

CHAIRMAN'S SPEECH

Dear Shareholders,

It is my pleasure to welcome you all to the 104th Annual General Meeting of Aspinwall and Company Limited for the Financial Year 2023-2024, being held today through Video Conference. A special thanks to all of you for joining virtually. Business growth and the details of accomplishments and initiatives of the Company have already been provided in the Annual Report for the year.

The Annual Report for the Financial Year 2023-24, as well as the Notice, Annual Audited Accounts, and Auditor's Report, are already with you and with your kind permission, I take them as read.

Friends,

The past year was marked by significant challenges in the global economy, characterized by elevated inflation, increased interest rates, reduced investment, and disruptions resulting from Geo-Political situations. These factors collectively contributed to economic weakness. However, since the second half of 2023, there have been signs of recovery in the global economy. For 2024,

global GDP growth is projected to be 3.1%, with a slight increase to 3.2% anticipated in 2025, maintaining a steady pace from the 3.1% growth observed in 2023.

Amid the global economic slowdown, the Indian economy has emerged as a bright spot, showcasing remarkable resilience and growth. The International Monetary Fund (IMF) has raised India's GDP growth forecast for FY 2024-25 to 6.8%, an increase of 0.3 percentage points from its January 2024 projection. Looking ahead to FY 2025-26, the IMF predicts a growth rate of 6.5% for India, further underscoring the country's strong economic trajectory.

Against this background, I would like to present a synopsis of the company's performance during the FY24.

Overall Performance

- In comparison to the prior year's revenue of Rs.28,885 lacs, the Company's operating revenue for the FY 2023-24 was Rs.28,707 lacs.
- Operating EBITDA (before exceptional items) was **lower** at Rs.935 lacs for the FY 2023-24 as compared to the operating EBITDA of Rs.2,060 lacs (before exceptional items) in the FY 2022-23.
- The overall comprehensive income (after tax) for the year was also significantly **lower**, coming in at Rs.1,099 lacs as opposed to Rs. 2,297 lacs for the previous year.

Let me now apprise you about the performance of the individual businesses.

Our Company is a multi-line business organization and is engaged in Logistics services, Coffee processing and trading, Rubber plantations, manufacture, and trading of Natural Fibre products.

Coffee Division:

Coffee export data of India shows that 652 Indian coffee exporters shipped 383.6k worth of coffee during 2023-24. India's coffee exports increased by 12% to USD 1.25 billion in 2023–2024 due to increased demand for Robusta coffee on international markets. In 2022–2023, coffee exports from the nation brought in USD 1.12 billion.

Arabica has more demand in the international market as it is mild in taste and generally more refreshing.

During the current period, the margin has come down drastically due to higher procurement prices prevalent at the beginning of the last season and substantial reduction in international selling prices as compared to the same period last year which resulted in lower realization. This has resulted in substantial reduction in profits from Coffee Division.

There has been a marginal reduction of 97 MT in the quantity sold for the year under review as compared to the previous year. The average realization was better during the year with a positive impact of around ***Rs.496 lakhs.***

Logistics Division:

The logistics industry in India is experiencing significant growth at present raising expectations of an eventful 2024. As per the India Brand Equity Foundation (IBEF) report, the logistics market will reach an impressive US\$ 380 billion by 2025, with a YoY growth rate of 10%-12%. Meanwhile, the Red Sea shipping crisis — a result of Houthi rebel attacks on cargo ships and tankers — is causing hundreds of vessels to avoid the Suez Canal, one of the world's most important waterways. Instead, these vessels are being forced to reroute around southern Africa — a lengthy detour that adds 4,000 miles to each journey, vastly increasing transport times and freight costs. There is acute shortage of equipment and space on ships. The freight forwarding locations of the Division is finding it very difficult to get containers and space on ships for their existing customers. Moreover, the government is looking to bring down the logistics and supply chain costs from 13-14% to 10% of the GDP.

The major bulk cargo handling location at Mangalore performed well which is almost in line with last year, and is expected to continue during the current year. The major component handled during the last FY was fertilizer cargo. During FY 2024-25, the Division is expecting more fertiliser and maize cargo traffic at Mangalore. The Company has also invested for infrastructural facilities like Bagging Plant at its warehouse. The other bulk locations at Cochin, Chennai and Tuticorin performed very well during the year under review and it is expected to continue in the running FY also. At Tuticorin, it was recorded the highest

performance in the recent past. The major cargo handled were maize and cattle feed at Tuticorin.

Inspite of the challenges faced due to fall in freight rate levels leading to reduction in margins during 1st Half of FY, the performances of other freight forwarding branches were reasonably good during the FY.

We're happy to inform you that during Q4, Cochin and Trivandrum jointly handled the 1st CHA documentation operations at Vizhinjam major port and the logistics branch at Mumbai handled the C&F operations of 1st Break Bulk import shipment, during Q3/Q4.

Revenue from Import break bulk operations and warehousing services has been stable at Cochin. While Goa faced challenges primarily due to discontinuation of feeder vessel services added with bad sea food export season.

The customs broking volumes and revenues were stable and there were also new customer acquisitions during the FY.

The Division started sales office at Pune and Operations at Mundra.

The Company feels that the global situation is expected to be improved which will help us in improving the performance.

