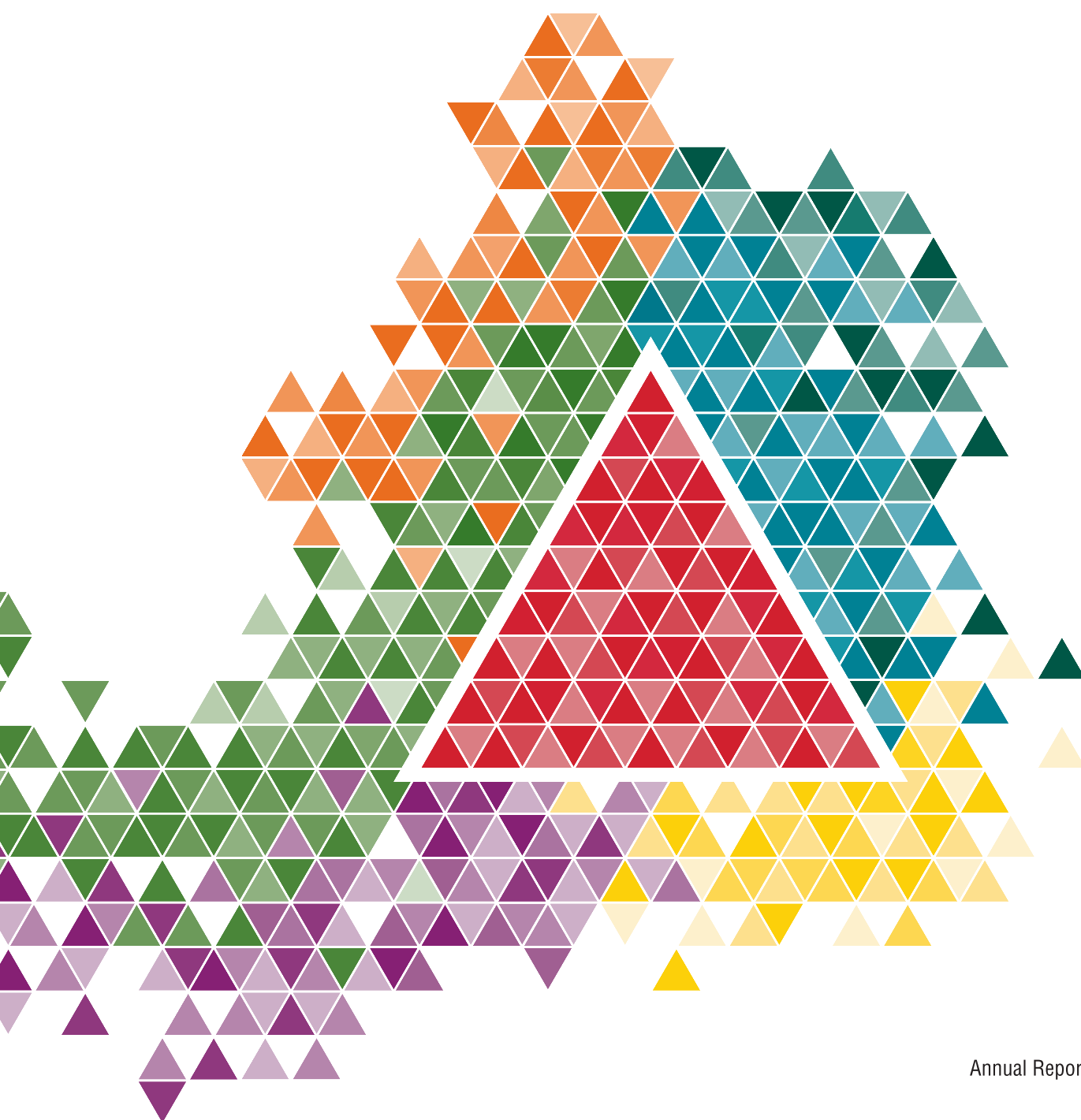




Proven **Performance.**
Promising **Potential.**



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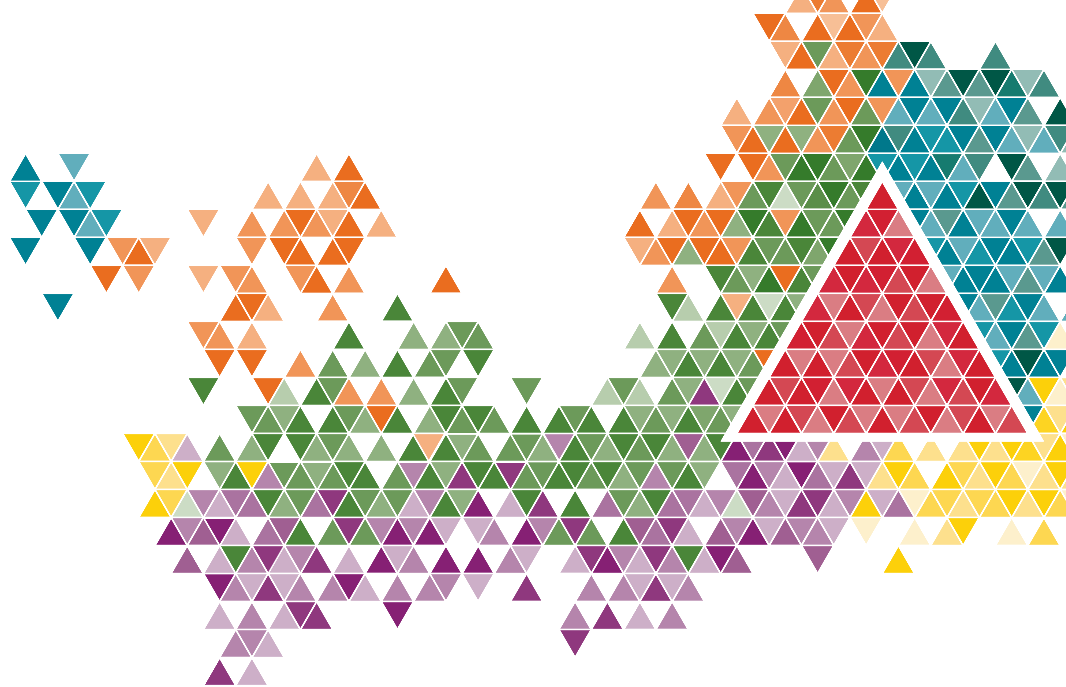
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Yasho Industries has significantly evolved over the years.

From one product to several across five categories. From one country to more than 40 countries across four continents. From a meagre manufacturing capacity to 5,500 MTPA (metric tonnes per annum) across two manufacturing plants. From commodity products to value-added products.

It has today emerged as a leading chemical manufacturing brand, supplying value-added and quality products to globally leading companies.

And this is evident in the Company's successful listing in the BSE Ltd. (SME category) and its strong performance in FY 2017-18:

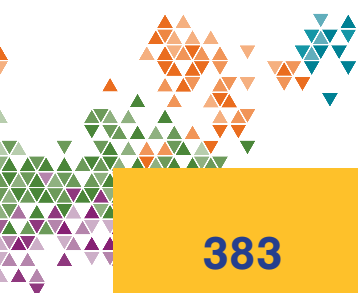


While our performance reinforces our confidence, we are preparing for a better future. We have invested in expanding capacity of lube additives, rubber antioxidants and food antioxidants capacities to capitalise on the opportunities arising from change in environmental policies. We are optimising operations to reduce costs. We are continuously striving to enhance product quality.

About Yasho Industries

Yasho Industries, with wide portfolio of products across five categories and presence in more than 40 countries worldwide is one of the leading manufacturer and supplier of re-engineered chemical.

