



What makes United Phosphorus one of the most profitable agrochemical companies in the world?

United Phosphorus Limited | Annual Report 2012-13

Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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There are hundreds of global agrochemical companies. And then there is United Phosphorus.

Not only one of the world's fastest growing agrochemical companies. But one of the most profitable as well.

A Company that reported a 20% revenue growth and a 23% PAT growth in a sluggish 2012-13. Both numbers were way higher than their respective industry benchmarks.

The big question: just what makes this multinational Company of Indian origin one of the most profitable sectoral players in the world?

There are hundreds of reasons why United Phosphorus Limited has consistently reported margins significantly higher than the sectoral average.

For reasons of
brevity, permit
us to put down
just one.

Knowledge.



Knowledge of crops. Knowledge of pest action. Knowledge of climatic patterns. Knowledge about global markets. Knowledge of registration requirements. Knowledge of registration processes. Knowledge of the right products for the right markets. Knowledge of emerging global consumption trends. Knowledge of product applications. Knowledge of manufacturing assets. Knowledge of manufacturing processes, Knowledge of distribution channels. Knowledge of aquisition targets. **Knowledge** of probable synergies. Knowledge of environmental management. Knowledge of value-chain management. Knowledge of farmer relationships. Knowledge of branding impact. Knowledge of value-engineering. Knowledge of hazardous process management. Knowledge of impending genericisation. Knowledge of production economies. Knowledge of toxicology, eco-toxicology and other studies. Knowledge of seeds, yields and productivity. Knowledge of crop cycle requirements. Knowledge of efficient energy management. Knowledge of product innovation. Knowledge of process safety. Knowledge of cash-flow management. Knowledge of low cost debt procurement. Knowledge of multi-location management.



Over the years, the combination of diverse knowledge streams has translated into overarching achievements at UPL.

- UPL is the twelfth largest agrochemical company in the world and the sixth largest generic agrochemical company.
- UPL has grown revenues three times the global agrochemical sector average.
- UPL is a successful multi-product, multi-crop, multi-climate and multi-country agrochemical company.
- UPL acquired, absorbed and turned around 19 companies in the last 20 years.
- UPL holds more than 3,500 registrations across 120 global markets.
- UPL operated through 88 global subsidiaries in 41 countries with a sales presence across 120 countries.
- UPL holds 83 product patents in India and the world over.
- UPL is the world's largest producer of Mancozeb, Aluminium Phosphide, Devrinol, Cypermethrin and Monocrotophos.

25

Number of
nationalities at UPL

20%

Growth between
2007 and 2012

17

Acquisitions in the last
ten years

10

UPL products with
global leadership

110

Chemistries with
in-house expertise

Legacy

- Part of the US\$ 1.7 bn group
- Established in 1969
- Headed by Mr. Rajju Shroff (Chairman) and a team of experienced professionals

Existence

- Headquartered in Mumbai, India
- Manufacturing presence across 23 international locations (nine in India, three in France, two in Argentina, and one each in Vietnam, Colombia, The Netherlands, Italy, Spain and China)
- The Indian manufacturing units are located at Vapi, Ankleshwar, Jhagadia, Halol, Jammu and Haldia. The captive power plant (48.5 MW) is located in Jhagadia (Gujarat)
- Global sales presence across 120 countries (through subsidiaries and associates)
- Global marketing presence through 88 subsidiaries

Offerings

The Company's product offerings include fungicides, insecticides, herbicides, rodenticides, fumigants, plant growth regulators, agrochemicals as well as chemicals (Industrial and specialty).

Registrations

The Company has more than 3,500 product registrations, which represent permissions by statutory authorities to market agrochemicals in their respective countries.

