



WE ARE
RISING
&
RAISING
HEALTHY LIVES.



From The Chairman's Desk

Dear Shareholders,

The year 2013-14 gave numerous booster injections to the overall pharmaceutical industry. There were significant developments during the year that impacted the industry for the good, but also brought forward several challenges to be met. On the regulatory front, the two major developments were regarding the pricing policy and foreign direct investment (FDI) in the pharma sector.

The implementation of the new pricing policy led to drugs becoming cheaper in India. However, on the other hand, the deep price cuts were also one of the prime reasons for the restricted growth (9.8% in 2013 from 16.6% in 2012) of the Indian Pharmaceutical sector during the year. Another major decision was from the Government, of not lowering the existing 100% FDI policy in the pharmaceutical companies to 49%, despite the concern hovering from past few quarters over the increased takeovers of Indian firms by foreign companies. Besides these, the other regulatory challenges included delays in clinical trial approvals, uniform code for sales and marketing practices and compulsory licensing that were to be dealt by various companies as per the impact. All of these did put up a challenging environment for all the companies and definitely called for a revamp in the way business is done today.

Going forward, quality and regulatory concerns would lead to greater US FDA scrutiny's in future, demanding companies to step up their quality and manufacturing compliances in line with the global guidelines. Also, regular updation with the changing regulatory requirements in order to maintain the governance and compliance framework robust is a pre-requisite. Focused approach is required to achieve a sustainable and compliant long term growth.

We as a company have strived during the year to gear up the undertaken financial restructuring coupled with working capital management. This has been strenuous as the ongoing difficult global economic scenario has negatively impacted the demand of the wellness products manufactured and marketed by the company. However, the company has been taking measures to combat the prevalent conditions and tap the markets with the new and existing range of products in order to maintain its market share.

Unprecedented foreign exchange fluctuation and depreciation of emerging market currencies across the globe vis-a-vis the dollar has further aggravated the liquidity issue for the company. Major customers of the company are from the emerging markets such as CIS, South America, Asia and Africa. It has also led to increase in the debtors' realization period over the last 6 – 9 months; though in dollar terms, debtors have actually come down due to the continuous efforts made by the company in their realization. This is where the efforts are being made, as it is the core of running the business.

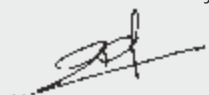
The downgrade in ratings by ICRA to "D" backed by the decline in company's share price and resultant inability of the company to convert or redeem FCCBs, has created a negative sentiment due to which the company was unable to raise any fresh working capital debt from new banks, over the last two and half years. However, the company is dedicatedly putting in efforts for a solution that would be in the benefit of both the sides; company as well as the bond holders.

The faith of the investor fraternity in the company is reflected through the corpus under the fixed deposits of the company. The company had maintained a track record of timely repayments as FD's were always considered as a debt taken for the growth of the company. However, in the past couple of months there have been delays in the repayments to the fixed deposit holders due to a strong cash flow mismatch largely due to the reasons chalked above. We very well acknowledge the anxiety of the investors and are taking all measures towards rationalizing this situation; considering it as our top priority as we have always valued our investors who have been with us through thick and thin.

The various factors elaborated above led to a challenging year for the Company with the major setback being the cash flow mismatch that messed the targets set, diverting attention towards the rectification of the same. This was however in tandem with continued focus on business development to achieve 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. We stand by our capability to capture the demand growth from our key emerging markets; expecting gradual turn around in the overall macro environment which would be a challenge to sustainability and growth but definitely not unachievable.

Our motive continues to be the sustainability and overall growth of the company in the benefit of its shareholders and the stakeholders. We as a company are confident that we shall have your trust and co-operation reposed in us. As always I retain my gratitude towards the Board of Directors for their steady support and guidance.

