma GmbH, Germany	100%	Full Consolidation
Alivira Italia SRL, Italy	100%	Full Consolidation
Alivira Animal Health USA LLC, USA	100%	Full Consolidation

Source: Company

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