Driven by innovation and focussed on stringent quality standards, our products are procured by reputed downstream companies.


383

Employees

5,500
 MTPA

Manufacturing capacity

₹10,899.20
 Lakhs

Market capitalisation

 More than
40

Countries

₹3,387.05
 Lakhs

Net Worth

Company profile

Headquartered in Mumbai, Yasho Industries was incorporated in 1985 by the founding promoter Mr. Vinod Jhaveri. It is today led under the stewardship of Mr. Parag Jhaveri, the Chairman and Managing Director. It is registered with CHEMEXCIL as a small-scale manufacturer cum merchant exporter for basic non-organic and organic chemicals. The Company has over the years scaled business by expanding international operations. In FY 2017-18,

exports accounted for 56% of the Company's overall revenues. It is strongly focussed on meeting the evolving needs of the domestic and international market and undertakes extensive R&D activities to expand and rationalise its portfolio with relevant product ranges. The Company's shares are listed in the BSE Ltd. under the SME category.

Our Promoters



Parag Vinod Jhaveri

DOB: 16 September 1966

Current title: Managing Director

Appointed to present position:

2 May 1990

Education: Master of Science in Organic Chemistry

Related industry experience: 28+ years

Active in daily operations: Yes



Yayesh Vinod Jhaveri

DOB: 13 April 1971

Current title: Director

Appointed to present position:

4 April 1997

Education: Bachelor in Commerce

Related industry experience: 23+ years

Active in daily operations: Yes



Vinod Harilal Jhaveri

DOB: 27 February 1939

Current title: CFO & Director

Appointed to present position:

9 August 2007

Education: Bachelor in Commerce

Related industry experience: 46+ years

Active in daily operations: Yes

Other Directorships held:

Gautam Swami Organics Pvt. Ltd.



Manufacturing capacities

The Company has two manufacturing units at GIDC, Vapi, Gujarat. These units are strategically located within 200 kms of Nava Sheva seaport, facilitating easy access for import of raw materials and exports of finished goods. The first, Unit-I is spread across 6,957 sq. mts. and has a capacity of 2,500 MTPA (metric tonnes per annum) and the second, Unit-II spread across 5,000 sq. mts. has a capacity of 3,000 MPTA.

	Capacity (MTPA)	Capacity utilisation
Unit I	2,500	90%
Unit II	3,000	92%

Product portfolio

The Company manufactures a wide range of chemicals catering to five industry categories – **Food Oxidant, Rubber Range, Aroma Range, Lube Range and Specialty Range**

			Product categories	Key industries/consumer segments
			Food Antioxidants	Edible oils, confectioneries, animal feed, vitamin premix and nutraceuticals
			Rubber Adjuvant Range	Tyres, conveyor belts, automobile profile, surgical gloves, condoms, balloons and latex gloves
			Lube Range	Grease, hydraulic/turbine/engine/gear oils, metal working fluids and coolants
			Aroma Range	Pharmaceuticals as intermediate, flavours and fragrance, agro chemicals as pheromones and industrial applications
			Specialty Range	Printing inks/coating, unsaturated polyester resin and thermoplastic polyurethane

About Yasho Industries

Certifications

- **ISO 9001:2015** – quality standards
- **FSSC 22000** – food safety standards
- **FAMI-QS** – Feed Safety Management System including Good Manufacturing Practice (GMP) in compliance with FAMI-QS Code
- **STAR-K KOSHER** – certifies various products as KOSHER certified
- **HALAL** – certifies various products processed by us is registered with Jamiat Ulama Halal Foundation (JUHF)
- **FSSAI** – certifies items of food products are authorised to manufacture/re-pack/re-label
- **Export Inspection Agency Certification** – certifies approval to process food antioxidants and flavouring compound for export to all countries excluding EU

Awards and accolades

- Excellent Supplier Award by Kemin Industries (Zuhai) for supply performance in FY 2016-17
- Certificate of Appreciation by Indian Oil for participation in Servo Vendor Meet
- Certification of participation and involvement in Environment Drive 2017

Key highlights of the journey

1985

Incorporated under the Companies Act, 1956 as Vasu Preservatives Private Limited

1993

Commenced exclusive operations for aromatic chemicals and specialty chemicals

1996

Changed name to Yasho Industries Pvt. Ltd.