Your's truly



Shashikant Patel
Chairman & Managing Director

Corporate Information

CHAIRMAN &
MANAGING DIRECTOR
Mr. Shashikant Patel

WHOLE-TIME DIRECTOR &
CHIEF EXECUTIVE OFFICER
Mr. Chirag Patel

DIRECTOR
DR. G.N. Qazi
CA Pramod Shrivastava

COMPANY SECRETARY
Ms. Khushboo Kothari

REGISTRAR & TRANSFER AGENT
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai-78

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.)

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.

Contents

| | |
|---|----|
| Notice | 01 |
| Directors' Report | 08 |
| Management Discussion and Analysis | 13 |
| Corporate Governance Report | 20 |
| Auditors' Certificate on Corporate Governance | 27 |
| Certificate from CEO & CFO | 28 |
| Auditors' Report | 29 |
| Balance Sheet | 32 |
| Profit and Loss Account | 33 |
| Cash Flow Statement | 34 |
| Notes on Financial Statements | 35 |
| Consolidated Financial Statements | 49 |
| Proxy form | 69 |

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Plethico Pharmaceuticals Limited will be held on Friday, 26th day of December, 2014 at 10.00 A.M. at the registered office of the Company situated at A.B. Road, Manglia – 453 771, Dist. Indore (M.P.) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the 15 months period from 1st January, 2013 to 31st March, 2014 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditor thereon.
2. To appoint a director in place of Mr. Shashikant Patel (DIN-00199120), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any and the Rules framed thereunder, as amended from time to time, M/s N.P.Gandhi & Co., Chartered Accountants (ICAI Firm Registration No. 116574W) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twenty Fourth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

RESOLVED FURTHER THAT the Statutory Auditors be paid such remuneration as recommended by the Audit Committee and as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Dr.G.N.Qazi (DIN: 00707653), an independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st April, 2014, not liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, CA PramodShrivastava (DIN: 01023565), an independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st April, 2014, not liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution passed at the Extra-Ordinary General Meeting of the Company held on 5th April, 2013 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties,

whether movable or immovable or stock-in process and debts, advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed ` 2000 crores (Rupees Two Thousand Crores only) at any point of time.”

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution(s) passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to create mortgage, and /or charge (in addition to the mortgages/charges previously created) all or any of the immovable and movable properties of the Company, wherever situate, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company, in such form and in such manner and on such terms and conditions as the Board may think fit, in favour of the Company’s lenders / agents / trustees in order to secure borrowings availed/to be availed by the Company, in the course of business or for securing any loans and/or advances already obtained by the Company or others, from the Financial Institutions/Banks/ Insurance Companies/ Other Bodies Corporate or person or persons upto a sum not exceeding ` 2000.00 Crores (Rs. Two Thousand Crores only) at any point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the terms and conditions of such creation of mortgage and/or charge and to do all such acts, deeds and things as may be necessary, usual or expedient for giving effect to this Resolution and also agree to any amendments thereto from time to time as it may think fit.”

8. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 and other applicable and related provisions of the Companies Act, 2013 (“the Act”), read with Schedule V of the Act and The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government (Ministry of Corporate Affairs, New Delhi), consent of the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Shashikant Patel (DIN:00199120) as Managing Director for a period of 3 years with effect from 1st April, 2014 on the terms and conditions as mentioned in the Explanatory Statement annexed to the Notice.

RESOLVED FURTHER THAT the terms and conditions of the appointment of the Mr. Shashikant Patel(DIN:00199120), Managing Director may be altered or varied from time to time by the Board (hereinafter referred to as “the Board” which term shall be deemed to include Nomination & Remuneration Committee of the Board) as it may in its discretion deems fit within the maximum amount payable to Managing Director under the Act.”

9. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 and other applicable and related provisions of the Companies Act, 2013 (“the Act”), read with Schedule V of the Act and The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government (Ministry of Corporate Affairs, New Delhi), consent of

the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Chirag Patel (DIN:00199006) as Whole-Time Director & CEO for a period of 3 years with effect from 1st April, 2014 on the terms and conditions as mentioned in the Explanatory Statement annexed to the Notice.

