INVasset Knowledge Bank

EIMCO ELECON (INDIA) LTD

8th December, 2023

INVASSET

India's Best Performing and Most Customer Centric PMS

Eimco Elecon (India) Limited, established in 1974, is engaged in the manufacturing and marketing of equipment tailored for both Underground and Opencast mining operations. The company is located in Vallabh Vidyanagar, Gujarat, strategically positioning itself within the mining landscape. Pioneering advancements in the sector, Eimco Elecon (India) Limited holds the distinction of being the inaugural company to introduce intermediate technology in India. This innovative technology encompasses Side Dump Loaders, Load Haul Dumpers, and Rocker Shovel Loaders, revolutionizing mining practices in the country.

The company's commitment to technological progress and efficiency in mining operations is underscored by its introduction of these groundbreaking equipment types. These advancements are crucial for enhancing the extraction processes in both underground and open-pit mines.

Eimco Elecon (India) Limited's legacy as an industry leader is grounded in its continuous efforts to bring cutting-edge solutions to the mining sector. With a foundation dating back to 1974, the company has been integral in shaping the mining equipment landscape in India.

Stock Data	
CMP (08-12-2023)	1,702.70
52 Week High/Low	1,897.80 / 333.55
Face Value (In Rs.)	10
Market Cap (In Crs)	982
NSE	EIMCOELECO
BSE	523708
Bloomberg	EEI:IN
Sector	Engineering – Industrial Equipments

Shareholding Pattern (in %)		
	JUN 23	SEP 23
Promoter	74.06	74.06
FII	0.01	0.00
DII	0.00	0.00
Public	25.93	25.94

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	7.85	12.53	12.68
EIMCOELECO	15.57	188.99	283.79

Key Ratios (Mar-23)	
P/E	10.41
P/B	0.56
Debt To Equity	0.00
ROE	5.72%
ROCE	8.00%
Dividend Yield	0.35

Investment Rationale

» **Rising Demand for Mining Equipment:** With Coal India Limited targeting a 13% increase in coal production and the government's push for commercial mining, there is a growing demand for advanced mining equipment. EIMCO Elecon, specializing in mining machinery, is poised to benefit from this trend.

» **Government Initiatives and Incentives:** Government initiatives, such as removing end-use restrictions and offering rebates on revenue share, create a favorable environment for companies in the mining supply chain. EIMCO Elecon stands to gain from increased participation in commercial coal block auctions.

» **Capacity Enhancement Opportunities:** The industry's need to rapidly enhance coal production capacity presents opportunities for EIMCO Elecon to provide innovative solutions for optimizing operations in both newly allocated and underutilized captive coal blocks.

» **Domestic and Global Market Access:** The opening up of the coal sector for domestic and global players positions EIMCO Elecon to explore new markets. The company can leverage its expertise to cater not only to the growing domestic demand but also to potential international opportunities in the mining equipment sector.

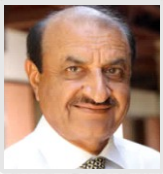
» **Technological Innovation and Efficiency:** EIMCO Elecon's strategic emphasis on technological innovation and delivering cutting-edge solutions is well-aligned with the coal mining industry's imperative for heightened efficiency and productivity. This unwavering commitment positions EIMCO Elecon as a crucial and valuable partner in the dynamic evolution of the coal mining sector. By consistently integrating state-of-the-art technologies, the company not only meets industry demands but also plays a pivotal role in shaping the future landscape of efficient and sustainable coal production.

Company Philosophy



EIMCO Elecon India Ltd is dedicated to upholding the principles of Good Corporate Governance. The company is unwavering in its commitment to fulfilling the expectations of all stakeholders, adhering to the highest ethical standards in business operations. Retaining its industry leadership, EIMCO Elecon pursues excellence in all facets, particularly in business conduct. The company's Corporate Governance philosophy is rooted in ethical principles, emphasizing efficient and transparent business practices to meet obligations to shareholders and stakeholders. EIMCO Elecon prioritizes transparency, accountability, fairness, and integrity, aiming to create long-term sustainable value. The company has fully implemented the mandatory requirements of SEBI (LODR) Regulations, 2015, and strongly believes in stakeholders' right to comprehensive information about its business and financial performance.

