

WE BELIEVE
ADVENTURES
LEAD TO INNOVATIONS...!!!





From The Chairman's Desk

Dear Shareholders

The year 2011 has been very volatile and difficult, yet we have been driving growth and creating values for our end-customers and the stakeholders as well. In spite of Plethora of external constraints, conflicting economic signals and confusing financial interpretations, we performed extremely well and emerged as a pure-play category innovators and global challengers totally positioned to take off globally in the high-growth marketplaces.

I always trust that there is much to learn from what successful companies have been doing to win in spite of the economic uncertainty. Despite wide-ranging profile, during 2011, we focused on small number of significant opportunities, meaningful innovations targeted at creating value for end-customer and consistent endeavor to encourage a culture of speed and experimentation.

In order to ease pressure on debt, we during 2011 successfully worked on different long-term refinancing operations which came forth as a masterstroke. We took adequate measures to stop vicious circle of too much debt leading to disaster by executing program of structured funding having combination of low-cost long-term debt and equity. Launching of public fixed deposit scheme was our first effort to swap high cost debt and surprisingly, the response was superb beyond expectation. That speaks about the trust, people have in our organization. In the next step we floated fully convertible warrants, the proceeds of which were utilized for retiring debt burden. We are also working on many long-term funding proposals to restructure FCCB maturing during October 2012.

I can well foresee that level of uncertainty will remain high in the coming years and it would be extremely difficult to achieve sustained value-creating growth. Increasing complexity, mounting uncertainty, intense competition, declining R&D productivity, increasingly crowded markets, reimbursement hurdles shall be major challenges that need to be addressed more strategically.

In fact, there is no single prescription that can deliver foolproof success. The environment is more complex and traditional guidelines are no longer applying. Under the circumstances, it is utmost important to develop strategy enabling to anticipate competitor's actions beforehand, consider innovative pricing options, engage and connect with stakeholders and collect and analyze real-time data helping to quickly grasp changes in the market places and to formulate business plans more aptly.

And at Plethico, we did it successfully as replicated in our performance of 2011. We have been doing more than simply following the positive signals and translating the opportunities of the post-crisis era into competitive advantage. We have geared-up team of our core executives for the possibility that there could be another downturn in the coming years and as such to improve competitive strengths permanently.

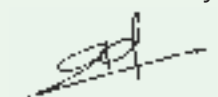
We had realized that without innovating, it won't be possible to prosper over the next few years. As such in-process innovations were geared up to optimize process and to reduce non-personnel costs. Fundamental issues were also broached. Innovative pricing strategies were applied during product development to make pricing a core pillar of the product's profile. Comprehensive reporting system has been developed that tracks KPIs in real-time enabling to quickly understand the changes happening in the marketplaces globally and thus modifying strategies to achieve expected growth levels. The company also developed a very competent management team and an effective information system suitable to the organization's needs.

I personally believe that the future after-all belongs to those who take their destiny into their own hands. As such during 2011, we constantly focused on strong Balance Sheet, stable cash flow and lower break-even points. Major thrust was also on differentiation, accelerating product development to the optimum level, creating tangible values for customers, identifying core activities, applying game-changing strategies, creating new business models, pursuing opportunistic investments and eliminating positions that are relatively less competitive.

Today, Plethico is well positioned to capture rapid end-demand growth of the emerging marketplaces. The company also foretells underlying opportunities and confident about sparkling performance in the coming year 2012.

I also promise all the shareholders to give better returns through robust performance appreciating intrinsic value of the shares. I also express my sincere gratitude to all my stockholders who have reposed trust in us and extended their full co-operation. 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 & 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

AMRISH KUMAR CHOURASIA

Registrar & Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound, LBS
Marg, Bhandup (West), Mumbai-078

Bankers

Bank of Baroda

IDBI Bank Limited

Exim Bank

Auditors

N.P. GANDHI & CO.

Chartered Accountants

Cost Auditors

RAJESH RUNWAL & ASSOCIATES

Cost & Works Accountants

State Bank of India

Punjab National Bank

Allahabad Bank



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Registered Office

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

Corporate Office

Sabnam House, Ground Floor
Plot No. A/15-16, Central Cross Road B,
Andheri (East), Mumbai-400 093

Administrative Office

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

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.

2001 - 2007

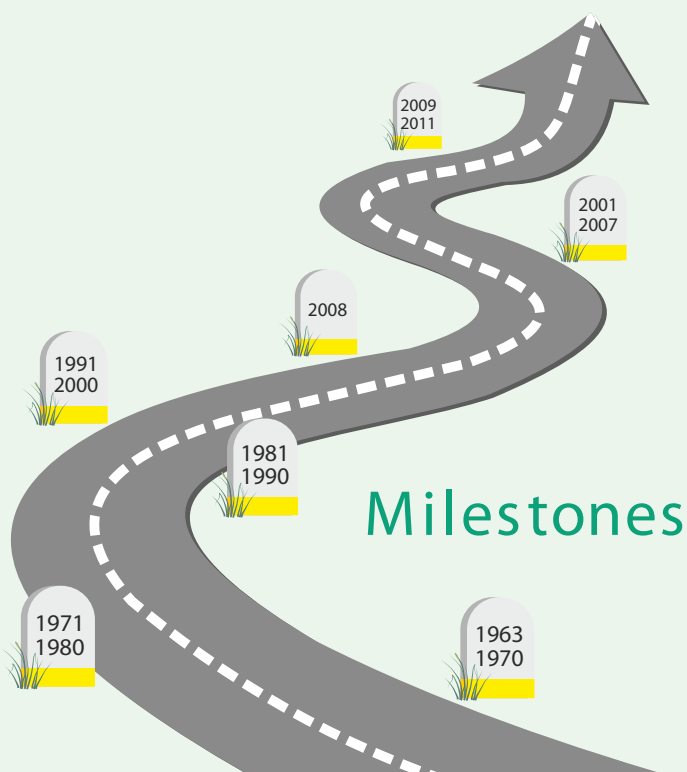
- Commissioning of the state of the art formulation manufacturing plant at Kalaria, Indore, as per the requirements of WHO GMP, UK MHRA and US FDA.
- Plethico, ranked amongst the Top five Anti-TB companies in India, with its revolutionary three/four drug fixed dose Anti-TB combinations.
- The company 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 being technically and commercially evaluated. 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.

2009-2011

- 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.





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 its 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 regions 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.

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 plans to 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.



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.



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.

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.