

**GUJARAT TERCE
LABORATORIES LIMITED**



TWENTY FIFTH ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

Shri Natwarbhai P. Prajapati
Chairman & Managing Director

Shri Amrutbhai P. Prajapati
Whole Time Director (CFO)

Shri Sureshbhai P. Prajapati
Director

Shri Gordhanbhai G. Patel
Director

Shri Kanubhai S. Patel
Director

Shri Jayantibhai S. Prajapati
Director

REGISTERED OFFICE/FACTORY :

122/2, Ravi Estate, Bileshwarpura, Chhatral, Dist. : Gandhinagar (N.G.)

ADMINISTRATIVE OFFICE :

6th Floor, Arjun Towers, Opposite Deepkala Junction, Near Chiripal House, Shivranjani Cross Road, Satellite, Ahmedabad - 380 015

AUDITORS :

M/S. P A R Y & CO.
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITOR:

Pinakin Shah & Co.
Practicing Company Secretary
C-103, Panchdhara Plaza, Satellite Road, Ahmedabad - 380015.

BANKERS :

BANK OF BARODA
Ellisbridge Branch, Ahmedabad.

REGISTRAR & SHARE TRANSFER AGENT:

Bigshare Services Pvt. Ltd.
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072.

Gujarat Terce Laboratories Limited

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Gujarat Terce Laboratories Limited will be held on Friday, 13th August, 2010 at 10.00 a.m. at 122/2, Ravi Estate, Bileshwarpura, Chhatral Dist: Gandhinagar to transact the following business:

ORDINARY BUSINESS:

1. To receive consider & adopt the audited Balance Sheet as at 31st March 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Directors' & the Auditors' thereon.
2. To appoint a Director in place of Shri Kanubhai S Patel, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Gordhanbhai G Patel, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Pary & Co., Chartered Accountants, Ahmedabad, be and are hereby appointed as the Statutory Auditors to hold office from conclusion of this Annual General Meeting up to conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT the Authorized Capital of the Company be increased from Rs 5,00,00,000 (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs 10/- each to Rs 11,00,00,000 (Rupees Eleven Crore Only) divided into 1,10,00,000 (One Crore Ten Lacs) Equity Shares of Rs 10/- each and that Clause V of the Memorandum of Association of the Company of the Company be altered accordingly."

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

RESOLVED that pursuant to section 81(1), 81(1A) and section 94(1)(a) of the Companies Act, 1956, 32,64,932 Equity Shares of Rs. 10/- each [Herein after referred as Right Issue] be issued upon the following terms and conditions and subject to the following rights :

1. 32,64,932 equity shares shall be issued and offered at a premium not exceeding Rs.5/- per share.
2. Further 32,64,932 equity shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects (including voting rights) pari passu with the existing equity shares.
3. Further 32,64,932 equity shares be issued and offered in the first instance to the holders of the existing equity shares and warrants on the Register of Members of the Company, on such date as may be fixed by the Directors in the ratio, as nearly as circumstances permit, of 22 [Twetny Two] equity shares to 50 [Fifty] existing equity shares held by such holders respectively.
4. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than 15 days, from the date of the offer within which if the offer is not accepted it will be deemed to have been declined with liberty to the Directors from time-to-time to extend the time for acceptance as aforesaid either generally or in respect of any particular holder or holders.
5. The offer aforesaid shall include a right exercisable by the shareholder and warrant holder concerned to renounce the shares offered to him in whole or in part in favour of nominee(s) approved by the Directors.
6. The offer aforesaid may be made with option to the shareholders to apply for additional shares provided that a shareholder who has renounced his right in whole or in part shall not be entitled to an allotment of additional shares. The allotment of additional shares to the applicants will be made on an equitable basis, in consultation with Mumbai Stock Exchanges, with reference to the equity shares already held by them. If any further equity shares applied for are not allotted, the amount paid on application thereof shall be refunded without interest within time limit prescribed by SEBI.