Plantation Division:

With rubber cultivation introduced in the early 1900s in the southern region of India, today the country is the world's sixth-largest producer of natural rubber. The cultivation of rubber trees has become widely practiced in India due to highly supportive governmental supervision and favorable climatic conditions. Kerala and the Kanyakumari District of Tamil Nadu on the Indian

subcontinent constitute the traditional region for rubber plantations. Recently, rubber plantations were also established in the country's northeast region to cater to the growing demand. As of 2022, India was the world's second-largest natural rubber consuming country.

Natural rubber production in India reached its peak of nearly 914 thousand metric tons in 2013 due to favorable weather conditions and a sudden surge in global rubber prices in the beginning of that decade. Nonetheless, it subsequently declined owing to the excessive monsoons that disrupted the rubber-tapping process in Kerala, which is the foremost producer of natural rubber in the country. Rubber production in the country experienced a significant decline in 2016. Since then, it has seen a modest recovery, but it is still far below the 2013 peak. Furthermore, competition from Southeast Asian countries with lower production costs is fierce.

During the current year, there's substantial reduction in operating loss as compared to last year and has closed the year with a nominal operating loss. But with increase in other income like income from rubber tree sales, timber sales and minor produce, and the write-back of liabilities no longer required, the Division could close the year with a decent PBT.

The Division expects that the price situation is likely to be better in the running FY.

Natural Fibre Division:

The coir mattress market is witnessing steady growth globally due to increasing consumer preference for eco-friendly and sustainable bedding solutions. Coir, derived from coconut husks, offers natural ventilation, moisture resistance, and

durability, making it an attractive choice for mattresses. In developing India, the traditional coir industry employs 0.55 million people. Production of coconuts and coir is dominated by Kerala, Karnataka and Tamil Nadu.

The performance, however, of the Company for the current year was satisfactory, more or less in line with the estimates. The Division ended up with nominal profits compared to loss incurred for the previous year. The management is presently undertaking the process of improving the basic infrastructural facilities at its factory at Tamil Nadu and also improving its marketing capabilities and initiatives.

Subsidiary Companies

The Company has presently four wholly owned subsidiaries. There has been no material change in the nature of business of the subsidiaries.

- Malabar Coast Marine Services Private Limited: The main business of the Company is stevedoring and freight forwarding, mainly in the port of Mormugao (Goa). Major income for the said Company is from investments as the operational incomes were considerably lower during the last few years.
- SFS Pharma Logistics Private Limited: Company is engaged in the business of logistics assistance in India and abroad relating to clinical trial shipments, pharma products, and other temperature sensitive cargo. SFS is also handling business through its net work arrangements with partners in other countries. Due to global situation, the overall performance of the Company was lower than the previous year, but considering the challenges

being faced for the year, the performance for the year was quite satisfactory. The good performance of the Company for the FY 2023-24 is expected to continue for FY 2024-25 too, as the company has a good clients base in domestic as well as global market inspite of challenges faced due to global scenario in logistics segment. We are also putting more efforts to expand the client base in addition to improvement of the volumes with the existing customers.

- **Aspinwall Geotech Limited:** Since the destruction of equipment due to a fire mishap that happened in 2002, Aspinwall Geotech Limited has not engaged in any commercial activity.
- **Aspinwall Healthcare Private Limited:** The Company's main activities consist of manufacturing and trading of medical products/accessories/equipment and the activities had started during the month of June, 2021. The performance of the Company continued to be below par than the expected levels. The management also feels that there's limited scope for making considerable operational margins in future. The Company at their meeting held on 25.05.2024, decided to discontinue the operations of the Company effective from the said date. Based on the same, all the assets and liabilities were revalued at realisable amounts.

Dividend

The Board of Directors of your Company has recommended a first and final dividend of Rs.6.00 per equity share for the FY 2023-24 as compared to the First and Final Dividend of same rate for the FY 2022-23, thereby retaining for the third consecutive year, the highest dividend recommended/declared in the history of the Company.

Corporate Social Responsibility

As a responsible corporate entity, your company always stands in solidarity with society and extended all possible assistance in this regard.

Based on the CSR Policy, your Company has spent Rs.34 lacs during the FY, under various Projects that included Projects for improving infrastructural facilities of Schools/ Hospitals /Old age Home.

Change in Directors

The Board, based on the recommendation of the Nomination and Remuneration Committee of the Company, appointed Ms.Rajni Anil Mishra as the Additional Director under Independent category with effect from October 01, 2023, for a period of five years, which was approved by the shareholders vide Postal Ballot dated 12 December, 2023.

Mr. Vijay Kunhianandan Nambiar, Independent Director, completed his first tenure of 5 years on 26 May, 2024. Based on the recommendations of the Nomination and Remuneration Committee and the Board, a special resolution has been added as an item to the AGM Notice, to re-appoint Mr. Vijay Kunhianandan Nambiar as an Independent Director for another period of 5 years effective from August 01, 2024, for the consideration of the shareholders,

and

Mr.CRR Varma, Non-executive Director, is liable to retire by rotation in this AGM and is eligible for re-appointment.

ACKNOWLEDGEMENTS

I would like to convey my sincere thanks to all our shareholders, customers, suppliers, bankers, auditors, legal advisors, consultants and all other business associates, the Government and various authorities for their continued trust and confidence in the Management of the Company.

I would also like to thank all our stakeholders for believing in us and supporting us throughout our journey.

Last, but not the least, I would like to thank all employees of Aspinwall and Company Limited for their high level of motivation, commitment and hard work. As I close, I would like to take this opportunity to thank you all for your continuous support and faith in the Company and its management.

Thank you!