



**INVESTING IN THE PRESENT.
INSPIRED BY THE FUTURE.**

2019-20
ANNUAL REPORT

YASHO INDUSTRIES LIMITED

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ALONG A CREDIBLE PATH TO VALUE

We are an innovation-driven company, which confirms our value strategy to drive future success and sustainable growth.

We are a manufacturer of specialty and performance chemicals. Having emerged as a leading chemical manufacturing brand, we supply value-added quality products across the globe.

Investing in the present

We continue to make investments in plant and research infrastructure to enhance efficiency, capacity and product quality.

Inspired by the future

In the next decade, the fine and specialty chemical industry is expected to grow, despite the impact of COVID-19 on economic activities in general, and the Indian chemical industry in particular. We foresee that the economy will revive by the end of 2020, and with it, the demand for specialty chemicals will also rise.

9,200 MT

Manufacturing capacity

₹ **5,779.45** Lakhs

Net Worth

42

Number of Countries we are
present in

₹ **12,534.08** Lakhs

Market Capitalisation

441

Number of Employees

5

Categories



ABOUT YASHO INDUSTRIES LIMITED

Yasho Industries Limited was founded in 1985 by Mr. Vinod Jhaveri in Mumbai. It is one of the leading manufacturers of specialty chemicals, food antioxidants, aroma chemicals, rubber accelerators and lubricant additives. The Company's shares are listed on the BSE under the SME category.

What we produce

We manufacture a varied range of chemicals. These chemicals primarily serve five key industry categories – Specialty Chemicals, Aroma Chemicals, Food Antioxidants, Rubber Accelerators and Lubricant Additives.

What differentiates us

We are a customer-focussed producer, with the ability to deliver as per the specifications desired by our buyers.

We added new segments

Well supported by our continuing R&D efforts and expansion in manufacturing capacity, we added chemicals during the year for lubricant additives and specialty applications.

One of India's leading manufacturers and suppliers of:

Specialty Chemicals

Acrylics, printing inks/coating, unsaturated polyester, resin and thermoplastic polyurethane



Food Antioxidants

Edible oils, confectioneries, animal feed, vitamin premix and nutraceuticals



Aroma Chemicals

Flavours and fragrances, agro chemicals as pheromones, pharma intermediates and several industrial applications



Rubber Chemicals

Tyres, conveyor belts, automobile profile, surgical gloves, condoms, balloons and latex gloves



Lubricant Additives

Grease, hydraulic/turbine/engine/gear oils, metal working fluids and coolants



Augmenting capacities

Our manufacturing facilities are strategically located within 200 Kms from Nhava Sheva Sea Port, at GIDC, Vapi, Gujarat. This facilitates easy access for import of raw materials and export of finished goods. Further, debottlenecking of Unit-I during the year enhanced our production capacity by 850 MT.

| | Capacity (MTPA) | Area | Capacity Utilisation |
|---------------|---|--|----------------------------------|
| Unit-1 | 3,450 | 6,957 square metres | 92% |
| Unit-2 | 3,000 (earlier capacity) + 1,550 (New capacity added) | 5,000 square metres | 72% |
| Unit-3 | 1,200 | 5,082 square metres (includes warehousing facility for finished goods) | 40-50% (Estimated by FY 2020-21) |

Winning recognition

| | | | |
|---|--|--|--|
| 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 | Won an award from Dun & Bradstreet for excellence in the chemicals sector (mid-corporate) for FY 2018-19 |
|---|--|--|--|

Our global operations

We serve the domestic and global markets in 42 different countries across Europe, America, Middle East and Asia. During FY 2019-20, our overseas operations contributed 56.72% to our total revenues.

- USA
- Germany
- France
- Belgium
- Spain
- Italy
- Brazil
- Malaysia
- Iran
- South Korea
- Indonesia
- China
- Japan
- Taiwan
- Pakistan
- Netherlands
- Argentina
- Mexico
- United Arab Emirates
- Turkey
- Egypt
- United Kingdom
- Kenya
- South Africa
- Georgia
- Sri Lanka
- Iraq
- North Korea
- Bolivia
- Saudi Arabia
- Sudan
- Thailand
- Russia
- Djibouti
- Australia
- Bangladesh
- Nepal
- Vietnam
- Lebanon
- Guatemala
- Singapore
- Morocco



Map not to scale. For illustrative purposes only.

ENCOMPASSING DIFFERENT DIMENSIONS OF OUR BUSINESS

We operate in the domain of Specialty and Fine Chemicals. We address varying customer needs through our diversified product portfolio, as we supply high quality, globally benchmarked and accepted products. Our strong presence in these industries reduces our risk of over-dependency on any specific product or industry segment.