Product profile (Agrochemicals)

Fungicide	Herbicide	Insecticide	Rodenticide	Plant growth regulators
RAMPART	JHATKA	ACETA STARHENE	RATOL	AISHWARYA GRANULES
SAAF	LAGAAM	CYRUX		
SAMAR	SAATHI	PHOSKILL		
UNILAX	SF-10	ULALA		
UTHANE M 45	SWEEP	IMIDA GOLD		
MANZATE	TOTAL	LANCER		
	UNIQUAT	LANCER GOLD		

Industrial and specialty chemicals

White/Yellow Phosphorus (WP/YP)	Triphenyl Phosphite (TPPI)
Phosphorus Red (RP)	Triethyl Phosphite (TEPI)
Phosphorus Trichloride (PCL3)	Tri Iso Octyl Phosphite (TIOP)
Phosphorus Oxychloride (POCL3)	Diphenyl Isodecyl Phosphite (DPDP)
Phosphorus Pentachloride (PCL5)	Phenyl Disodecyl Phosphite (PDDP)
Phosphorus Pentoxide (P2O5)	Tris Tridecyl Phosphite (TTDP)
Trimethyl Phosphite (TMP)	Tri Decyl Phosphite (TDP)
Triphenyl Phosphate (TPPA)	Phenyl Isocyanate (PI)
Meta Chloro Phenyl Isocyanate (MCPI)	Meta Chloro Phenyl Isocyanate (MCPI)

Seeds

Field crops	Vegetable crops
Hybrid paddy	Cabbage
Oilseeds	Cauliflower
Canola	Green peas
Hybrid mustard	Water melon
Hybrid field corn	

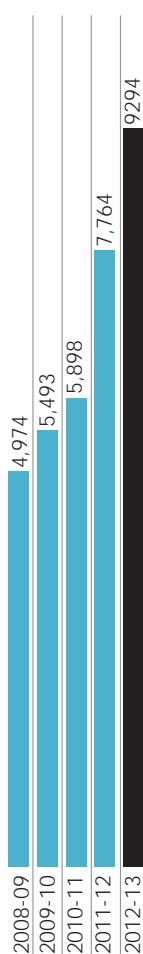
Key product profile

Products	Nature	Usage
Mancozeb	A fungicide belonging to the dithiocarbamates class including maneb. This is a polymer complex with manganese and zinc.	Varied crops like wheat, potatoes, apple, pears, onions, vines and asparagus.
Devrinol	A well-established selective systemic herbicide, containing napropamide, for controlling the growth of grass and broad-leaved weeds.	Acts as a pre-emergence herbicide; which means that weeds are removed before they have a chance to compete with the crop. Devrinol has a long residual activity providing lasting control of grass and broad-leaved weeds.
Aluminium Phosphide	An inorganic compound used as a wide band gap semiconductor and fumigant.	Used as a rodenticide, insecticide and fumigant for stored cereal grains; used to kill small verminous mammals, moles and rodents.

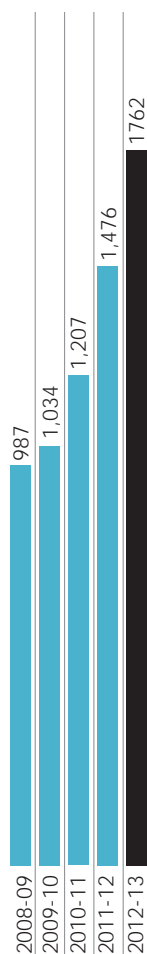
Knowledge.

And how this played out in our 2012-13 performance

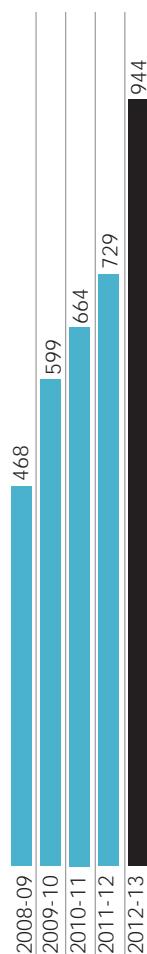
Revenue (Rs. crore)



EBIDTA (Rs. crore)



PBT (Rs. crore)



Post tax profit (Rs. crore)



EBIDTA margin (%)