» Navigating Excellence: Insights into the Dynamic Leadership of EIMCO Elecon India Ltd's Board of Directors



Shri Pradip M. Patel, Chairman
Since his appointment on January 11, 1996, Shri Pradip M. Patel, an MBA (USA), has been a cornerstone at EIMCO Elecon. With an extensive background in the Bearing Industry, he contributes significantly as a Director, overseeing crucial committees, including Audit, Nomination, Remuneration, and Corporate Social Responsibility.



Shri Prayasvin B. Patel, Executive Director
With over 47 years of top management experience, Shri Prayasvin B. Patel, an MBA (USA), serves as a key promoter and Executive Director at EIMCO Elecon. Re-appointed on November 9, 2021, he also holds the position of Chairman and Managing Director at Elecon Engineering Company Limited.



Shri Nirmal P. Bhogilal, Independent Director
Appointed as Director since September 23, 2011, Shri Nirmal P. Bhogilal, a B.Sc.(Engg.) in Chemical Engg. from London University, A.C.G.I., serves as the Chairman and Managing Director of Batliboi Limited since 1973. Additionally, he chairs the Audit and Nomination & Remuneration Committees of the Board.



Shri Prashant C. Amin, Non-Independent - Nominee Director
Assuming the role of Director since October 25, 2007, Shri Prashant C. Amin, holding a Master's Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani, serves as a Nominee Director of Elecon Engineering Company Limited. Additionally, he chairs the Stakeholders' Relationship Committee and is a Member of the CSR Committee of the Board, ensuring comprehensive governance.

Comprehensive Investment Rationale

Visionary Leadership: EIMCO Elecon stands as a testament to visionary leadership, propelling the company's unwavering commitment towards providing state-of-the-art solutions for the exploration of Earth's resources. This commitment, deeply rooted in the leadership's foresight, aims not only to advance the company's strategic direction but also to contribute significantly to societal well-being. The leaders at EIMCO Elecon champion a forward-thinking approach, driving innovation and sustainability to the forefront of the company's mission. At the core of this visionary leadership is a profound dedication to efficiency and cutting-edge technology in resource exploration. EIMCO Elecon's leaders recognize the transformative power of advanced solutions and their potential impact on society. This commitment positions the company as a pioneer, ready to adeptly navigate the dynamic terrain of the resource exploration industry. The emphasis on visionary leadership extends beyond immediate business objectives; it instills confidence among investors. EIMCO Elecon's leaders not only steer the company towards innovative solutions but also

cultivate an environment that encourages adaptability and continuous improvement. This approach ensures that the company remains at the forefront of industry advancements, fostering a culture of trust and reliability. In essence, EIMCO Elecon's visionary leadership is a guiding force that propels the company towards a future marked by technological excellence and societal benefit. It underscores a commitment to staying ahead in an ever-evolving industry, instilling assurance in stakeholders and positioning the company as a frontrunner in the realm of resource exploration.

Customer-Centric Approach: EIMCO Elecon's foundational strategy is deeply rooted in an unwavering commitment to a customer-centric approach, where exceeding rather than just meeting customer needs takes precedence. This dedication is epitomized by the company's promise to craft equipment that not only meets but surpasses expectations, showcasing a profound commitment to cultivating enduring connections with customers. By ensuring that its offerings go above and beyond in terms of reducing operational efforts, enhancing safety protocols, and contributing to wealth generation, EIMCO Elecon not only places customer satisfaction at the forefront but also cements its position as a reliable and indispensable partner in the industry. This customer-centric paradigm extends beyond transactional engagements, aiming to establish lasting partnerships that transcend conventional supplier-client relationships. EIMCO Elecon's commitment to long-term customer loyalty is underlined by its continuous efforts to foster positive brand imagery, portraying the company as a trusted leader in the field. Through this strategic approach, EIMCO Elecon positions itself not just as a provider of solutions but as a collaborative ally deeply committed to consistently meeting and surpassing the ever-evolving needs of its esteemed clientele. In embracing this philosophy, the company seeks to build enduring connections that stand the test of time, reinforcing its role as an industry forerunner dedicated to excellence and customer satisfaction.

