

Operational review

UPL has 35 manufacturing locations across the globe (16 in India and 19 in various countries). The Company embraced the tenets laid down under the 5S philosophy across its plants to bolster efficiency levels and practically nullify leakages. UPL is one of the low cost producers in the world. The Company's Indian plants are capable of manufacturing the entire range of products from AIs to formulations while the global plants are responsible for manufacturing local geography-specific formulations. Indian plants are ~30-40% cheaper than its global counterparts and enjoy lower labour costs.

Technology competence

The Company invested in state-of-the-art technology to produce trailblazing products. Procedural excellence and a strong technology background allow the Company to produce products better than inventing.

Quality focus

UPL has focused on standardising operating procedures across the plants which has helped reduce quality variations and thereby significantly bring down customer complaints.

Highlights, 2017-18

- Initiated a variability reduction programme by laying down uniform SOP

- Built 9 plants in India and one in Brazil in half the time taken by sectoral peers
- Installed robotised packing machines to ensure standardised packaging
- Initiated various programmes to reduce fossil fuel consumption
- Saved around H65 crore through various farsighted initiatives
- Kick started a TQM initiative partially at its plants

Outlook

The Company will continue to undertake initiatives that would help it to reduce operating costs. The Company will also ensure the complete implementation of TQM across the organisation.

Operating cost as a proportion of total revenues (%)

FY2016	FY2017	FY2018
48.1%	47.6%	47.0%

Declining customer complaints

FY2016	FY2017	FY2018
680	453	398

Segmental review

- Agro activities: This is the main area of the Company's operations and includes the manufacture and marketing of conventional crop protection chemicals products, seeds and related products. Revenues from the segment increased at a rate of 5% y-o-y to reach H16,734 crore.
- Non-agro activities: Non-agro activities include the manufacture and marketing of industrial chemicals and related products. Revenues from the segment increased at a rate of 17% y-o-y to reach H772 crore.

Health

UPL regularly checks the health of its employees, across plants. Employees exposed to hazardous gases are taken for compulsory health checkups. All the units of the Company have health centres manned round-the-clock by competent doctors and nurses.

Safety

The Company embraced the tenets laid down under the 5S philosophy across its plants to bolster efficiency levels and practically nullify leakages. All units start operations with a session on safety. Every single employee is provided with minimum five man-days of safety training.

Each department appoints one plant safety representative responsible for managing unit safety. The Company witnessed a 30% drop in untoward incidents at the workplace during the year under review. UPL has dedicated emergency response team to attend to such incidents. The team also helps in attending emergency situations in the surrounding areas of