the plants. The Company followed a strict incident reporting system with even minor incidents being logged into the MIS of the safety department. Each incident is analysed for their root-causes and required precautions are taken to prevent recurrences. Each project undertaken by the Company is made to undergo HAZOP studies before commencement. All plant-setting changes were first cleared by the HAZOP team before being implemented. The safety team regularly conducts safety awareness programmes across plants to achieve continuous improvement in terms of workplace safety and behavioural transformation.

Environment

UPL has been consistently undertaking initiatives to eliminate emissions, reduce effluent discharge and ensure safe waste disposal. The Company has deployed dedicated green cells, across units. The Company invested in RO plants across to recycle water and reuse it for operations. The Company invested in process intensification to reduce chemical oxygen demand at the source. The Company developed bacteria for chemical culture and waste reduction. UPL also installed best-in-class scrubbers to minimise emission of chemicals, fumes and dust.

Financial analysis

Revenue from operations

Revenues earned during the year stood at ₹17,506 crore, growing by 5% compared to ₹16,680 crore in FY2016-17.

Finance costs

Finance costs increased by 6% during the year primarily on account of mark-to-market losses.

Profit before tax

The Company registered a profit before tax of ₹2,305 crore compared to ₹1,922 crore in the previous year.

Profit after tax

The Company registered a profit after tax of ₹2,030 crore compared to ₹1,733 crore in the previous year.

Key ratios

Particulars	2017-18	2016-17
EBIDTA/Turnover	22.7%	20.9%
EBIDTA/Net interest (number of times)	8.23	6.81
Net Debt-equity ratio	0.42	0.47
Return on equity (%)	22.1%	23.4%
Book value per share (₹)	180	146
Earnings per share (₹)	39.79	34.07

Mitigating risks at UPL

Industry slowdown might result in low stock turnover and reduced revenue growth

Mitigation strategy: According to UN, the current world population of 7.5 billion is expected to reach 8.5 billion by 2030 and 9.8 billion in 2050 strengthening food demand without a commensurate increase in land area availability. This will increase the need for high-yielding crops (supported by a growing use of crop protection chemicals). The diversified UPL portfolio and presence across the globe will help the Company in reducing its dependence on a single crop or segment or a particular region.

Increased competition might impact prices and thus affect profitability

Mitigation strategy: To achieve success in a competitive marketplace, companies require the ability to manufacture competitively, get the right registrations, engage with distributors in all markets, provide a large product range and keep evolving that product range in response to evolving consumer requirements. UPL possesses all these competencies (as opposed to some competitors who possess only a few), graduating it to one of the world's fastest-growing crop protection chemicals companies.

Not introducing innovative products might result in losing out in the competitive business scenario that might translate in lower revenue growth

Mitigation strategy: UPL's 305-member research and development team keeps continuously working on introducing innovative and differentiated products and processes. The Company also collaborated with universities and technical institutions to formulate new products.