7. In respect of such further equity shares, Rs.10/- on capital account plus Rs 5/- on premium account shall be payable along with the application for such shares.
8. In the event of any person holding less than 50 [Fifty] equity shares or not in the multiple of 50 [Fifty], the fractional entitlement of such Equity Shareholders shall be ignored, Such shareholders shall be despatched a CAF with zero entitlement. Such Equity Shareholders are entitled to apply for Additional Rights Shares. However, they cannot renounce the same in favour of third parties. CAF with zero (0) entitlement will be non-negotiable/non-renounceable.
9. Those Equity Shareholders holding less than 50 [Fifty] Equity Shares will therefore be entitled to zero (0) Equity Shares.
10. The Directors be and are hereby authorised and empowered to dispose of and allot any of the aforesaid further equity shares not taken up by the holders of the existing equity shares/warrant holders entitled thereto or remaining undisposed of, to such person or persons, whether shareholders of the Company or not, on such terms and at such price or prices or at the ruling market price or the issue price, whichever is higher.
11. The allotment to non-resident shareholders/warrant holder/overseas bodies will be subject to the sanction of the Reserve Bank of India and/or such appropriate authorities as may be required.
12. No share certificates shall be issued after allotment of further equity shares but allotted equity shares shall be credited into D-Mat account of applicant.
13. For the purpose of giving effect to this resolution, the Directors be and are hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such further equity shares to give such other directions as they may think fit and proper, including directions for settling any question or difficulty that may arise in regard to the issue and allotment of the further equity shares or in connection with any deceased or insolvent shareholder or a shareholder suffering from any disability ; and to do all acts, deeds, matters and things, as the Directors in their absolute discretion consider necessary, expedient, usual or proper for them to do.

RESOLVED FURTHER THAT the said right issue shall be subject to consent/approval under relevant guidelines of the Securities Exchange Board of India [SEBI], listing agreement entered into with the Mumbai Stock Exchange [BSE] and any other applicable laws/rules/regulations and that consent of the Company be and is hereby accorded to the Board of Directors to accept alteration in terms of the right issue as may be suggested by SEBI &/or BSE while granting consent/approval.

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

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies act, 1956, relevant guidelines of the Securities Exchange Board of India, listing agreement entered into with the stock exchanges and any other applicable laws/rules/regulations and subject to the consent/approval of any other authorities/institutions, consent of the company be and is hereby accorded to the Board of Directors to create, offer and allot up to 2500,000 Equity warrants on a preferential basis to the Promoter Group(s) and other than Promoter Group(s) (hereinafter referred to as "Warrants") with each warrant convertible into equity share of the company of nominal value of Rs.10/- each at a price of Rs.16/- which includes a premium of Rs.6/- per share or such other price calculated in accordance with SEBI guidelines for preferential allotment of equity shares/warrants whichever is higher and on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized committee thereof) at the time of issue allotment"

"RESOLVED FURTHER THAT the 'relevant date' in relation to the issue of warrants would be 14/07/2010, being the date in accordance with Clause 71 of SEBI ICDR-2009 i. e. 30 days prior to the date of passing of this resolution".

"RESOLVED FURTHER THAT the issue of warrants, if any, as above, shall be subject to the following terms and conditions:

- a) The Warrants shall be convertible (at the option of the warrant holders) at any time within a period of 18 months from the date of allotment of warrants.
- b) Each warrant shall be convertible into one equity share of nominal value of Rs.10/- each at a price of Rs.16/-, which includes a premium of Rs.6/- per share, or such other price calculated in accordance with Clause 76(1) of SEBI ICDR-2009 i.e. guidelines for preferential allotment of shares.
- c) The Warrant holder(s) shall, on the date of allotment of warrants, pay an amount equivalent to 25% of the total consideration per warrant.

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- d) The conversion of warrants into equity shares shall be made in one or more tranches within a period of 18 months from the date of allotment of warrants.
- e) The amount referred in (c) above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of warrants.
- f) The number of warrants and the price per warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI guidelines, for corporate actions such as bonus issue, rights issue, stock split or any such capital or corporate restructuring.
- g) The lock in of shares acquired by exercise of warrants shall be as per Clause 78 of SEBI ICDR-2009 reduced to the extent of holding period of the Warrants.
- h) The holders of the equity shares would be entitled to such voting rights as they are entitled to under applicable law including under the Companies Act, 1956.

By Order of the Board of Directors

29th June, 2010
Registered office:
122/2 Ravi Estate, Bileshwarpura,
Chhatral, Dist: Gandhinagar

N.P. Prajapati
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Share transfer documents and all correspondence relating thereto, should be addressed to Registrar and Share Transfer Agents of the Company, **Bigshare Services Pvt. Ltd.** E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri(E), Mumbai - 400 072. Tel: 91-22-28470652|40430200|28470653 Fax:91-22-28475207 E Mail:marketing@bigshareonline.Com.
4. Members who hold shares in physical form are requested to notify immediately any changes in their addresses to the Registrar and Share Transfer Agents at the above address and to their depository participants, in case shares are held in electronic mode.
5. Shareholders/proxies are requested to produce the attendance slip at the entrance of the Meeting Hall.
6. The Register of Members and Transfer Book of the Company will be closed from Friday, 30/07/2010 to Friday, 06/08/2010 [Both days inclusive].
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least five days in advance of the Annual General Meeting to enable the Management to keep the information ready at the meeting.
8. At the ensuing Annual General Meeting, Shri Kanubhai S Patel shall retire by rotation and being eligible, offers himself for reappointment.
9. At the ensuing Annual General Meeting, Shri Gordhanbhai G Patel shall retire by rotation and being eligible, offers himself for reappointment.

Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors to be reappointed are given below:

NAME	AGE	QUALIFICATION	OTHER MEMBERSHIP
Shri Gordhanbhai G. Patel	51 Years	Commerce Graduate	NIL
Shri Kanubhai S. Patel	50 Years	M.Com. , B.Ed.	NIL



EXPLANATORY STATEMENT PURUANT TO SECTION 173(2) OF COMPANIES ACT, 1956

ITEM 5:

Your Directors wish to inform you that the Company is in diversification mode and requires to generate long term resources to meet out its diversification plans. The Board of Directors at their meeting held on June 29, 2010 decided to raise the funds by issue of warrants on a preferential basis and equity shares on rights basis to existing shareholders of the Company. To accommodate the potential issue of additional equity shares under Preferential and Rights Issues, it is proposed to increase the Authorized Share Capital of the Company.

The Authorized Capital of the company at present stands at Rs.5,00,00,000/- (Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs.10/- each. It is now proposed to increase the authorized capital to Rs.11,00,00,000/- (Eleven Crores Only) divided into 1,10,00,000 (One Crores Ten Lacs) Equity Shares of Rs.10/- each by addition of 60,00,000. (Sixty Lacs) Equity Shares of Rs.10/- each. In order to give effect to this decision, it is proposed to amend Clause V of the Memorandum of Association of the Company.

The Board commands the Ordinary Resolution for your approval.

The printed copy of the Memorandum of Association of the Company showing the proposed alterations will be open for inspection by the members of the Company at the registered office of the Company during office hours on any working day of the company.

None of the Directors is interested in the above resolution.

ITEM 6:

Your company plans to diversify into detergent, cosmetics and metal recycling at an estimated outlay of Rs 490.00 lacs. The cost of diversification is worked out as under:

Project	Costs [Rs in lac]
Recycling of Copper Sulphate & Copper ash	324.00
Detergents	166.00

These projects are expected to greatly change the outlook of the Company and are economically justifiable. They would require financing from sources other than the Company's own accruals.

The Directors have, therefore, decided to recommend the issue of rights shares, the proceeds of which will be applied largely to financing the diversification programmes already defined and under way. The Directors also believe that the proposed rights issue will strengthen the equity base of the Company for its growing activities.

The Directors have, therefore, proposed to offer further equity shares to the holders of the existing equity shares for cash at premium, not exceeding Rs.5/-per share. The proceeds of this rights issue are expected to amount to Rs.4,89,73,980/- comprising of Rs.3,26,49,320/- in share capital and Rs.1,63,24,660/-in share premium.

The rights issue will be offered to the holders of the existing equity shares whose names appear on the register of the Company, on such date as the Directors may hereafter fix, in proportion of 22 further equity share for 50 existing equity shares of Rs.10/- each with the right to renounce the further equity shares, in whole or in part, in favour of nominees approved by the Directors. The shareholders and warrant holders who accept the offer in full will also be given the right to apply for additional shares.

The said 32,64,932 equity shares shall rank pari passu in all respects (including voting rights) with the existing equity shares & warrants.

The holders of equity shares and warrants are requested to authorise the Board of Directors to deal with any matter that may arise in connection with the issue of the said 32,64,932 equity shares.

The Memorandum and Articles of Association of the Company are available for inspection of any member of the Company at the registered office of the Company between the hours of 11 a.m. and 5 p.m. on any working day (i.e., excluding Saturdays, Sundays, Public Holidays or any other day on which the office of the Company remains closed).

All the Directors of the Company are concerned with or interested in the resolution to the extent to which they will have the right to subscribe to the further equity shares in proportion to their shareholding on such date as the Directors may fix.