RESOLVED FURTHER THAT the terms and conditions of the appointment of the Mr. Chirag Patel (DIN:00199006), Whole-Time Director and CEO may be altered or varied from time to time by the Board (hereinafter referred to as "the Board" which term shall be deemed to include Nomination & Remuneration Committee of the Board) as it may in its discretion deems fit within the maximum amount payable to Whole-Time Director under the Act."

By Order of the Board of the Directors of
Plethico Pharmaceuticals Limited

Khushboo Kothari
Company Secretary

Mumbai, 27th November, 2014

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Pursuant to the provision of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its registered office not later than 48 hours before the commencement of the meeting.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and Share Transfer Books of the Company will remain close from 17th December, 2014 to 19th December, 2014 (both days inclusive).
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday between 11.00 a.m. and 1.00 p.m. upto the date of meeting.
10. Shareholders holding shares in physical form are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to M/s Link Intime India Private Ltd., Registrar and Share Transfer Agent, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai-400078. Beneficial owners holding shares in electronic form are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
12. As per the Circular No. MRD/Dop/Cir-05/2009 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee (s) is required to furnish a copy of their PAN card to the Company/Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
13. In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, the facility to exercise their right to vote at the 21st Annual General Meeting by electronic means. The instructions in this behalf are attached and forms part of this Notice.
14. Members are requested to preferably send their queries to the Registered Office 7 days before the date of Annual General Meeting to enable the management to keep the required information available at the meeting.
15. The Relevant details as required by clause 49 of the Listing Agreement entered with the Stock Exchanges, of person seeking appointment/re-appointment as Director of the Company are annexed hereto.
16. In terms of provisions of Section 125(3) of the Companies Act, 2013, as amended, the amount of dividend remaining unpaid or unclaimed is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. In compliance of the same the Company has transferred the amount of dividend remaining unclaimed for the financial year 2005-06 to IEPF within prescribed time. The information for other financial year pertaining to date of declaration of dividend and corresponding dates after which such unpaid or unclaimed dividends would be transferred to IEPF are given as under:

| Amount in ` | | | | |
|----------------|--------------------|---------------------|-----------------------|-------------------|
| Financial Year | Dividend per Share | Date of declaration | Due date for Transfer | Unpaid/ Unclaimed |
| 2006-07 | 2.50 | 27.06.2008 | 26.07.2015 | 29702.50 |
| 2007-08 | 2.50 | 26.06.2009 | 25.07.2016 | 60556.00 |
| 2008-09 | 2.50 | 30.06.2010 | 29.07.2017 | 103080.00 |
| 2009-10 | 2.50 | 28.09.2011 | 27.10.2018 | 24473.00 |

Please note that no claim shall lie against the Company or IEPF for such unclaimed dividend once such amount is transferred to IEPF. Members, who have not yet encashed their dividend warrants for any of the aforesaid financial years, are therefore requested to contact the Company's Registrar and Share Transfer Agents, M/s Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078, at the earliest for revalidation.

The Company has submitted with the MCA the List of Un-Paid Dividends as on the date of the last AGM i.e. 28th June, 2013 and the same has been also displayed in the Investor Section on the web-site of the company at www.plethico.com.

For faster communication and for supporting in full measure, a green initiative taken by the Ministry of Corporate Affairs, allowing services of notice/documents including Annual Report through e-mail, the shareholders holding shares in electronic form are requested to kindly register/update their e-mail addresses with their respective depository participants. The shareholders holding shares in physical form are requested to register/update their email addresses with M/s Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.

