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From The Chairman's Desk

Dear Shareholders

The year 2010 is slated to be year of consolidation, honing our skill set and putting behind all challenges. Plethico, during the year 2010 observed strong growth momentum, marked by a financial turnaround and robust operational performance, aimed at securing future growth drivers. Despite overall global meltdown, tremendous foreign currency turbulence, fierce competition and lot of other operational odds including search and seizure operations conducted against the company by the income tax department during September 2010, the company has come-up with the flying colours and registered comparatively significant growth not only in domestic markets but also in the international markets. Being significant global player, we could understand nuances better and able to implement them in the new paradigm.

During 2010, our concentration and focus was more towards emerging markets that have un-tapped potentials as compared to the developed markets. In next couple of years, the focus will continue to be in CIS, GCC and Africa as well as in South East Asia, Latin America and Europe.

I am proud to say that most of the clients to whom we cater to are satisfied with our specialized product profile. Being industry expert, we predicted long back that investment in novel molecules would be better rather than plain low-cost generics and follow on biologics. We also realized that opportunity is growing at a faster pace than before, and we have to participate in new markets through new enabling technologies and aggressive business strategies. We identified roadblocks that may hinder progress of the company. We aligned all our activities and business operations and geared-up efforts in the direction that secures maximum growth both in terms of top and bottom line. In our efforts, we got maximum mileage through strategic alliances that enabled access to technologies, markets, products and competencies. We leveraged breadth of our portfolio and market leadership to bring blockbuster products at global marketplaces.

Today, Plethico has a very competent management team and an effective information system in place needed to ensure smooth business operations all-around. And in the end, it is the customer who got benefitted both in terms of quality products and better healthcare solutions at an affordable cost.

At Plethico, we encourage a culture of teamwork, transparency and trust for superior operational governances. Our biggest strength lies in our highly committed people who take great pride in their work. We continuously invest in the development of our people to benchmark ourselves externally and internally to stay competitive and become best-in-class. Beside expanding employees base Plethico is looking forward to significant investment in terms of R&D and infrastructure development at global marketplaces having immense potential.

In the era of fierce competition, when performance are continuously reviewed and analyzed for gaps in strategy implementation, it is important to check whether the business strategies are really robust. At Plethico, we validate business strategy in the initial stages enabling organization to take corrective measure in time and deliver better results. Changing environment and challenging customer needs make it imperative to identify those markets where company's capabilities can yield a competitive advantage. The company is better determined to disseminate varieties of its leading brands that have improved significantly after obtaining UK MHRA approval, in the emerging markets worldwide.

I personally feel that demand and availability of drugs in non-urban areas will go up considerably in near future. Increasing educated patient population will pose huge demand for improved healthcare services, and a more focused approach to personalized healthcare. Keeping focus intact, Plethico is foreseeing underlying opportunities and confident about sterling performance in 2011.

As a value-oriented organization, we promise our shareholders to give better returns through robust performance enhancing intrinsic value of shares. I also express my sincere gratitude to all our stockholders who have reposed trust in us and extended their constraint support. I am also grateful to the Board of Directors for their steady support and guidance.

Your's truly



Shashikant Patel

Chairman & Managing Director



Mission

To create a 'Global Healthcare' brand identity synonymous with nurturing healthcare, eternal values, strong ethics and global quality of highest standards in pharmaceuticals, nutraceuticals and allied healthcare products.

Corporate Information

Chairman cum Managing Director
Shashikant Patel

Whole-time Director & Chief Executive Officer
Chirag Patel

Executive Director
Gauravi Parikh

Director
Dr. G.N. Qazi
Pramod Shrivastava
Abhay Suhane

Company Secretary
Amrith Kumar Chourasia

Corporate Office
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Administrative Office
37, Industrial Estate, Pologround, Indore-452-015 (M.P.)

Auditors
N.P. Gandhi & Co.,
Chartered Accountants

Cost Auditors
Vijay P. Joshi.,
Cost & Works Accountants

Registrar & Transfer Agent
Link Intime India Private Limited,
C-13, Pannalal Silk Mills
Compound, LBS Marg, Bhandup
(West), Mumbai-400 078

Bankers
Bank of Baroda
State Bank of Indore
IDBI Bank Limited
Exim Bank
State Bank of India
Bank of India
HSBC Limited
IndusInd Bank
Karur Vysya Bank
Allahabad Bank

Registered Office

A.B. Road, Manglia-453-771, Distt. Indore (M.P.)