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Item 7:

The Board has decided to raise capital to strengthen the capital base of the company to meet its future funds requirements. It is necessary to disclose the details of investors to the shareholders while seeking their approval for issuing the warrants on a preferential basis. The relevant disclosure as required under SEBI, ICDR Regulations are given below:

i. Authority to sanction the issue:

The issue is to be made under authority of Section 81 (1A) of the Companies Act, 1956 & subject to SEBI Guidelines dated 4th August 1994 (including any amendment to or re-enactment thereof) issued to cover preferential issues.

ii. Object/s of the issue:

The company is diversifying into Food Colour, Detergent, Cosmetics and Metal Recycling business and for which it is negotiating with certain parties for out right purchase of land, building plant and other infrastructure. The capital expenditure would be met through the proposed rights issue. The proposed issue is made to strengthen capital base and to meet long term resources to meet working capital requirements.

iii. Types of security offered and the number of security offered :

The company proposed to offer 25,00,000 warrants to be converted into equity shares.

iv. Important Terms:

As incorporated in the resolution and the warrants shall not be eligible for the rights offer as mentioned at resolution no 6 of this notice except in the event equity shares not taken up by the holders of the existing equity shares.

v. Intentions of the promoters/directors/key management persons to subscribe to the offer.

a. Promoter group	6, 53,300 warrants.
b. Directors	8, 46,700 warrants.
c. Other than promoters'	10, 00,000 warrants.

vi. The identity of the proposed allottees & the % of post preferential issued capital that may be held by them.

Proposed Allottees	No of warrants offered	% of post Preferential issued capital
PROMOTER		
Terce Finlease Pvt. Ltd	6, 53,300	14.50%
Sureshbhai P. Prajapati	8,46,700	12.49%
NON PROMOTER		
Shamrock Pvt. Ltd	3, 00,000	4.04%
Shamrock India Pvt. Ltd	7, 00,000	9.43%

Proposed allottees have not sold any shares during the period prior to six months of the relevant date.

The information pursuant to The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as regards to proposed allottee(s) whose holdings may be 5% or more of the post issued Capital.

NON PROMOTERS:

- Proposed allottee(s) whose holdings may be 5% or more of the post issued Capital:
Combined holding of Shamrock Pvt. Ltd. and Shamrock Chemie Pvt. Ltd. would be 13.47% of the post issued capital.
There will not be any change in the Board of Directors of the Company and in control over the Company.

PROMOTERS

- Changes in shareholding pattern and voting pattern of the Company:
Promoters hold 21.68 % Equity Shares in the existing capital of the Company and the promoters holding and voting power will go up to 34.59 % after allotment as proposed in the resolution.



vii. Share holding pattern before the offer:

	No. of Shares	% of issued capital
Promoters	1066490	21.68%
Indian Public	3852110	78.29%
N.R.I	1700	0.03%
Total	4920300	100%

viii. Shareholding pattern after the offer:

	No. of Shares	% of issued capital
Promoters	2566490	34.59%
Indian Public	4552110	61.35%
N.R.I	301700	4.06%
Total	7420300	100%

ix. Proposed time within which allotment shall be completed:

It is proposed to complete the allotment within the time prescribed under clause 74(1) of SEBI ICDR-2009 i.e. Guidelines for preferential issues. The guidelines states that the allotment shall be completed within a period of 15 days from the date of passing of the resolution or where any application for exemption from the applicability of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be.

vi. Lock in period

Clause 78(1) of SEBI ICDR-2009 guidelines for preferential issues shall apply to promoter or promoter group and according to guidelines the warrants allotted on preferential basis to and the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis, shall be locked-in for a period of three years from the date of allotment of the warrants or equity shares allotted pursuant to exercise of the option attached to warrant, as the case may be; provided that not more than twenty per cent. of the total capital of the issuer shall be locked-in for three years from the date of allotment: provided further that equity shares allotted in excess of the twenty per cent shall be locked-in for one year from the date of their allotment pursuant to exercise of options or otherwise, as the case may be.

It means that not more than 20 % of total equity capital including capital bought in by way of new shares allotted on a preferential basis to the promoter / promoter group, shall be subject to lock-in of 3 years from the date of their allotment. However for computation of 20% of the total capital of the company, the amount of minimum promoters' contribution held and locked-in, in the past as per guidelines shall be taken into account AND the minimum promoters' contribution shall not again be put under fresh lock-in.

As per Clause 78(2) of SEBI ICDR-2009, equity shares allotted on preferential basis to any person other than promoters/ promoters group shall be locked-in for a period of one year from the date of their allotment.

Promoters

Lock in for three years.