Profile of Directors seeking appointment / re-appointment at the Twenty First Annual General Meeting as stipulated under Clause 49 of the Listing Agreement is as under:

Dr.G.N.QAZI

Dr. G.N.Qazi aged 68, has a Master's of Science (Biochemistry) degree and a Ph.D. (Microbiology) from M.S. University Baroda, Gujarat and has more than 40 years research experience in the areas of Biochemistry and Microbial Biotechnology. He is currently Vice Chancellor of Hamdard University, New Delhi and prior to that he was a Director of the Regional Research Laboratory in Jammu Tawi, a constituent establishment of the Council of Scientific and Industrial Research, New Delhi, a state body. He also holds large number of memberships of various committees, societies, academies and professional bodies in the country. He is Chairman of the Drugs and Pharmaceutical Research Programme of the Department of Science and Technology, Government of India, besides member of the Scientific Advisory Committee of the Pharmacopoeia Commission of India. He is a Member of the AYUSH Pharmacopoeia Commission and Chairman of Unani Pharmacopoeia Committee. He is also a Member of several Advisory Committees of the Government of India on Science and Technology including Public Private Partnership in Science and Technology.

Dr. Qazi is acting as an independent Director of the Company since 2nd November, 2006.

Dr. Qazi and any other Directors of the Company do not have any inter se relationship and is an Independent Director in the Board.

Dr. Qazi, does not hold any Equity shares in the Company. He is a member of the Audit Committee, Share Transfer and Shareholders/Investors Grievance Committee, Securities Issue and Allotment Committee and Remuneration Committee of the Company.

Dr. Qazi does not hold any Directorships and Committee memberships of any other Companies.

CA. Pramod Kishore Shrivastava

CA Pramod Kishore Shrivastava is a post graduate in economics and Fellow member of the Institute of Chartered Accountants of India. Within a short span, he was exposed to international trade financing and treasury operations. He has extensive experience in the field of arrangement of foreign Funding. He has expertise in trade finance, forex, investments and various banking operations. He also has good exposure to the setting up of a wholly-owned subsidiaries or joint ventures of an Indian company abroad.

Mr. Shrivastava is acting as an independent Director of the Company since 29th November, 2006.

Mr. Shrivastava and any other Directors of the Company do not have any inter se relationship.

Mr. Shrivastava, does not hold any Equity shares in the Company. He is a member of the Audit Committee, Securities issue and allotment Committee, QIP Committee, Share Transfer and Shareholders/ Investors Grievance committee and Remuneration Committee of the Company.

Mr. Shrivastava holds directorship in M/s Agarwal Real City Private Limited but does not hold any Committee's memberships of any other Companies.

Mr. Shashikant Patel & Mr. Chirag Patel

For brief resume and other information, please refer Explanatory Statement annexed there to.

ANNEXURE TO THE NOTICE

Explanatory statement in pursuant to the provisions of section 102 of the Companies Act, 2013 in respect to the special business

ITEM NO.4 & 5

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Dr.G.N.Qazi and CA Pramod Shrivastava, as Independent Directors at various times, in compliance with the requirements of the clause.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Dr.G.N.Qazi and CA Pramod Shrivastava are proposed to be appointed as the Independent Director(s) for a term of five consecutive years commencing from 1st April, 2014. Dr.G.N.Qazi and CA Pramod Shrivastava are already the Independent Director(s) of the Company under Clause 49 and also satisfies the conditions of an Independent Director under the Companies Act, 2013. They are regularized as the Independent Director(s) under Companies Act, 2013.

As per the Companies Act, 2013, the Independent Director need not retire by rotation and can be appointed for 2 terms of 5 years. Under revised Clause 49 of the Listing Agreement, if a person has completed more than 5 years, he can be appointed for one term of 5 years from 1st October, 2014. Dr.G.N.Qazi and CA Pramod Shrivastava would have retired at an Annual General Meeting of the Company. But, this provision no longer applies to the independent directors as per new Companies Act, 2013. Therefore, these are not the cases of appointment of new Independent Directors. In view of the above, special notice and deposit of requisite amount are not required to be paid.

Dr.G.N.Qazi and CA Pramod Shrivastava, Non-Executive Independent Directors of the Company, have given the declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, each of these director fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors are now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during all working days i.e. Monday to Friday.