Website : www.plethico.com

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Milestones

1963 - 70

- The beginning of the group activity.
- Company's first formulation plant, manufacturing Tablets, Capsules and Liquid Orals, at Indore, Madhya Pradesh, India, established.

1971 - 80

- Up-gradation and expansion of Manufacturing facilities. Establishment of a nation wide marketing and distribution network. Introduction of branded formulations in various categories.

1981 - 90

- An ultra modern formulation plant was established at Manglia, near Indore, India to manufacture a wide range of allopathic formulations.
- Innovative branded formulations were introduced and established in Anti-malarials, Anti-tubercular, Cardiovascular & Cough & Cold segments.
- The company pioneered the launch of Doxycycline and Cotrimoxazole in the Indian market.

1991 - 2000

- Diversification into Herbal & Natural formulations with scientific and modern manufacturing plant for Herbals set up at Indore.
- Introduction of novel herbal products for hepatocare, diabetes and Syndrome X developed with in-house research and clinical evidence.
- Major thrust into International Marketing. Travisil, an indigenously developed herbal Cough & Cold product became a star performer in the entire CIS market.

2009-2010

- Company's Kalaria – Indore Unit got approval from the Medicine and Healthcare Products Regulatory Agency of UK (UKMHRA).
- Company's Kandla SEZ Unit have been awarded got highest export award consecutively for the fifth year.
- Formation of a new step-down subsidiary in UAE – Natrol Global FZE, LLC to strengthen marketing of nutraceutical and herbal brands in UAE, CIS, south East Asia and African Countries.
- Successful business integration with Tricon LLC, UAE in which company acquired 20% equity stake during 2008.
- Successful commencement of business operation by UAE subsidiary Plethico International Limited through outsourcing at large scale.
- Company's Kalaria-Indore Unit got approval from TGA Australia.

2001 - 2007

- Commissioning of the state of the art formulation manufacturing plant at Kalaria, Indore, as per the requirements of WHO GMP, UK MHRA and US FDA.
- Plethico, ranked amongst the Top five Anti-TB companies in India, with its revolutionary three/four drug fixed dose Anti-TB combinations.
- The company launched its Consumer Healthcare Division in India.
- Ultra modern fully integrated plants set up for manufacture of PET bottle (AOKI, Japan) and hard boiled candies (Klockner Hansel GmbH, Germany).
- The company acquired a marketing and distribution chain in the CIS, with subsidiaries in Russia, Ukraine, Kazakhstan, Moldova, Azerbaijan and Kyrgyzstan. Marketing and Distribution Joint ventures in South East Asia, Africa and Latin America.
- Initiative to acquire a USD 100 million company Natrol, in the United States of America, opening up the regulated markets like US, UK, Europe, Australia, New Zealand.

2008

- Successful acquisition of Natrol Inc., USA and integration of its business along with Indian operations.
- Acquisition of 20% stake in Tricon Holdings FZE, having Retail Pharmacy Chain across CIS enabled company to expand its retail reach in CIS.
- Manufacturing project at UAE is at advanced stage of implementation. This manufacturing unit after completion will enable the company to make UAE as the main hub going forward.
- Up-gradation project of existing Kalaria Manufacturing Unit to make it UK MHRA compliant is at the advanced stage of completion.
- Project related to setting-up of another manufacturing unit at Kandla Special Economic Zone, Gandhidham, Gujarat commenced.



About Plethico

Incorporated in 1963 as a small partnership firm, the company has now transformed into a fully integrated pharmaceutical and nutraceutical company with strong research and development capabilities coupled with a robust manufacturing platform. Today company manufactures and markets variety of pharmaceutical formulations, nutraceuticals, herbals, lozenges, candies, hospital consumables, food supplements, dietary supplements and many other consumer and healthcare products in India and internationally to several key markets across the globe. Company's manufacturing facilities are complying to world class specifications backed by an in-house R&D Center.