2000

Commenced manufacture of various rubber chemicals developed by the Company's in-house R&D

2001

Received ISO 9001:2008 certification for high quality standards

2010

Forayed into manufacture of various lube chemicals developed by the Company's in-house R&D

2013

Recognised as Star Export House by the Ministry of Commerce and Industry – Directorate General of Foreign Trade

2016

Quality certification upgraded to ISO 9001:2015

2017

Completed REACH registration to take full advantage of market potential. Major products exported to Europe

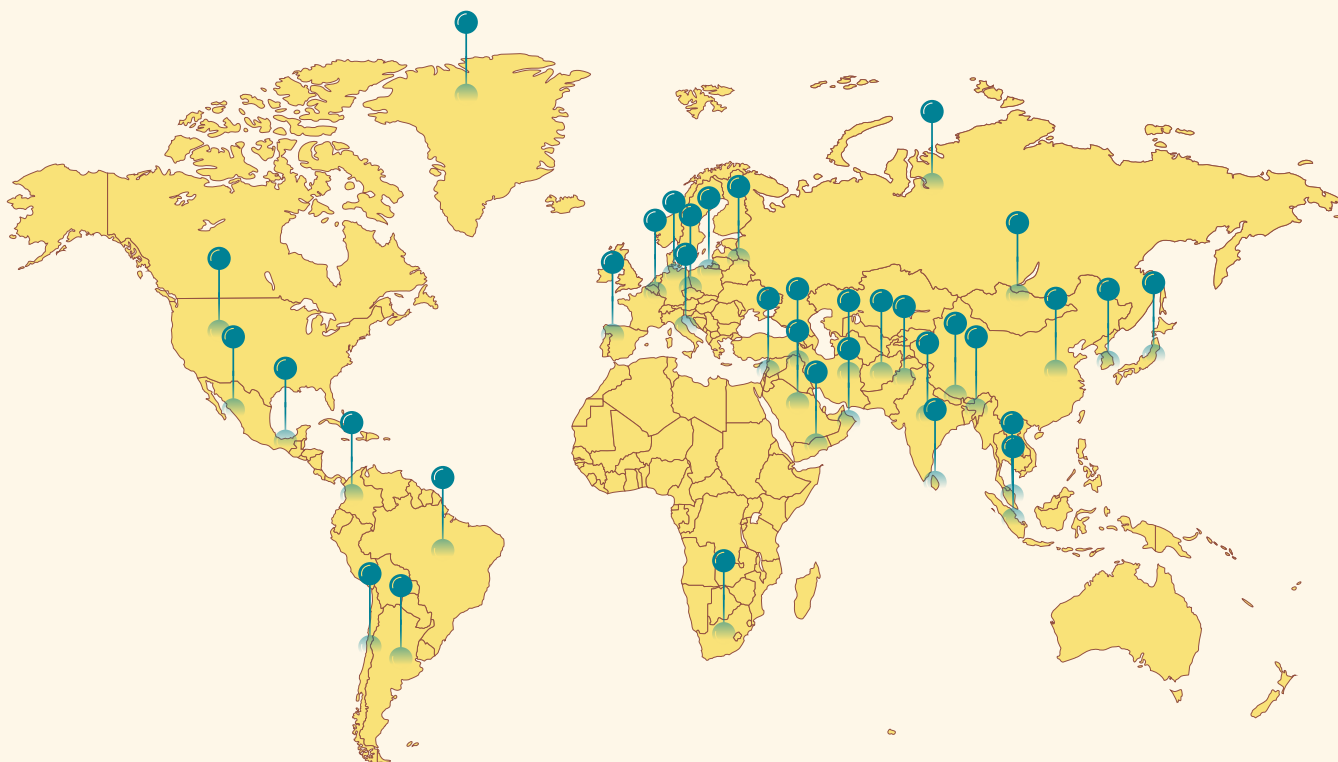
2018

Commenced expansion at Unit-2, realigning the products produced at both units
Successfully got listed in the Indian capital markets

Geographic footprint

The Company is present in more than 40 countries across Europe, Americas, Middle East and Asia.

