

During the year, some of the key brands of the Company did good business. Significant growth was noticed in business of new fungicides launched in the earlier year. The Company launched new speciality/ biological products successfully. Some of the initiatives like Adarsh Kisan centres taken by the Company in earlier years were well appreciated by farming community and this helped the Company to improve its sales.

In North America, some of the herbicides of the Company recorded very good growth. The western states came out of spells of dry weather and had bountiful rains. The sale of fungicides for potato and vegetable market grew. Sale of insecticides also went up as the cotton planted area increased. However, the commodity prices remained subdued. The situation is likely to improve in future.

In Latin America, including Brazil, the new insecticide launched got a very encouraging response. The fungicide business continued to grow and more areas were treated with Company's fungicides. At the beginning of the year, there were delayed rains in north Brazil and dry season in south Cone and Argentina.

The European market has started improving. Summer heatwaves prevailed across Southern Europe. Though overall market scenario was not so favorable, the Company's performance showed lot of improvement. It is expected that in coming years, the Company's business will continue to grow in Europe. During the year, herbicides sales grew in sugar beet farming. The Company introduced new herbicides and fungicides in the market. Business in Germany rebounded with higher growth. However, due to low disease pressure in dry weather of Italy and Spain, usage of fungicides reduced there.

As regards rest of the world, double digit growth was recorded in Africa and some of the South East Asian countries. In turkey, new herbicides were successfully launched. The Company continues to introduce new products in different countries. Business has improved in China. In Australia, severe summer heat and drought conditions continue to prevail resulting in low usage of agrochemicals.

FUTURE OUTLOOK

This year, normal monsoons are predicted in India. Onset of timely monsoon will result in on time sowing thereby ensuring increase in overall planting acreages in Kharif crops like Rice, Cotton, Soybean and Corn. This will fuel economic growth by enhancing the farm productivity. The growth in farm sector income will affirmatively trigger the usage of Agrochemicals.

The special focus of Union Budget on Indian Agriculture is further expected to accelerate the growth in the farming sector. The announcements of various favorable policies like linking MSP to production costs, e-NAM (Online Market Place), 100% Tax deduction

on profits to Farmers Producers Organizations (FPO) with a turnover below INR 100 crores and increase in the Agricultural Credit target by 10 % to INR 11 Lakh Crores will spur the economic growth of farmers. Focused impetus for Crop Insurance, Micro-irrigation, Food Processing and Agricultural exports will further lead to progress in the sector with a vision towards achieving the Government mandate of doubling farm Income by 2022. These policies will result in increasing the purchasing power of growers to go for higher investments anticipating better yields.

The global acceptability and demand of Company's products is increasing at a fair pace due to the growing need and innovation driven products providing solutions in crop protection. Overall Agrochemical markets in Europe seems to be stable for this year without any drastic fluctuation. Markets in US and North America are showing signs of growth in terms of better value realization. With reduction in surfeit of inventory and rising commodity prices, Latin America could potentially see growth in 2018. Inroads of the Company portfolio into smaller markets of Africa and South East Asia with the help of stronger distribution will support further growth in these untapped markets. Company is building portfolio and investing in manufacturing to insulate itself from the growing crisis of crunch in supply and production in China because of policy changes. With the Company growing faster than the market, it augurs possibility of an overall promising year ahead.

DIVIDEND

Your Directors have recommended dividend of 400% i.e. ₹ 8 per Equity Share of ₹ 2 each for the financial year ended 31st March, 2018, which if approved at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders of the Company whose names appear in the Register of Members as on 23rd August, 2018 and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") the Company has formulated its Distribution Policy and the same has been uploaded on the website of the Company which can be accessed at <https://www.uplonline.com/policies-compliances-announcements>.

FINANCE

(a) Fixed Deposits

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31st March, 2018.

(b) Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees or Investments are given in the notes to the Financial Statements.