Dr.G.N.Qazi and CA Pramod Shrivastava are interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice with regard to their respective appointments.

The relatives of Dr.G.N.Qazi and CA Pramod Shrivastava may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Their brief resume and other particulars have been given above under the heading 'Profile of Directors seeking appointment/re-appointment'

ITEM NO. 6

The members of the Company at their Extra-Ordinary General Meeting held on 5th April, 2013 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not

be in excess of ₹ 2,000 Crores (Rupees Two Thousand Crores only).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6 of the Notice, to enable the Board of Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 2000 crores in excess of and in addition to the paid up capital and free reserve of the Company for the time being.

None of the Directors and Key Managerial Personnel of the Company and their relatives is directly or indirectly concerned or interested in the Resolution.

ITEM NO.7

The Members of the Company at their Extra Ordinary General Meeting held on 27th June, 2008 has authorized Board of Directors to create mortgage or charge on the immovable and movable properties of the Company under Section 293(1)(a) of the Companies Act, 1956.

As per Section 180 of the Companies Act, 2013 ("the Act"), notified as on 12th September, 2013, the powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 4/2014 dated 25th March, 2014 clarified that the Ordinary Resolution passed under Sections 293 of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

The Company has been availing various Working Capital facilities, Term Loans and other Borrowings from the Financial Institutions/ Banks/ Insurance Companies/ Other Bodies Corporate or person or persons. The same is secured by way of First / Second Charge on the movable / immovable assets of the Company.

Further, in order to meet the cost of expansion, diversification and to meet growing requirement of working capital, the consent of the members is being sought to authorize the Board to create mortgage and/ or charge to the extent of ₹ 2000.00 Crores (Rs. Two Thousand Crores only) in line with the borrowing limit of ₹ 2000.00 Crores as proposed for the approval u/s 180(1)(c) of the Companies Act, 2013 in Item No. 6 of the notice.

Accordingly consent of members by way of Special Resolution is required under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution at Item No. 7 for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is directly or indirectly concerned or interested in the Resolution.

ITEM NO.8

Mr. Shashikant Patel is the founder promoter and is recognized as key assets for the growth and success of the Company. He is having rich experience in the field of pharmaceutical industry. Mr. Shashikant Patel has played a lead role in formulating the Company's strategy and has been actively involved in marketing and sales and overall management of the Company since its inception. Under his leadership, the Company has grown leaps and bounds in terms of leadership position in the core business activities of the Company. Considering the recommendation of the Nomination and Remuneration Committee of the Independent Directors, the Board of Directors holds the view that his expert knowledge and vision will help the Company to tide over the present difficult situation and to flourish its business. He has contributed to a great extent for the success of the Company. Contributions of him in previous tenure are

worth appreciating. The Board of Directors at its meeting held on 14th February, 2014 re-appointed him as Managing Director of the Company with effect from 1st April, 2014 for a period of three years on the terms and conditions, subject to approval of members and Central Government.

However, in terms of the special resolution passed by the shareholders, in case of loss or inadequacy of profits, the aforesaid remuneration shall be restricted to the limits as prescribed under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956. Since the Company had incurred losses during the year ended 31st March, 2012 and looking into the financial positions of the Company, a minimum remuneration of ₹ 1,50,000/- p.m. has been provided in compliance of Schedule XIII to the Companies Act, 1956, during the 15 Months period ended 31st March, 2014.

In terms of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person, company has no profits or its profits are inadequate, it may without Central Government approval, pay remuneration to the managerial person not exceeding the prescribed limit, provided the company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

During the 15 Months period ended 31st March, 2014, the Company reported losses of ₹ 87.32 Mn. on standalone basis, due to the economic environment and demand contraction, inadequacies of working capital and cessation of activities owing to unviable market condition and severe cash crunch and also made default in repayment of its debts (including public deposits) or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Mr. Shashikant Patel as Managing Director of the Company.