1. Specialty Chemicals

These value-added chemicals are used as stabilisers for acrylics, printing inks, UPR resins and fibre composite resins, as cross linkers for thermoplastics urethanes, electroplating chemicals, intermediates for API and bulk drugs, and agrochemicals.



2. Food Antioxidants

Fatty oils and oil-based foods are prone to auto-oxidation that results in a rancid taste and unpleasant odour. Our antioxidants help inhibit the negative effects of oxidation. The YANTQ brand of synthetic antioxidants has superior antioxidative power and finds application in foodstuff. It helps enhance the food nutrient content, keeps it fresh and makes it more appetising. This is also used in animal feed, vitamin pre-mixes and in nutraceuticals.



3. Aroma Chemicals

We are the leading suppliers of essential oils in India. We are the market leaders for clove oil and its derivatives. Our products find application primarily in the growing industries of Flavours & Fragrances. They also find application in the Pharmaceutical industry, as a pain relief agent and in cough and cold formulations. It is also utilised in dentifrices and oral care preparations including toothpaste, tooth powder and mouthwash. It is also used as an insect repellent.



4. Rubber Chemicals

Our range of rubber chemicals is used to manufacture rubber products like tyres, automotive components like hoses, seals, conveyor belts, and others. They are also used in the manufacture of surgical gloves, condoms, balloons and latex gloves.