USA, BRAZIL, MEXICO, COLOMBIA, GUATEMALA, ARGENTINA, ITALY, BELGIUM, NETHERLANDS, TURKEY, RUSSIA, SOUTH AFRICA, DUBAI, YEMEN, SAUDI ARABIA, IRAN, IRAQ, OMAN, GERMANY, FRANCE, UK, JAPAN, PAKISTAN, UAE, EGYPT, KENYA, SINGAPORE, INDONESIA, MALAYSIA, CHINA, VIETNAM, THAILAND, TAIWAN, CHILE, SRILANKA, BANGLADESH, NEPAL, SPAIN, POLAND, CZECH REPUBLIC ETC.



Map not to scale. For illustrative purposes only.

From the Desk of Chairman and Managing Director



“Driven by innovation and focussed on stringent quality standards, our products are procured by reputed downstream companies.”

Dear Shareholders,

It is a privilege to present before you the FY 2017-18 Annual Report of the Company, our first one since the successful maiden public issue and listing in the BSE Ltd. under the SME category. The IPO was an important part of our corporate growth strategy and I thank all the investors to have reposed their trust on us with such an overwhelming response. Our new journey could not have started in a better way. And I assure you, that your Company will take every right step to ensure wealth creation for all its stakeholders.

Before I take you through our current year's performance and what the future holds for us, let me take a moment to tell you what we have achieved in these two decades of existence. Being engaged in chemical manufacturing, the greatest challenge in scaling business is to ensure the products meet required quality and safety standards. The fact that our products are exported to some 40 different countries having stringent quality and environment norms, endorses the kind of standards that we have. We are proud to have achieved this and are confident this will enable us to achieve stronger growth in coming years.

Performance review of the year

Your Company has seen an appreciable performance in the last financial year. Our revenues have grown by 27% to Rs. 24,980.44 lakhs and EBITDA grew 27% to Rs. 3,159.53 lakhs. This strong operating performance was driven by better capacity utilisation at our plants – both of which achieved over 90% utilisation compared to 85% in FY 2016-17. This led to increase

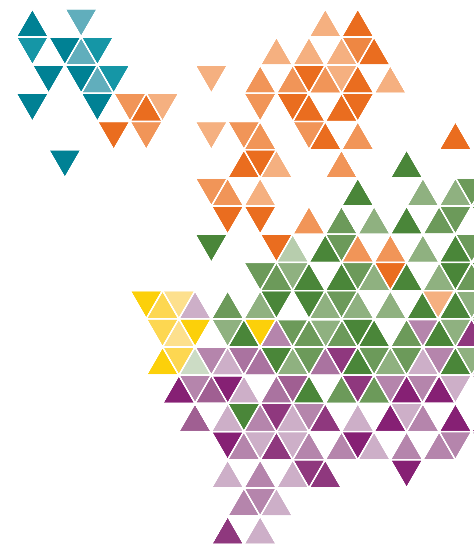
in production and better spread of overheads. Our net profit growth at 117% to Rs. 797.13 lakhs was much stronger, driven by higher demand in Europe and USA market and benefit of China pollution issue.

We introduced products in the lube segment like extreme pressure additives and corrosion inhibitors. Also, it was a matter of pride for us as we ventured into two new markets: China and Russia.

