



# EIMCO ELECON (INDIA) LIMITED

## CHAIRMAN'S SPEECH

### AT THE 48<sup>TH</sup> ANNUAL GENERAL MEETING

During the year under review, your Company achieved a Total Income of Rs. 9,362.14 Lakh with Profit After Tax of Rs. 867.79 Lakh as compared to Rs. 13,746.15 Lakh and Rs. 1,127.50 Lakh respectively, for the previous year.

This continued to be a challenging year for the Company considering the impact of Covid-19 which had caused the disruption in the supply chain and impacted the performance of the Company.

During the year under review, your Directors have recommended a dividend of 25%.

#### **Economic Environment:-**

India's economy is expected to grow at 7.2% for Fiscal Year 2022-23 as per the Reserve Bank of India's latest projections in June 2022 and is likely to be the fastest growing major economy in the world in FY2023. However, headwinds caused by recent geo-political tensions and increasing inflation may pose challenges and business environment will remain volatile for some more time.

#### **Future Outlook for Coal/Metal Industry:-**

In the underground mining sector, Intermediate technology continues to be the backbone of underground production with over 65 percent of the total underground production being met by Side Dump Loaders (SDLs) and Load Haul Dumpers (LHDs). The growth in underground production was stagnant due to higher cost of mining, however now the technology upgradation to blast free technology will open up new avenues for us. Our indigenously developed CM package is under trial and will be established in near future. Also the introduction of high capacity underground loaders for the metal mines will add to our revenues.

### **Future Outlook for Construction Equipment Industry:-**

Newly manufactured Product 'Piling Rig' under 'Make in India' in technical collaboration with CZM from USA, has started showing signs of acceptability by Indian Market due to better performance over its rivals. Your company is going to add on Higher Range Model of Piling Rig in the forthcoming/impending Financial Year to increase the offered range to Indian buyers. It will also add on to presently offered product basket of Construction Equipment to Indian users. With focus on improving on market reach during off take of various infrastructure projects both the models of Loaders are expected to improve their market position among highly competitive market. Your company had also launched new version of Loaders AL-120 & AL-520, with latest emission norms & with improved features against heavy competition from national & global players, considering the higher demand from this sector. The focus on improvement in current distribution network will help spread the product geographically. In the construction equipment industry , Skid Steer Loader, a highly versatile machine having a growth potential & primarily used in Industry material handling as well as Infra projects, is also on launch pad and the same will be seen joining the league of earlier introduced products.

### **Corporate Governance:-**

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Good governance facilitates effective management and enables company to maintain a high level of business ethics and to optimize the value for all its stakeholders.

### **Acknowledgement:-**

Before concluding, along with my colleagues on the Board, I wish to take this opportunity to thank you, the Financial Institutions, Banks, suppliers and valued clients for their whole hearted support extended to the Company during the year and I am sure would continue to do so in the future.

Last but not the least, I also place on record my appreciation for the excellent work done by staff and workmen at all levels.

Thank you,

**PRADIP M. PATEL**  
**CHAIRMAN**

Place : Vallabh Vidyanagar

Date : 27<sup>th</sup> June, 2022