Plethico possesses core competence in finished formulations and

herbal preparations since last four decades. The existing activities are spread globally with product portfolio of about 500 formulations in more than 39 therapeutic segments. The company has significant presence worldwide with strategic tie-ups and alliances and a very strong global marketing and distribution network in CIS, African continents and third front including Latin American Countries, Middle East, South East Asia and GCC. With significant presence across the globe, Plethico is committed to become an innovative and integrated partner to the global pharmaceutical industry by creating a profitable enterprises with due respect to stockholders' interests, corporate governance and social responsibilities.

About Natrol, USA

Natrol is synergistically operating in Herbal and Nutraceutical sphere, but is predominantly present in USA. Natrol has a portfolio of Healthcare and wellness brands representing quality nutritional supplements, functional herbal teas and sport nutritional products. Established in 1980, Natrol's portfolio of brands includes Natrol®, MRI®, BioSil™, Laci Le Beau®, Promensil®, Trinovin®, Nu Hair® and Shen Min®, which are household names in USA.

Natrol distributes products nationally through more than 54000 retail outlets as well as internationally in over 40 other countries through distribution partners and subsidiaries in UK & Hong Kong.

Consumer needs are central to Natrol's focus. The company pledges to deliver nutritional products with uncompromised service, quality, and innovation through the best that science, nature, and technology can offer.





Indian Operations

For more than 45 years, Plethico has been at the forefront of providing top-notch healthcare products for curing critical and chronic diseases worldwide. With its apt chemistry skills and low cost advantage both in research and manufacturing coupled with skilled manpower, Plethico has emerged as an excellent healthcare institution committed to deliver high quality sustainable healthcare products.

Social transformation, life style changes, higher disposable incomes, health consciousness and regulatory changes have boosted the consumer healthcare segments significantly in India. Plethico quickly forayed in this market segments and identified consumer healthcare as a major growth area. The Consumer Product Division today, has an established range of products in sports nutrition, confectionary, lozenges, pharma OTC and herbal supplements marketed across the country with a vibrant supply-chain network.

Plethico is swiftly moving towards basic research driven undertaking with enlarged portfolio of quality products and healthcare services. Committed ourselves to meet company's mission everyday – to enhance, preserve and restore vision worldwide, we at Plethico always try to deliver sustainable healthcare products at affordable cost.

Global Operations

At Plethico, we have realized that successful global company of the future will be one that enters into business-enhancing alliances and acquisitions with International companies having established competencies. Recognizing this philosophy, the company had made initial beginnings of breaking out in the International market through small acquisitions, joint ventures and strategic alliances that has facilitated quicker growth, better capital allocation and plugging of business gaps. In 2003-04, the company decided to stretch it wings into new geographies and acquired controlling stake in CIS based Rezlov Group of Companies. In early 2008, the company acquired US\$ 100 million US based leading nutraceutical company Natrol Inc having portfolio of premium health and wellness brands with predominant presence in US, UK & Hong Kong. In December 2008, the company has concluded the deal of acquisition of 20% stake in Tricon, a Dubai-based retail pharmacy chain. Within the course of five years, the company has concluded major acquisitions across the globe that enabled the company to better positioned at global market place.

Suddenly, Plethico has evolved from an Indian pharmaceutical Company to a global organization with an international footprint in terms of outlook, focus, presence, customers and employment. The acquisitions gave the company a strong foothold not only in CIS, Africa, South East Asia, Latin America and GCC but also in other regulated markets like US, Europe, Australia, New Zealand, Hong Kong and China.

Today, Plethico has operations in 25 countries, exports to over 40 countries and presence in almost 39 therapeutic segments with more than 500 product approvals. The extensive distribution and marketing network successfully established the company as a dominant player in many reasons across the globe. Internationally, the company is now on an exponential growth path, continuously expanding target markets to add new countries to its operational business map.



Product Portfolio

Sustained growth is the quest of every enterprise, more so in pharmaceuticals, where newer product Registrations, and effective marketing of products, adds buoyancy to the product stable.