Considering the role and the important contributions made by him for the growth of the Company and also taking into account similar sized industries in India, the Board of Directors at their meeting held on 14th February, 2014 has approved the re-appointment of Shri Shashikant Patel as Managing Director of the Company for a period of three years and to fix the remuneration as per the provisions of the Companies Act, 2013, when notified.

The Board of Directors on recommendation of Nomination and Remuneration Committee (erstwhile "Remuneration Committee"), at their meeting held on 28th May, 2014, has approved the payment of minimum remuneration of ₹ 60,00,000 p.a. in terms of Section II of Part II of Schedule V of the Companies Act, 2013 on the basis of following remuneration and perquisites and other benefits, subject to approval by the Board of Directors and shareholders as well as the Central Government.

SALARY:

Minimum Remuneration of ₹ 5,00,000 per month in the event of inadequate of profit or absence of profit.

If the profit is adequate then the Board to review and increase the same from time to time upto a maximum of ₹ 34,00,000 per month during the tenure of the Managing Director.

ALLOWANCES & PERQUISITES:

- Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.
- Reimbursement of all medical expenses incurred for self and family.
- Leave Travel assistance for self and family as per Company rules.
- Fees of maximum of two clubs, which will include admission and life membership fees.
- Personal accident insurance, premium whereof does not exceed ₹ 25,000 per annum.

- f) A car with driver for official purpose.
- g) Telephones (including Mobile phones), fax and other communication facilities at residence for official purpose. All personal usage will be charged to his account.
- h) Gratuity at rate not exceeding half a month's salary for each completed year of service, and Provident Fund as applicable to senior employees.
- i) Leave at the rate of one month for every eleven month's of service. Leave not availed of may be encashed.
- j) Education Allowance for the education of his children not exceeding ₹ 25,000 per annum per child.
- k) Exgratia – One month basic per annum

Family for the above purpose means wife, dependent children and dependent parents of the Managing Director.

For the purpose of computation of the ceiling on remuneration, the following perquisites shall not be included.

Gratuity at the rate not exceeding half month's salary for each completed year of service and encashment of leave at the end of the tenure. Contribution towards provident fund as applicable to senior employees.

Mr. Shashikant Patel is a director of Plethico Laboratories Private Limited, India, Plazma Laboratories Private Limited, India, Rezcom Realty Private Limited, India, Plethico Global Holdings B.V., Netherlands, Plethico US Holdings Kft, Hungary, Natrol Global Fz LLC UAE, Plethico International Limited, UAE.

Mr. Shashikant Patel is neither a member of any committee of the Board of Directors of the Company nor in any other Indian Company.

Mr. Shashikant Patel holds 24315710 Equity shares consisting 71.38% of the total paid up capital of the Company as on 31st March, 2014.

The re-appointment of Mr. Shashikant Patel, as Managing Director of the Company is in accordance with the provisions of the Companies Act, 2013 and requires approval of shareholders' and Central Government. The Board of Directors recommends the proposed resolution for your approval.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the contract of re-appointment of the Managing Director in terms of the provisions of sub-section (1) of Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except, Mr. Shashikant Patel, Mr. Chirag Patel and their relatives may be deemed to be concerned or interested in this resolution.

ITEM NO.9

Mr. Chirag Patel is having more than 17 years of experience working in the global pharmaceutical industry. He is responsible for the Company's brand building and its entry into the consumer healthcare business. He is also responsible for the Company's international operations being conducted in more than 50 countries with significant presence in US, CIS, Africa and GCC. Considering the recommendation of the Nomination and Remuneration Committee of the Independent Directors, the Board of Directors holds the view that his expert knowledge and vision will help the Company to tide over the present difficult situation and to flourish its business. He has contributed to a great extent for the success of the Company. Contributions of him in previous tenure are worth appreciating. The Board of Directors at its meeting held on 14th February, 2014 re-appointed him as Whole Time Director & Chief Executive Officer of the Company with effect from 1st April, 2014 for a period of three years on the terms and conditions, subject to approval of members and Central Government.