Ergonomic-Excellence: EIMCO Elecon's unwavering dedication to ergonomic excellence stands as a fundamental pillar in shaping its distinctive market positioning. The company's relentless focus on upholding standards of quality, consistency, and impeccable workmanship positions its machines and services as industry benchmarks. This commitment transcends mere compliance; it embodies a pervasive philosophy of continuous improvement that permeates every aspect of design, manufacturing, service, and product development. In the competitive landscape, EIMCO Elecon not only meets industry standards but elevates them, setting an exemplary standard for competitors. The company's commitment to ergonomic excellence is not just about meeting expectations but about surpassing them, demonstrating a dedication to providing cutting-edge solutions that prioritize efficiency and enhance the overall user experience. This steadfast commitment to excellence is a testament to EIMCO Elecon's proactive approach to industry leadership. The company doesn't merely adapt to industry norms; it pioneers innovative solutions that redefine benchmarks. By consistently raising the bar, EIMCO Elecon not only ensures its own success but also contributes to the advancement of the entire industry.

Employee Value and Development: EIMCO Elecon places profound importance on its employees, recognizing them as invaluable assets crucial to the sustained success of the company. The commitment to their value and ongoing development is not only a strategic necessity but also a testament to the company's dedication to fostering a motivated and highly skilled workforce. At the core of this commitment is the pledge to cultivate a work environment anchored in principles of honesty, teamwork, and active participation, which collectively contribute to fostering a positive workplace culture. This dedication to employee well-being goes beyond rhetoric; it translates into concrete actions aimed at acknowledging and appreciating the efforts of all employees and associates. By actively fostering a culture that prioritizes both professional and personal growth, EIMCO Elecon ensures that its workforce is not only satisfied but also continuously evolving. This commitment to employee development is not just an HR strategy; it's a fundamental aspect of the company's ethos, underscoring its belief that the success and sustainability of the business are intricately linked to the holistic growth and contentment of its employees. In essence, EIMCO Elecon's commitment to its workforce goes beyond the standard employer-employee dynamic; it embodies a holistic approach that recognizes employees as integral contributors to the company's overarching success and longevity.

Global Growth Strategy: EIMCO Elecon's mission is deeply intertwined with the strategic pursuit of establishing a robust presence not only in established markets but also in emerging markets globally. This mission is anchored in deliberate strategies of expansion, collaboration, and forming associations with partners who share a common vision. The commitment to maintaining a position that is "always a step ahead in technology" underscores the company's proactive and forward-thinking stance. This commitment is exemplified through a continuous emphasis on research and development, showcasing EIMCO Elecon's dedication to innovation. Positioning itself as a key player on the global stage is a deliberate move aimed at capitalizing on diverse markets, thereby ensuring a resilient and diversified revenue stream. The company recognizes the dynamic nature of international markets and the opportunities they present for growth and sustainability. This global market presence strategy is not merely a tactical decision but a strategic ambition, aligning with EIMCO Elecon's vision to be a significant player in the international arena. By embracing this global outlook, EIMCO Elecon is not only expanding its geographical footprint but also diversifying its market exposures. This diversification is a key component of the company's long-term growth and stability strategy. It reflects a holistic approach that acknowledges the interconnectedness of global markets and positions EIMCO Elecon as an agile and forward-looking entity ready to navigate the complexities and opportunities of the international business landscape.

EMTICI Engineering Ltd. is the marketing & servicing company for EIMCO products in India. All branches are equipped with exclusively trained application and after sales service engineers, who are keen to serve their clients and challenge any problem in their field.In view of a widely spread customer base across the country.



EIMCO Elecon: Pioneering Cost-Effective Excellence: EIMCO Elecon is unwavering in its dedication to maintaining cost competitiveness, placing a strong emphasis on the elimination of non-value-added activities to achieve enhanced overall efficiency. This commitment is deeply rooted in the company's pursuit of excellence, ensuring that it remains a reliable and cost-effective choice for its customers. EIMCO Elecon's strategic approach aligns seamlessly with industry best practices, positioning the company as a financially prudent and highly competitive player in the market. At the core of EIMCO Elecon's operational philosophy is a relentless focus on high-quality operations. This dedication to quality serves as a cornerstone in establishing trust and long-term relationships with clients. The company's strategy revolves around cost competitiveness and operational efficiency. By continually streamlining processes and identifying areas for improvement, EIMCO Elecon aims to maximize value for both its customers and stakeholders. This focus on efficiency not only enhances customer satisfaction but also contributes to the sustainable growth and profitability of the company. EIMCO Elecon recognizes that in a dynamic market, staying competitive requires constant adaptation and innovation. By staying at the forefront of industry trends and technological advancements, the company positions itself as a forward-thinking and agile player in the market. In conclusion, EIMCO Elecon's commitment to cost competitiveness, efficiency, and high-quality operations reflects its dedication to providing value to customers and stakeholders. This strategic approach, aligned with industry best practices, ensures the company's resilience, making it a key player in the market and contributing to sustained growth and profitability.