We at Plethico understand that growth means a changing product profile with continuous introduction of new products and widening of consumer base. In order to widen the product spread, Plethico has successfully diversified its product profile over pharmaceutical formulations, OTC drugs, nutraceuticals, herbals, hospital consumables and veterinary segments.

A coordinated effort between market research, product development, and product launch teams ensures a continuous flow of new products in our pipe line thereby feeding the respective market segments to ensure sustained growth in volumes and margins.

With over 400 different formulations in more than 39 therapeutic segments, Plethico has a strong presence in Cardiac, Anti-malarial, Anti-tubercular, Anti-infectives, Pain, Gastro, and Cough & Cold segments. Identification of new therapeutic categories, product, innovation in Novel Drug Delivery Systems & patient compliance is the basis of our product selection.

A range of clinically proven herbal products, developed from scientifically validated herbal extracts offers a safe and natural alternative in treating lifestyle related disorders, like diabetes, high cholesterol, sleep disorders, digestive disorders and pain management.

Manufacturing

The company has two ultra modern, fully integrated, state of the art, WHO-GMP certified units located in the lush green, pollution free surroundings of Indore, in the state of Madhya Pradesh, in Central India.

Both the plants conform to the regulatory requirements of US FDA, UK-MHRA & the CEU guidelines.

The manufacturing unit at Kandla set-up during the year 2000 also comply to the WHO-GMP specifications.

In order to expand manufacturing capacities, the Company has setup an ultra modern manufacturing unit at UAE.

All the plants are well equipped with the most modern and validated manufacturing and analytical equipment and detailed SOPs are in place, with respect to Quality management, Personnel, Premises, Equipment, Documentation, Production, Complaints and Self Inspection / Audits.

All the plants are eco-friendly in design and operations, in conformity with Indian and International standards for effluent treatment.

Research Development

Our R&D is a manifestation of our belief in quality and innovation.

Commitment of channelizing substantial revenues into R&D has always made sound business sense to us at Plethico.

"As we sow, so shall we reap", is the research and development philosophy we follow. Over 400 product approvals and an innovation team of 40 research personnel in two separate R&D centers, is testimony to our focus on R&D.

Our team consists of committed scientists with expertise in botany, pharmacognosy, analytics and pharmacology as well as consultant having long associations with the herbal drug industry. Procuring authentic material, pharmacological evaluation in laboratory models, formulation development and modern clinical trials are integral processes of the herbal product development cycles.

We are presently strengthening development in the areas of effervescent products, finger printed herbal extracts, a range of medicated/center filled lozenges, sustained release formulations, Fast melt tablets and use of pelletization technology.



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Quality Assurance

Quality culture and Quality consciousness has been an inherent virtue in Plethico's operation, be it in processes, equipments, test methods, standards, validation or simply the mundane activities like cleaning procedures.

Adherence to strict norms of pharmacopoeial standards, practiced world wide is mandatory at our ultra modern quality control labs. We have the latest technical equipment, be it analytical, chemical, microbiological or specialized testing methods. Our quality management systems includes, compliance with GLP, GCP and GEP, detailed SOPs and regulatory validation procedures to ensure total quality management (TQM).

Quality building at each stage is a routine procedure right from raw material, quarantine, testing, approval and assurance at production, in-process and finished product level.

Regular in-house and sponsored manpower training and development programmes provide a regulatory environment that encourages continuous improvement in processes, testing methods and Total Quality Compliance (TQC).

Human Resource

It is our firm belief, that the primary productive and generative assent in any business is the people. We at Plethico believe that it is important to enhance the emotional and intellectual equity of the people and to gain their trust and commitment to achieve the organizational and individual goals.

Nurturing people, motivation and training form the cornerstone of our 'People Philosophy'

We nominate our personnel for regular training programmes conducted by specialists and in-house training programmes on on-goin basis.

We realize that we all need to change and re-invent ourselves, in this the path to the goal of perfection.

'ATIRE' the acronym for Attitude, Team Work, Innovation, Responsibility & Excellence is the spirit of our quality culture for people. Defining work areas, empowering people & encouraging team work has contributed work building an organizational culture where individual goals are in tune with the organizational goals, thus enhancing value for all.