



Pledged to Ethics



From The Chairman's Desk

Dear Shareholders

The year 2012 witnessed a laggard growth in the economy which however ended with improvement on a modest note in synchronization with the global scenario. In a globalized economy, there is no escape for any country from the consequences, be it positive or negative. Barring no exception, over the decades, India has also firmly integrated with the world economy. The very fact remains that policy uncertainty and slowdown in the global demand has hampered the overall growth of all economies with major injury bearers being growing economies like India. It has been generally difficult for the companies that have their major revenues coming from exports markets as reasons like slowdown in demand, currency fluctuations and recovery of receivables have a key role to play.

Sensing the above situation, as some of it was a spillover of the previous year as well, we as a company had the target of maintaining and improving operational efficiencies in tandem with trying our best on the working capital management. We also worked on the product profile enhancement along-with retaining the market share in different geographies.

One of the key issues to be addressed during the year was the refinancing of the FCCBs that matured in October 2012. This needed prime attention as the currency fluctuations played a spoilt sport. Also with the economy jitters being felt globally, refinancing at exorbitantly high interest rates way beyond the comfort zone of even the biggies in the industry, was a huge challenge. We had been taking adequate measures to stop the vicious circle of excess debt leading to disaster by executing strategic program of structured funding having combination of low-cost long-term debt and equity. We did manage to tie up for long term funding proposals to restructure the bonds. Lot of efforts are underway for negotiating with the bondholders, betting on the fact that the macro environment was difficult to handle.

Although the emerging and developing markets are not expected to rebound to the high growth rates of 2010-11, as indicated by the IMF survey, it is still projected to clock decent growth in 2013. This is however keeping in mind that weakness in the advanced economies will reflect on the performance of the developing economies impacted by the external demand. The increasing level of intense competition, complexity and mounting uncertainty leads to a challenging environment and needs to be handled strategically as the level of uncertainty is expected to remain high and keep increasing in the coming years.

We have been working on strategies that enable us 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. This is based on the realization that the environment is getting complex and traditional guidelines are no longer applicable.

In this challenging environment, we at Plethico have still managed to maintain our performance with regards to product innovation and capturing newer clients and markets while serving the existing ones. We have geared-up our core executive team for the possibility that there could be another downturn or slowdown in the coming years and as such to improve competitive strengths permanently.

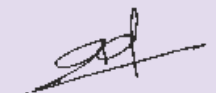
Foreseen the fact, that innovation is the only key to sustain and rebound, we had been laying emphasis on our R&D activities and in-process innovations. Keeping in mind that pricing would be the core pillar of any product profile development; we have optimized our processes and applied innovation pricing strategies. The company also developed a very competent management team and an effective information system suitable to the organization's needs. Comprehensive reporting system has also been developed that tracks KPIs in real-time, enabling to quickly understand the changes happening in the markets globally and thus modifying strategies to achieve the expected growth levels.

Our focus during the year 2012 was bifurcated on one hand into financial aspects that would help us cap our liabilities in order to strengthen our balance sheets and have stable cash flows while on the other hand business development that focused 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 and pursuing opportunistic investments.

As a company we are well positioned to capture the demand growth of the emerging markets; however turnaround in the overall macro environment is the key. Although there is a gradual improvement being witnessed, sustainability and growth would still be a challenge.

I maintain my motive and promise to all the shareholders to give better returns through robust performance appreciating intrinsic value of the investment of the shareholders. I also express my sincere gratitude to all my stakeholders 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
HITESH THAKAR

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

Auditors
N.P. GANDHI & CO.
Chartered Accountants

Bankers
Bank of Baroda
IDBI Bank Limited
Exim Bank
State Bank of India
Punjab National Bank
Allahabad Bank

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.)

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2009 - 2012

- 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 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.

1981 - 1990

- 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.

1963 - 1970

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

1963 - 2012

Milestones

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.

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.

