



Elecon Engineering Company Limited

Chairman's Speech

At

60th Annual General Meeting

Time : 10.00 a.m.

Date : 24-09-2020

1

Dear Shareholders, Ladies & Gentlemen

I welcome you all on behalf of the Board of Directors, the Management and the Employees of the Company.

Due to COVID impact and pursuant to various Circulars/Notifications of Ministry of Corporate Affairs and SEBI; the 60th Annual Reports for fiscal 2020 have been circulated through e-mail. We have endeavoured to accurately lay out the business performance and outlook of the Company; we believe that would help you in understanding the direction that we have set for the future.

With your kind permission, I take the Board's Report and Audited Accounts for Financial Year 2019-20 as read and would now take you through some of the key highlights of the fiscal gone by.

ECONOMIC OUTLOOK

The global output to grow at 2.9 per cent in 2019, declining from 3.6 per cent in 2018 and 3.8 per cent in 2017. The global output growth in 2019 is estimated to be the slowest since the global financial crisis of 2009, arising from a geographically broad-based decline in manufacturing activity and trade.

2

The global economy would continue to grow at a steady pace of around 3 per cent in 2019 and 2020 amid signs that global growth has peaked.

DOMESTIC OUTLOOK

Indian economy grew at the rate of 6.8% in 2018 and 4.1% in 2019 and is forecasted to grow at 1.2% in 2020. India is going through the most serious economic crisis since 2013 even in the pre-Covid period. After the Pandemic Lockdown, the economic crisis looks far more serious with GDP growth rate being -23% in Q1 of 20-21.

The challenges faced by Indian corporates are more for survival, restructuring for higher efficiencies and to change the outlook to look for different opportunities and think out of the Box.

Engineering Sector has further challenges as demand seems to have peaked and increase in demand seems a distant possibility.

YEAR AT A GLANCE - COMPANY PERFORMANCE

Now, let me try to turn my attention to the performance of the year gone by.

The overall business performance in fiscal 2020 has been muted on account of sluggishness in certain sectors and disruption caused by pandemic towards

3