

A complex, abstract network graphic composed of numerous small, colored dots (purple, blue, yellow, green) connected by thin, light blue lines, creating a dense, star-like pattern that fills the background of the page.

# **ENSURING CONSISTENT PROGRESS** ***POWERED BY OUR STRENGTHS***

YASHO INDUSTRIES LIMITED  
ANNUAL REPORT 2020-21

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Amidst the challenging circumstances caused by the COVID-19 pandemic, we, at Yasho Industries have stayed focused on what we could do to not only navigate the crisis but also turn it into an opportunity for driving consistent growth and success.

Over the past years, we have steadily built up our strengths in innovation, customisation, manufacturing, as well as global distribution. Our technical prowess and prudent cost management enable us to provide world-class products to diverse industries. We have constantly thrived with our R&D to create chemistry that adds value to our customers. This process has propelled our growth from a humble manufacturer of aromatic chemicals to rubber chemicals, specialty chemicals, and

lubricant additives. It has also transformed our market into a global one and enabled our transition from low margin to high margin products.

**We are now in the process of strengthening our capabilities, expanding capacities, enhancing efficiencies, and developing newer, innovative products to capture the upcoming opportunities and deliver sustained, higher growth.**





## About Us

Established in 1985 by the esteemed Mr. Vinod Jhaveri, Yasho Industries is amongst 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 Main Board.

We produce a range of high-quality, globally benchmarked products which find application in diverse industries and suit customer

requirements. We have a presence in over 40 countries across Europe, America, Middle East, and Asia, with overseas sales for about 62% of our revenue.

Since inception, we have grown rapidly and added a huge array of products to our portfolio. We are supported by a dynamic management team with over 30 years of experience, R&D competence, and well-established, automated manufacturing facilities.

### PRODUCT PORTFOLIO

Product Portfolio	Product Portfolio	
<b>Food Antioxidants</b> →	Edible oils, confectioneries, animal feed, vitamin premix and nutraceuticals	  
<b>Aroma Chemicals</b> →	Flavours and fragrances, agro chemicals as pheromones, pharma intermediates and several industrial applications	  
<b>Specialty Chemicals</b> →	Acrylics, printing inks/coating, unsaturated polyester, resin as polymer inhibitor/stabiliser and Polyol for thermoplastic polyurethane	  
<b>Rubber Chemicals</b> →	Tyres, conveyor belts, automobile profile, surgical gloves, condoms, balloons and latex gloves	  
<b>Lubricant Additives</b> →	Grease, hydraulic/turbine/engine/gear oils, metal working fluids and coolants	  

### MARQUEE CLIENTELE

Our customers include the most renowned and highly acclaimed companies across diverse industries.

## MANUFACTURING PROWESS

We have three multi-purpose, multi-product manufacturing units situated at Vapi, Gujarat with a combined capacity of 9,200 MTPA. These facilities are strategically located within 200 kms from Nhava Sheva Sea Port, which facilitates easy access of raw materials and export of finished goods. Over the last three years, we have added a total of 3,700 MTPA capacity across our manufacturing plants.

Since the last two decades, we are a recognised supplier in 40+ global countries across Europe, America, Middle East, and Asia.

	Capacity (MTPA)
Unit-1	3,450 MTPA
Unit-2	4,550 MTPA
Unit-3	1,200 MTPA established in FY 2020-21

With continuous improvement in process, de-bottlenecking and to achieve sustainability, our capacity stands at 11,000 MT in FY 2021-22.

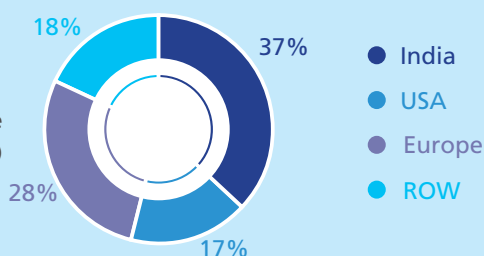
## GLOBAL PRESENCE

• Australia • Bangladesh • Belgium • Brazil • Canada • Chile • China • Colombia • Costa Rica • Czech Republic • Denmark • Djibouti • Dubai • Ecuador • Egypt • Ethiopia • France • Germany • Guatemala • Indonesia • Iran • Iraq • Israel • Italy • Japan • Korea • Kuwait • Lebanon • Malaysia • Mexico • Morocco • Netherlands • New Zealand • Oman • Paraguay • Philippines • Puerto Rico • Russia • Saudi Arabia • Singapore • Slovakia • South Africa • South Korea • Spain • Sri Lanka • Sudan • Taiwan • Thailand • Turkey • United Arab Emirates • United Kingdom • United States • Uruguay • Venezuela • Vietnam • Yemen



Map not to scale. For illustrative purposes only.