Computation:

20 % of post preferential Equity capital	14,84,060
Less: Promoters shares already locked in.	14,87,800
Balance to be locked in for three years	NIL
Proposed subscription by Promoters Group (12.91% of the post preferential issued capital)	15,00,000
Equity shares under lock in.	

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Lock in for one year.

Promoters	15, 00,000
Non Promoters	10,00,000

Lock in for six months

As per Clause 78(6) of SEBI ICDR-2009, the entire pre-preferential shareholding of following proposed allottees shall be in lock in from the relevant date up to a period of six months from the date of preferential allotment.

PROMOTER	Pre-preferential shareholding
Terce Finlease Pvt. Ltd.	422600
Sureshbhai P Prajapati	80450

vii. Pricing of the issue

The issue price is Rs.16/- or worked out as per Clause 76(1) of SEBI ICDR-2009 which ever is higher.

The issue of shares is made at a price not less than the higher of the following:

- i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

- ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

Week ended	High	Low	Average
08/07/10 to 14/07/10	16.40	14.10	15.25
01/07/10 to 07/07/10	17.45	15.50	16.48
Average			15.87

The "relevant date" as per Clause 71(a) of SEBI ICDR-2009 means:

the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue

viii. Auditors Certificate:

It is proposed to obtain a certificate from M/s Pary & Co., Statutory Auditors of the company, certifying that the price for warrant is calculated in accordance with requirements of SEBI Regulations. This certificate will be made available for inspection on any working day between 11 A.M to 1 P.M. upto the last date of A.G.M.

Except Mr. Sureshbhai P. Prajapati, none of the directors of the company are directly interested or concerned in the proposed resolution

The Board may recommend following resolution for approval of members.

Your Directors consider the said resolution in the interest of the Company and therefore recommends the same for your approval.

By Order of the Board of Directors

29th June, 2010
Registered office:
122/2 Ravi Estate, Bileshwarapura,
Chhatral, Dist: Gandhinagar

N.P. Prajapati
Managing Director



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2010.

FINANCIAL RESULTS:

	2009-10 (Rs. in Lac)	2008-09 (Rs. in Lac)
Gross Income	1872.42	1687.54
Profit before Depreciation & Tax	48.29	23.49
Depreciation	18.74	17.03
Profit after Depreciation	29.55	6.46
Tax- Current	4.28	5.84
Deferred	12.26	-2.22
Profit after tax	13.02	2.84
Profit brought forward from previous year.	49.74	46.91
Balance Carried To Balance Sheet	62.76	49.74

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance system of the Company is provided in the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

This Report includes discussion on the following matters within the limits set by the Company's competitive position:

Industry Structure & Development

The Indian pharmaceutical industry is the world's third-largest by volume and is likely to lead the manufacturing sector of India. The government started to encourage the growth of drug manufacturing by Indian companies in the early 1960s, and with the Patents Act in 1970, enabled the industry to become what it is today. This patent act removed composition patents from food and drugs, and though it kept process patents, these were shortened to a period of five to seven years. The lack of patent protection made the Indian market undesirable to the multinational companies that had dominated the market, and while they streamed out, Indian companies started to take their places. They carved a niche in both the Indian and world markets with their expertise in reverse-engineering new processes for manufacturing drugs at low costs. In 2002, over 20,000 registered drug manufacturers in India sold \$9 billion worth of formulations and bulk drugs. 85% of these formulations were sold in India. Most of the players in the market are small-to-medium enterprises. In terms of the global market, India currently holds a modest share, but it has been growing at approximately 15% per year. India gained its foothold on the global scene with its innovatively-engineered generic drugs and active pharmaceutical ingredients (API), and it is now seeking to become a major player in outsourced clinical research as well as contract manufacturing and research. India continues to be dominated by Indian pharma companies, but remains fragmented, with over 20,000 licensed organizations. As per Pricewaterhouse Coopers report, finished generics supplied from India account for 20% of the global generics market. According to a Yes Bank report titled 'Indian Pharmaceutical Industry: Vision 2015', the Indian pharma industry is expected to grow at a Compound Annual Growth Rate (CAGR) of 14.2 percent to \$50 bn by 2015-16.

Opportunities

- Aging of the world population.
- Growing incomes.
- Growing attention for health.
- New diagnoses and new social diseases.
- Spreading attitude for soft medication (OTC drugs).
- Spreading use of Generic Drugs.

Threats

- Containment of rising health-care cost.
- High Cost of discovering new products and fewer discoveries.
- Stricter registration procedures.
- High entry cost in newer markets.
- High cost of sales and marketing.