

repay high-cost and short-term debt. Although the initial pricing guidance was ~200 bps spread over the US benchmark yields, robust investor demand of about USD1.7 billion helped to tighten the spread by 27 bps.

Four, UPL strengthened its global presence with the introduction of 101 products in the markets of India, Europe, North America, Latin America and Rest of World, while sustaining brand performance across respective markets.

### What were some of the Company's performance highlights?

Despite a sectoral slowdown, UPL continued to strengthen its business. During the year, the Company invested ₹239 crore in 247 new registrations, enhancing our tally of registered products to 6,181 by the end of the year. Our working capital management improved from 91 days of turnover equivalent as on 31st March 2017 to 84 days as on 31st March 2018. This indicates that the heart of the business engine continued to be in good shape even during a challenging year.

### What challenges did UPL counter during the year?

The major challenge was the slowdown in the Indian market, a region accounting for 18% of our consolidated revenues. The lingering impact of demonetisation in the first half of the year dampened sales. No sooner had we recovered that we were affected by GST, which created dealer uncertainty translating into de-stocking. The dispersion of rainfall was uneven across the country, with some southern states suffering from deficient rainfall.

On the positive side, wheat, a key driver of herbicide revenues, drove growth in Q3. The products that we launched late last year gained immediate acceptance; a couple of fungicides performed exceptionally well.

Australia, a key market for the Company, went through a dry spell following which crop protection chemicals demand declined. Raw material supply from China was adversely impacted as regulators in that country imposed restrictions from the environmental control standpoint, resulting in a shortage and consequent spike in prices.

### What were some of the other bright spots of the Company's working?

We recognised that as the markets moved out of a slowdown there would be a need for enhanced production. In view of this, the Company scaled capacities at its plants in Gujarat; it commissioned a new plant in Brazil for an investment of ~₹30 crore in less than a year (a similar-sized plant usually would have required ~18-24 months). In a strategic move to venture into profitable niches, we launched three products in the bio-pesticides segment in the Indian market, which proved to be timely and successful.

### What makes you optimistic of the sector's prospects?

Although the past three years were marked by contraction, the sector appears to have bottomed out for two reasons: declining crop protection chemicals pipeline across the globe and steadying commodity prices. I believe that 2018 will be the year when the industry will rebound, strengthening our prospects.

The complement of the realities provide me with the optimism that the coming year will be a landmark, when we continue to outperform the industry on the one hand and enhance shareholder value on the other.