FY 2020-21 Region-wise  
Revenue Breakup (₹ 357 Cr)



Our diversified product portfolio caters to varied industries and insulates us from downturns in specific segments. It also gives us more avenues to produce market innovative products and solutions.

### AROMA CHEMICALS

We are the market leaders for clove oil and its derivatives. Chemicals like fatty esters and natural essential/ aroma oils cater to a gamut of personal care products such as cosmetics and toiletries. They are also used for flavours and fragrances, and in pharmaceutical segments for pain relief, cold and cough formulations. It is also utilised in dentifrices and oral care preparations including toothpaste, toothpowder, and mouthwash. It is also used as an insect repellent.



# 13

No. of products

### 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 anti-oxidative 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.



# 5

No. of products

### 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.



# 87

No. of products



## 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. These products are marketed under the "YALUB". It finds application in hydraulic, turbine, engine and gear oils, metal working fluids, and greases.



# 22

No. of products

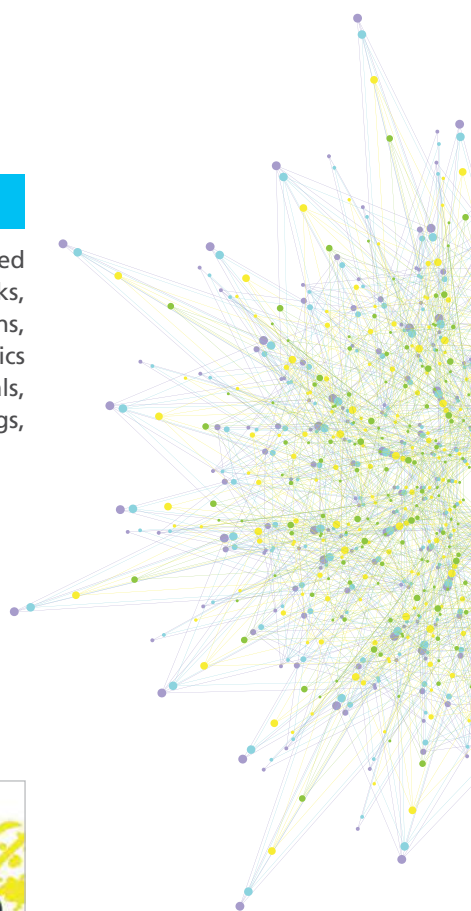
## SPECIALTY CHEMICALS

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.



# 21

No. of products



## Managing Director's and CEO's Message



“Our revenue for the year grew by 21% from ₹ 29,706.30 Lakhs to ₹ 35,943.60 Lakhs in FY 2020-21. Turnover volume increased by 21% at 7712 MT from 6388 MT in the previous year. This year, over 62% of our total revenues were contributed by exports, compared with 57% in the previous year.”

### Dear Shareholders,

I write to you during unprecedented times and trust you all are in good health. The COVID-19 pandemic has adversely impacted millions of lives and economies across the world, bringing industries and businesses to a grinding halt. Nonetheless, the economic activity is expected to rebound on the back of favourable policy reforms and successful roll-out of the vaccination drive; however, the intensity and depth of the second wave of infections may derail this rebound.

### OUR PERFORMANCE

At Yasho Industries, we demonstrated strong resilience and registered a robust performance during the year. Continuous product innovation, customer centric approach, and capacity expansion enabled us to deliver on our commitments and sustain growth momentum despite the challenging business environment.

Our revenue for the year grew by 21% from ₹ 29,706.30 Lakhs to ₹ 35,943.60 Lakhs in FY 2020-21. Turnover volume increased marginally by 21% at 7712 MT from 6388 MT in the previous year. This year, over 62% of our total revenues were contributed by exports, compared with 57% in the previous year. EBITDA grew by 38% to ₹ 5908.64 Lakhs from ₹ 4291.47 Lakhs in the previous year. Our improved performance was driven by new product development, better capacity utilisation along with robust demand for our products worldwide.

Net profit grew by 78% to ₹ 2147.74 Lakhs from ₹ 1204.46 Lakhs in the previous year. This was owing to higher demand from overseas markets and upscaling of demand owing to pollution issue in China. 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 contribute to future growth and profitability.

As you would expect, we stringently adopted all COVID-19 appropriate safety protocols across our locations and also implemented additional measures to ensure health and wellbeing of all our people in these testing times.