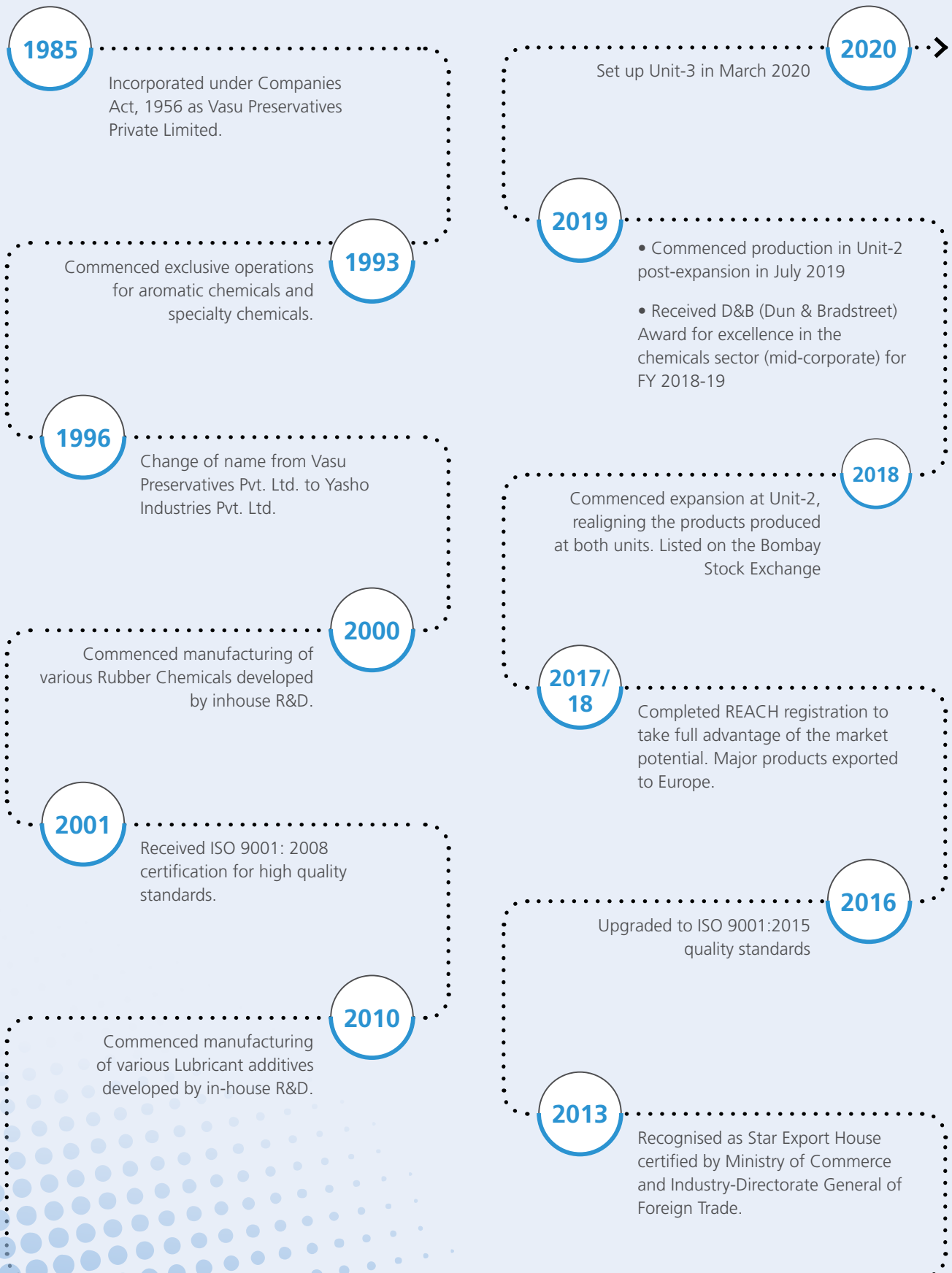
5. Lubricant Additives

Our Lubricant additives improve the performance of lubricants by providing critical performance parameters. They improve boundary lubricity, extreme pressure properties, inhibit corrosion and improve oxidation resistance. It finds application in hydraulic, turbine, engine and gear oils, metal working fluids and greases.





NAVIGATING OUR CHANGING ECOSYSTEM



A YEAR OF PROGRESS

Revenue from Operations

(₹ in Lakhs)

| | |
|------------|-----------|
| FY 2015-16 | 17,962.52 |
| FY 2016-17 | 19,527.87 |
| FY 2017-18 | 24,980.44 |
| FY 2018-19 | 34,005.85 |
| FY 2019-20 | 29,706.30 |

EBITDA

(₹ in Lakhs)

| | |
|------------|----------|
| FY 2015-16 | 2,033.29 |
| FY 2016-17 | 2,470.14 |
| FY 2017-18 | 3,159.53 |
| FY 2018-19 | 4,005.75 |
| FY 2019-20 | 4,179.33 |

PAT

(₹ in Lakhs)

| | |
|------------|----------|
| FY 2015-16 | 152.85 |
| FY 2016-17 | 367.31 |
| FY 2017-18 | 797.13 |
| FY 2018-19 | 1,189.04 |
| FY 2019-20 | 1,199.14 |

Net Worth

(₹ in Lakhs)

| | |
|------------|----------|
| FY 2015-16 | 1,362.62 |
| FY 2016-17 | 1,729.94 |
| FY 2017-18 | 3,378.17 |
| FY 2018-19 | 4,571.44 |
| FY 2019-20 | 5,779.45 |

Net Fixed Assets

(₹ in Lakhs)

| | |
|------------|-----------|
| FY 2015-16 | 5,453.42 |
| FY 2016-17 | 5,827.70 |
| FY 2017-18 | 6,933.87 |
| FY 2018-19 | 9,596.16 |
| FY 2019-20 | 11,426.30 |

Earnings Per Share

(₹)

| | |
|------------|-------|
| FY 2015-16 | 1.53 |
| FY 2016-17 | 3.67 |
| FY 2017-18 | 7.96 |
| FY 2018-19 | 10.91 |
| FY 2019-20 | 11.00 |

CHAIRMAN & MD'S LETTER TO SHAREHOLDERS



A clear vision
guiding our
actions

Dear Shareholders,

In FY 2019-20, we made further progress on our journey to extend our leadership as a specialty chemicals company. Today, we are well recognised and globally accepted as a quality conscious producer of specialty chemicals. An experienced and empowered R&D team, infrastructure and several success stories makes us poised to leverage the growing market opportunities to the fullest.

We spent the past year in working closely with our corporate clients, domestic and MNCs, to serve them with their next-generation needs and develop new chemistries. We are happy that our cost competitiveness and quality standard gives us an edge over our competitors, particularly those from Europe and China.

How we performed

During the year, the Company witnessed sustainable growth. Revenues were lower by 12.64% to ₹ 29,706.30 lakhs, from ₹ 34,005.85 lakhs in the previous year as raw material prices decreased, based on which sale prices also decreased. Turnover volume decreased marginally by 0.37% at 6,388 MT, from 6,412 MT in the previous year. This year, 56.72% of our total revenues were contributed by exports, compared with 59% in the previous year. EBITDA grew by 19.43% to ₹ 4,179.33 lakhs, from ₹ 4,005.75 lakhs in the previous year. Despite the outbreak of COVID-19 in the last quarter of FY 2019-20, our financial performance was driven by new product development, continued better capacity utilisation and enhanced production.

Net profit grew marginally by 0.85% at ₹ 1,199.14 lakhs, from ₹ 1,189.04 lakhs. This was owing to higher demand from Europe and US markets and also due to upscaling of demand owing to pollution issue in China. We clocked almost full capacity utilisation at one of our plants during the year. Value-added chemicals, particularly Rubber, Lubricants and Specialty segment, contributed a significant amount to our profitability this year. With demand for these chemicals constantly increasing in the international market, we expect specific segments to perform well and continue contributing to our future profitability.

Key operational highlights

During the year, de-bottlenecking, expansion and automation helped increase throughput, while also facilitating us in maintaining our