However, in terms of the special resolution passed by the shareholders, in case of loss or inadequacy of profits, the aforesaid remuneration shall be restricted to the limits as prescribed under Section II (B) of Part II of Schedule XIII to the Companies Act, 1956. Since the Company had incurred losses during the year ended 31st March, 2012 and looking into the financial positions of the Company, a minimum remuneration of

₹ 1,50,000 p.m. has been provided in compliance of Schedule XIII to the Companies Act, 1956, during the 15 Months period ended 31st March, 2014.

In terms of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person a company has no profits or its profits are inadequate, it may without Central Government approval, pay remuneration to the managerial person not exceeding the prescribed limit, provided the company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

During the 15 Months period ended 31st March, 2014, the Company reported losses of ₹ 87.32 Mn. on standalone basis, due to the economic environment and demand contraction, inadequacies of working capital and cessation of activities owing to unviable market condition and severe cash crunch and also made default in repayment of its debts (including public deposits) or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Mr. Chirag Patel as Whole Time Director & Chief Executive Officer of the Company.

Considering the role and the important contributions made by him for the growth of the Company and also taking into account similar sized industries in India, the Board of Directors at their meeting held on 14th February, 2014 has approved the re-appointment of Mr. Chirag Patel as Whole Time Director & Chief Executive Officer of the Company for a period of three years and to fix the remuneration as per the provisions of the Companies Act, 2013, when notified.

The Board of Directors on recommendation of Nomination and Remuneration Committee (erstwhile "Remuneration Committee"), at their meeting held on 28th May, 2014, has approved the payment of minimum remuneration of ₹ 60,00,000 p.a. in terms of Section II of Part II of Schedule V of the Companies Act, 2013 on the basis of following remuneration and perquisites and other benefits, subject to approval by the Board of Directors and shareholders as well as the Central Government.

SALARY:

Minimum Remuneration of ₹ 5,00,000 per month in the event of inadequate of profit or absence of profit.

If the profit is adequate then the Board to review and increase the same from time to time upto a maximum of ₹ 17,00,000 per month during the tenure of the Whole-Time Director.

ALLOWANCES & PERQUISITES:

- a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.
- b) Reimbursement of all medical expenses incurred for self and family.
- c) Leave Travel assistance for self and family as per Company rules.
- d) Fees of maximum of two clubs, which will include admission and life membership fees.
- e) Personal accident insurance, premium whereof does not exceed ₹ 25,000 per annum.
- f) A car with driver for official purpose.
- g) Telephones (including Mobile phones), fax and other communication facilities at residence for official purpose. All personal usage will be charged to his account.
- h) Gratuity at rate not exceeding half a month's salary for each completed year of service, and Provident Fund as applicable to senior employees.
- i) Leave at the rate of one month for every eleven month's of service.

Leave not availed of may be encashed.

- j) Education Allowance for the education of his children not exceeding ₹ 25,000 per annum per child.

- k) Exgratia – One month basic per annum

Family for the above purpose means wife, dependent children and dependent parents of the Managing Director.

For the purpose of computation of the ceiling on remuneration, the following perquisites shall not be included.

Gratuity at the rate not exceeding half month's salary for each completed year of service and encashment of leave at the end of the tenure. Contribution towards provident fund as applicable to senior employees.

Mr. Chirag Patel is a director of Plethico Laboratories Pvt. Ltd. India, Plazma Laboratories Pvt. Ltd. India, Plearc Limited India, Plethico Global Holding B.V., Netherlands, Plethico US Holdings Kft, Hungary, Plethico International Limited, UAE, Natrol Global Fz LLC, UAE.

Mr. Chirag Patel is a member of Audit Committee, Shareholders/ Investor Grievance Committee, Securities Issue and Allotment Committee and QIP Committee of the Board of Directors of the Company.

