

Business Review

India

Presence

Year	Manufacturing units
2018	16

Revenues from operations

Year	Revenues (H crore)	Growth over last year (%)
FY2015	2,622	16.8
FY2016	2,696	2.8
FY2017	2,595	-3.7
FY2018	3,078	18.6

Proportion of Global Revenues

Year	Proportion (%)
FY13	19
FY18	18

Overview

The Indian crop protection chemicals market is characterised by a growing use of insecticides, contrary to global trends, where herbicides form the largest share. India is a tropical country marked by fungi and insect attacks. This, coupled with the traditional farm practices holding sway (farmers tend to pull out weeds rather than using herbicides), has resulted in a low use of herbicides (~16% in India compared to the global average of ~42%). However, the use of herbicides is on the rise and this is expected to emerge as a key growth segment for UPL in India. The Company's backward integration has reduced its resource dependence on third-parties.

India is the second-largest revenue contributor for UPL after Latin America, contributing 18% of the overall revenues as of FY18. India has also been one of the best-performing geographies for UPL, growing at a CAGR of 12% between FY13 and FY18. UPL has a presence across all crops and regions in India.

Highlights, FY2017-18

- Increased revenues by 8% to H3,189 crore due to enhanced demand
- Introduced 4 herbicides, 4 insecticides and 3 adjacent technology products
- Filled the portfolio gap through the successful launch of Macarena and Gainexa
- Significant growth of new fungicides (Avancer Glow, Cuprofix) launched in the previous year
- 3 new nutritional specialty / biological products launched successfully

Growth drivers

- Brands such as Ulala, Saaf and Phoskill joining the H1-billion-club
- Balanced product portfolio across crops growing at a healthy pace
- Greater customer engagement
- Introduction of biologicals and nutritional products
- Strategic focus on vegetables and fruits

Road ahead

India adds 15 million people every year to its population; scope for bringing new areas under cultivation is limited. To attain food sufficiency, productivity must increase. India's crop protection chemicals consumption is one of the lowest in the world with per hectare consumption of just 0.6 kilograms per hectare compared to US (5-7 kilograms per hectare) and Japan (11-12 kilograms per hectare). Also, ~15-25% of crops produced are lost due to inadequate crop protection chemical use. UPL will focus on introducing seeds, crop protection chemicals, biologicals, soil nutrients and post-harvest solutions, while increasing farmer awareness regarding crop protection chemicals.

Key brands

Ulala, Phoskill, Lancer Gold, Saaf, Saathi, Starthene, Atabron, Disect, Wuxal, Avancer Glow and Cuprofix, Iris, Lagam, Patela