Industry optimism

While we are prepared as an organisation to scale new heights, what makes me even more confident of our future is the immense opportunity that lies ahead. Globally, the specialty chemical market is expected to grow at a compounded 5.30% through 2017 to 2025 and reach a size of USD 589.80 billion. This growth would be driven by economic growth of Asia-Pacific region, higher demand for environment-friendly chemicals and sustainable operations, and increasing demand for value-added offerings from specialty chemical manufacturers.

Closer home, the Indian market for specialty chemicals is expected to grow at compounded 10% until FY 2025 and nearly double in size. This will be boosted by higher demand from the end user industries and increasing adoption of specialty chemicals. The demand is likely to peak in FY 2018-19 driven by the tighter global supply as companies in China face stringent environmental regulations.



The positive economic scenario globally will catalyse this development. The global economy is forecasted to grow at 3.9% with improving trade scenario and recovery in several key economies. In India, backed by stabilisation of various structural reforms, the economy is now expected to be back on track and record steady growths of over 7% in the coming years.

Outlook

We remain confident for quite a few reasons. We have all the necessary quality certifications and our products are witnessing strong traction in the international markets. In FY 2017-18, exports accounted for 56% of total revenues. Our proximity to Middle East, the global source of petrochemicals feedstock enables procurement at low cost, which in turn enables us to maintain low cost of production. With our quality and competitive pricing, we are well-placed in the industry.

Our wide portfolio of products across food antioxidant, rubber, aroma, lube and specialty categories provide us scope to cater to several end user industries. This provides us the advantage of diversification as well as the opportunity to scale each category.

Further, buoyed by our public issue, we have raised a sum of Rs. [899.20] lakhs. We will utilise the proceeds of this issue towards capacity expansion programme for lube additives, rubber antioxidants and food antioxidants. Expansion in these segments will enable us take advantage of opportunities arising due to change in government policies.

I thank all our stakeholders for their continued trust and support. A special mention to our employees, whose efforts have contributed to the Company's success. We will provide every opportunity to our employees to help them improve skills, build better career and continue contributing to the Company's performance.

Finally, I would end by saying that this is a new beginning for the Company and we will undertake every effort to ensure its success.

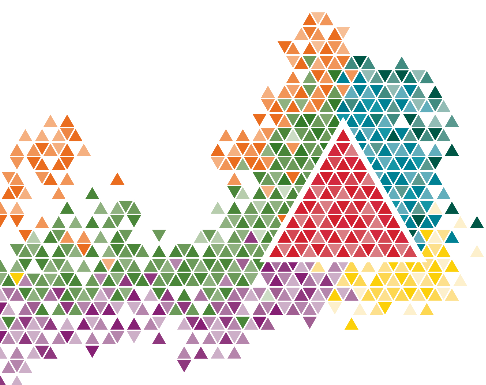
Warm regards,

Sd/-

Parag Jhaveri

Chairman and Managing Director

The Wide World of Yasho Industries



With our wide range of products across multiple categories, we cater to a gamut of end user industries across the world. This enables us to remain relatively diversified and scale business.

Our product portfolio



Aroma/Cosmetic chemicals:

We are one of the major suppliers of fatty esters and natural essential/aroma oils. Our fatty esters find wide applications as emollient and lubricants in skin and hair care, bath and nail preparations and in deodorants, perfumes and fragrances. Our natural essential/aroma oils such as eucalyptus oil, clove oil and its derivatives, dill oil and cinnamon oil are used in flavours and fragrances, pharmaceutical and medicinal products. Globally, aroma ingredients market has witnessed steady growth due to an increase in demand for natural aroma ingredients.

Food anti-oxidant range:

Food additives specialty chemicals are used to enhance food nutrient content, keep the food fresh and make it more appealing. Well-known anti-oxidants include enzymes and other substances such as Vitamin C, E and beta carotene. These help in countering the adverse effects of oxidation. Interestingly, anti-oxidants slow down the progression of age-related muscular degeneration.