Mr. Chirag Patel holds 7,84,000 equity shares aggregating to 2.30% of the paid-up capital of the Company as on 31st March, 2014.

The re-appointment of Mr. Chirag Patel as Whole Time Director & Chief Executive Officer of the Company is in accordance with the provisions of the Companies Act, 2013 and requires approval of shareholders' and Central Government. The Board of Directors recommends the proposed resolution for your approval.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the contract of re-appointment of the Whole-Time Director in terms of the provisions of sub-section (1) of Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except, Mr. Chirag Patel, Mr. Shashikant Patel and their relatives may be deemed to be concerned or interested in this resolution.

The requisite details in respect of the Directors/Managerial person as required to be provided to the Shareholders of the Company in terms of the provisions of Schedule V of the Companies Act, 2013 are stated below.

Statement pursuant to the provisions of clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013 with respect to Item No. 8 & 9

| | | | | | |
|----------------------------------|---|--------------------------|--|---|-----------------------------|
| (I) GENERAL INFORMATION | | | | | |
| 1. | Nature of Industry | | | Pharmaceuticals | |
| 2. | Date or expected date of commencement of commercial production | | | Not applicable -as the Company is an existing Company | |
| 3. | In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | | | Not applicable | |
| 4. | Financial performance of the Company: | | | Financial Performance of the Company for the period ended 31 st March, 2014 Total Income - ` 5686.04Mn. Total Expenditure - ` 5037.33 Mn. Net Loss Before Tax - ` 82.94 Mn. Loss after Tax - ` 87.32 Mn. | |
| 5. | Export performance and net foreign exchanges collaborations, if any | | | Foreign Exchange earnings on FOB basis amounted to ` 4402.43 Mn. as against foreign Exchange outgo for ` 3183.90 Mn. for the 15 months ended 31 st March, 2014. | |
| 6. | Foreign Investments or collaborators:- The details of Direct investment of the Company as on 31 st March, 2014 are as under: | | | | |
| | Name of the Entity | Country of Incorporation | Nature of Investment | % of Holding | Amount Invested (` in Mn.) |
| | Plethico Global Holdings BV | Netherlands | Equity Shares | 100% | 3797.48 |
| | Plethico International Limited | UAE | Equity Shares | 100% | 2278.87 |
| | TOO Rezlov Ltd. | Kazakhstan | Equity Shares | 45% | 270.49 |
| | ICS Rezlon-MO SRL | Moldova | Equity Shares | 45% | 141.03 |
| | OOO Rezlov Ltd. | Kyrgyzstan | Equity Shares | 45% | 202.99 |
| | CISC Rezlov | Russia | Equity Shares | 45% | 81.47 |
| | SC Rezlov | Ukraine | Equity Shares | 45% | 159.77 |
| | Rezlov LLS | Azerbaijan | Equity Shares | 45% | 198.05 |
| | Tricon Holding FZE | UAE | Equity Shares | 20% | 935.44 |
| (II) INFORMATION ABOUT APPOINTEE | | | | | |
| MR. SHASHIKANT PATEL | | | | | |
| 1. | Background details | | Mr. Shashikant Patel, aged 69, is the Chairman and Managing Director and a core promoter of the Company since its incorporation. He has been associated with the pharmaceutical industry for over 40 years. Mr. Shashikant Patel plays a lead role in formulating the Company's strategy and has been actively involved in marketing and sales along with the overall management of the Company since its inception. He holds a Bachelor of Science degree from Indore University, Madhya Pradesh, India. As a Chairman he provides a strategic direction to the Company. He has immense knowledge and experience in international business, with domestic marketing and sourcing being his forte. It was the year 1996 when Mr. Patel took charge of the domestic operations; and professionalized the entire marketing outfit, bringing in the best talent available in the industry to take a quantum jump. At that time, Plethico was a ` 450 mn company, which in a span of 18 years stands at a | | |