on innovating rather than inventing. For instance, our R&D team worked on one of the fungicides, which was primarily used on fruits and vegetables, and innovated a label extension for treatment against fungal disease on row crops. The market for this fungicide expanded significantly, particularly in Latin America. We further invested in backward integration and ensured that key raw materials needed for this fungicide are manufactured in-house, reducing dependency on third-party suppliers to a large extent and leading to greater cost and supply chain efficiencies. These efforts made UPL one of the largest and most cost efficient players in this molecule.

Further, for one of the herbicides recently launched in the North American markets, we began by setting up a pilot plant and then, due to the strong demand, scaled up the capacities in record time and at much lower cost than our peers. For this herbicide too, we are fully integrated – backward as well as forward, helping us in offering quality formulations at economical prices.

The bottomline is that at UPL, we don't compete with the market; we compete with ourselves - and that has made all the difference.

Reviewing 2017-18

The global crop protection chemicals industry remained flat during the year under review as commodity realisations remained subdued.

The slowing demand notwithstanding, UPL outperformed the industry average. The Company reported a topline growth of 7% during the year under review. The Indian market grew slower than expected due to a number of reasons: the lingering impact of demonetisation affected offtake; the 2017 monsoon was less than adequate; GST implementation led to de-stocking in the first quarter and slowed business during the first half of the year.

The raw materials availability scenario too was unfavourable. Owing to tightening environment control regulations, there was a decline in materials availability from China. In a proactive measure, the Company invested in building additional capacity, strengthening resource security. We believe that this resource security has helped us enhance manufacturing predictability on the one hand while strengthening our value chain on the other. The result is that even as supply lines were affected for some manufacturers, UPL continued to service farmer needs, strengthening its brand around dependability.

Our key markets of North America and Latin America performed admirably during the year under review. Glufosinate, a key UPL product, performed creditably in the US; Mancozeb, another key UPL product, reported attractive offtake in the global market.

101
PRODUCTS LAUNCHED TO ENHANCE CONSUMER CHOICE

As a future-facing company, UPL continued to strengthen registration, patent filing and market widening exercises. During the year under review, we filed 169 patents and registered 247 new products across markets. The Company launched 101 products during the year under review.

During the year, UPL enhanced operational efficiencies. The Company saved around ₹65 crore in operating costs and strengthened gross margins by 30 bps to 41.3%.

During the year under review, the Company strengthened its Balance Sheet to address prospective growth: it mobilised USD300 million through 10-year bonds from the European and Asian market. Besides, the Company restructured a large part of its existing debt with the objective to reduce interest costs and increase tenure, strengthening our cash flows.

Objective remains relevant

The objective of why UPL is in business continues to be relevant: there is a growing danger that going ahead, the world may find it increasingly difficult to feed its growing population.

Consider the evidence: global population is expected to grow from