## ENSURING HIGHEST QUALITY AND CONSISTENCY

Quality and consistency is of paramount importance to us. We understand the criticality of our business for downstream companies and ultimately the end-users. We strive to maintain high standards of quality, while also attracting newer customers and strengthening relations with the existing ones. In recent years, we have spent considerable amount in purchasing state-of-the-art instruments which help us monitor our product quality. Further, though having multipurpose plant, we have automated several plant processes which minimise batch to batch variation and helps us deliver consistent quality products.

Our stringent checks and a quality control team ensures that quality is maintained through every process – right from procurement of raw materials to delivery. We also adhere to all the national and international quality standards. Our manufactured products are first sent to the Quality Department, where quality of the finished products is inspected on a sample basis, putting them through various test parameters and testing methods. Regular quality audits are also undertaken by the in-house quality control team.

## GROWING DEMAND FOR SPECIALTY CHEMICALS

The Indian specialty chemicals market is increasingly gaining importance as the world looks to reduce its dependence on China. Globally, specialty chemicals is estimated to reach USD 953.9 billion by 2027, growing at a CAGR of 5.0%. India's specialty chemicals sector is also expected to grow rapidly, and will be driven by increased application in different products. A unique combination of talented manpower and low-cost production makes India an ideal production hub for global markets.

## BUSINESS OUTLOOK

Our core competencies include a diverse portfolio, long-standing customer relationships, and outstanding technical and manufacturing capabilities that make us globally competitive. We are well qualified with respect to experience, certifications, and possess an in-house R&D team to develop and deliver products indigenously. We continue to see improving performance across end user industries on the back of robust demand. We are also witnessing a shift in international trade patterns and believe this is an opportune time for Indian chemical players like us.

In the wake of the COVID-19 pandemic, many companies across the globe are scouting for new alternate vendors and we are happy to qualify and become their long-term business partner. Therefore, we are working on increasing our exports to fill capacities, especially for the industrial and specialty chemicals segment.

**Our stringent checks and a quality control team ensures that quality is maintained through every process – right from procurement of raw materials to delivery. We also adhere to all the national and international quality standards.**

Further, government's powerful 'Atmanirbhar Bharat Abhiyan' will be fundamental in promoting domestic manufacturing and increasing India's self-reliance, thus presenting enormous opportunities. We are also focused on enhancing capacities and improving product mix to encapsulate the upcoming opportunities presented by our customer industries spread across the globe. Our primary goal is to ramp up our existing capacity to an optimum level. As we lay the foundations for a strong and future-ready business, our newly expanded capacity of Rubber, Lubricant, and Specialty chemicals will fructify in the coming months.

As part of our Corporate Social Responsibility, we strive to promote livelihoods and ensure holistic development of our communities. During the year, we contributed a sum of ₹ 10 Lakhs towards CM relief fund in Gujarat and ₹ 5 Lakhs towards PM relief fund to help the government combat the COVID-19 pandemic. We are also assisting in rebuilding of a primary school in Kocharva Village, Vapi and equip it with the latest technology such as classroom projectors, computer laboratory, etc.

## CONCLUSION

I would like to take this opportunity to thank our esteemed stakeholders, our shareholders, our customers, our suppliers, our business partners, and our family of dedicated employees for their unstinted trust and support in these difficult times.

We remain satisfied with the progress we are making, yet we believe that we still have a way to go. We believe that the combination of our inherent capabilities, expert management, innovation strength, and culture of customer-centricity will support us in our journey of driving consistent growth and success.

Warm Regards,

**Parag Jhaveri**  
Managing Director & CEO

## Capturing Our Milestones

### 1985

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

### 1993

- Commenced exclusive operations for Aromatic and Specialty Chemicals

### 1996

- Changed name from Vasu Preservatives Pvt. Ltd to Yasho Industries Pvt. Ltd

### 2000

- Commenced manufacturing of various Rubber Chemicals developed by in-house R&D

### 2001

- Received ISO 9001:2008 certification for high quality standards

### 2010

- Commenced manufacturing of Lubricant additives developed by in-house R&D

### 2013

- Recognised as Star Export House certified by Ministry of Commerce and Industry Directorate General of Foreign Trade

### 2016

- Upgraded to ISO 9001:2015 quality standards

### 2017

- Completed REACH registration to take full advantage of the market potential. Major product exported to Europe

### 2018

- Expansion at Unit-2, realigned the products produced at both the units Listed on the BSE SME

### 2019

- Commenced production in Unit-2 post expansion in July 2019 Received D&B (Dun Bradstreet) Awards for excellence in the chemicals sector (mid-corporate) for FY 2018-19

### 2020

- Set up Unit-3 in March 2020
- Migrated to main board on BSE