1971 - 1980

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



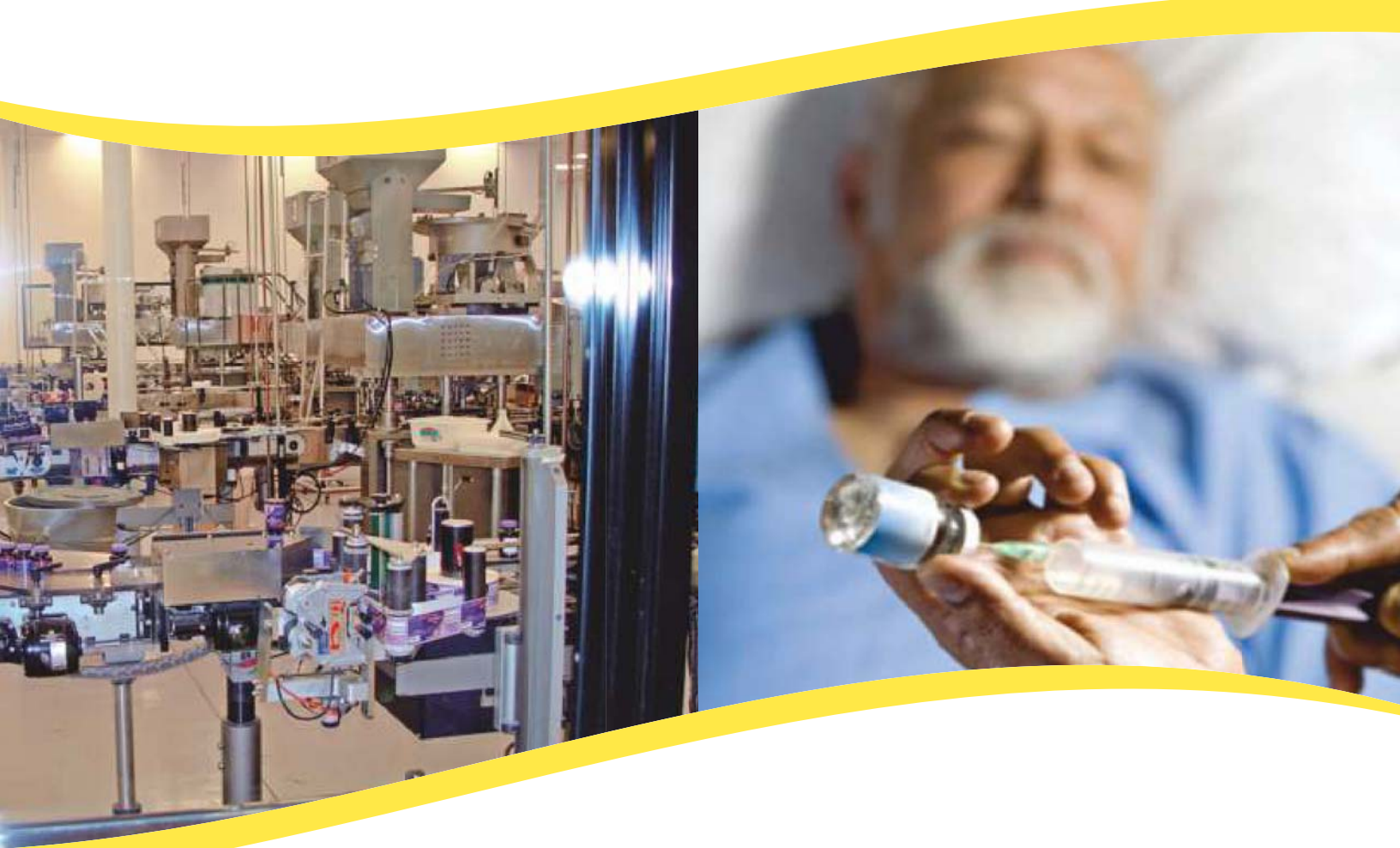
About Plethico

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 the Company manufactures and markets variety of pharmaceutical formulations, nutraceuticals, herbals, lozenges, candies, 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 with 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 20 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 the stockholders' interests, corporate governance and social responsibilities.

About Natrol, USA

Natrol is synergistically operating in the Herbal and Nutraceutical sphere, predominantly present in USA. It has a portfolio of healthcare and wellness brands representing quality nutritional supplements, functional herbal teas and sports 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. It distributes products nationally through more than 54,000 retail outlets as well as internationally in over 40 other countries through distribution partners and subsidiaries in UK and Hong Kong. The company pledges to deliver nutritional products with uncompromised service, quality, and innovation through the best that science, nature, and technology can offer as consumer needs are central to Natrol's focus.





Indian Operations

For more than 48 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, lifestyle changes, higher disposable incomes, health consciousness and regulatory changes have boosted the consumer healthcare segments significantly in India. Plethico has forayed in these 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 a vast 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 going forward a successful global company will be the one that enters into business-enhancing alliances and acquisitions with International companies that have established competencies. Recognizing this philosophy, the company had made initial beginnings of entering the International market through acquisitions, joint ventures and strategic alliances that has led to 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\$100million US based leading nutraceutical company Natrol Inc. having a portfolio of premium health and wellness brands with predominant presence in the US, UK and Hong Kong. Within the course of five years, the company has concluded major acquisitions across the globe that enabled the company better positioning in the global markets. 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 and Hong Kong. Today, Plethico has operations in 25 countries, exports to over 40 countries and presence in almost 20 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 the 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 USFDA, UKMHRA & the CEU guidelines. The manufacturing unit at Kandla also complies with the WHO-GMP specifications. In order to expand its 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 stability. 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 and sports supplements. A coordinated effort between market research, product development and product launch teams, ensures a continuous flow of new products in our pipeline thereby feeding the respective market segments to ensure sustained growth in volumes and margins. With over 400 different formulations in more than 20 therapeutic segments, Plethico has a strong presence in Cardiac, Anti-malarial, Anti-tubercular, Anti-infectives, Pain, Gastro, Cough & Cold and other nutraceutical segments. Identification of new therapeutic categories, products, 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 And 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 consultants 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, 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 cleaning procedures. Adherence to strict norms of pharmacopoeial standards that are practiced worldwide is mandatory at our ultra-modern quality control labs. We have the latest technical equipments, be it analytical, chemical, microbiological or specialized testing methods. Our Quality Management Systems includes compliance with cGMP and GLP, 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, storage, testing, approval and production. Quality is assured through stringent in-process monitoring and testing of finished product against predetermined specifications. Regular in-house and sponsored manpower training and developmental 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 asset in any business is the people. We at Plethico believe that it is of prime importance to enhance the emotional and intellectual equity of the people as well as 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 have been nominating our personnel for regular training programmes conducted by specialists and in-house training programmes on an on-going basis. We realize that we all need to change and re-invent ourselves, to achieve the goal of perfection. 'ATIRE' the acronym for Attitude, Team Work, Innovation, Responsibility and Excellence is the base for the working culture for our people. Defining specific work areas, empowering people and encouraging team work has contributed in building an organizational structure where individual goals are in tune with the organizational goals, thus enhancing value for all.