Environmentally Responsible Practices: EIMCO Elecon stands as a beacon of commitment to environmentally responsible practices, exemplifying its dedication by continuously reviewing and enhancing products and processes across the entire supply chain. The company recognizes the imperative to safeguard the environment and actively engages in efforts to optimize the consumption of natural resources, ensuring the highest standards of environmental sustainability. This commitment extends to stringent compliance with environmental regulations and a concerted effort to minimize adverse environmental impacts at every stage of its operations.
The ethos of EIMCO Elecon reflects a profound alignment with the global paradigm shift toward sustainability and responsible corporate citizenship. The company is not merely content with meeting regulatory requirements; instead, it aspires to set new benchmarks in environmentally friendly practices. By integrating green initiatives into its core values, EIMCO Elecon positions itself not only as a compliant entity but as a socially responsible organization dedicated to actively contributing to environmental conservation and the broader ethos of sustainable business practices. In an era where environmental consciousness is pivotal, EIMCO Elecon's proactive approach not only addresses the pressing concerns of today but also strategically positions the company for a sustainable future. Through its unwavering commitment to environmentally friendly practices, EIMCO Elecon emerges as a responsible steward of the planet, shaping a narrative of conscientious corporate leadership that goes beyond compliance, actively participating in the global movement toward a greener and more sustainable world.

EIMCO Elecon's TPM Commitment: Excellence, Safety, and Sustainable Operations: EIMCO Elecon's Total Productive Maintenance (TPM) policy stands as a comprehensive commitment to perpetual enhancement, striving for the ambitious goals of zero defects, zero breakdowns, zero accidents, and zero losses. This multifaceted approach transcends conventional practices, not only augmenting productivity and curtailing costs but also prioritizing the creation of a secure, hygienic, and gratifying work environment. The emphasis on continual improvement is not just a strategic initiative; it is a testament to EIMCO Elecon's unwavering dedication to fostering a workplace that thrives on efficiency and maintains high employee morale. Central to the TPM philosophy is the pursuit of zero defects, signaling an uncompromising dedication to the highest standards of product quality. This commitment is mirrored in the endeavor for zero breakdowns, underlining the company's determination to ensure operational continuity and minimize disruptions. Simultaneously, the aspiration for zero accidents reflects EIMCO Elecon's prioritization of employee safety, emphasizing the creation of a work environment where the well-being of every team member is paramount. EIMCO Elecon recognizes that a workplace that values its employees' well-being is inherently more productive and sustainable. By championing TPM, the company aligns itself with the best practices in operations management, a strategic move that not only enhances its overall competitiveness but also contributes significantly to its long-term sustainability. Through this holistic approach, EIMCO Elecon positions itself as an industry leader that not only sets ambitious goals but actively strives to achieve and exceed them, ensuring a future characterized by excellence, safety, and continuous improvement.

PRODUCTS

COAL



MINING APPLICATION



625 SIDE DUMP LOADER

- Robust and versatile machine for toughest underground application
- High strength and impact resistant structure
- Worldclass track parts for utmost reliability
- Ergonomically designed machine for operator's comforts without negotiating with the safety
- Modular design for ease of assembly, transportation and maintenance
- Extra large cooling system and tank capacity for lower operating temperature with HFB fluid
- Modular design for ease of assembly, transportation and maintenance



611 SIDE DUMP LOADER

- Real low height machine, which can operate in seam as low as 1.2 m.
- Variable travel speed for lowest cycle time vis-a-vis highest productivity
- Fingertip controls for reduced fatigue, higher productivity and safety of operator
- Compact but spacious for maintenance compared to SDL
- High strength and impact resistant structure
- World-class track parts for utmost reliability

PRODUCTS

COAL

MINING APPLICATION



811 LOAD HAUL DUMPER

811 LOAD HAUL DUMPER (LOW HEIGHT)



Features

- High tractive efforts for working in steep gradient and single pass loading.
- Heavy duty power shift transmission.
- High strength and impact resistant structure.
- Option of different rating and types of bucket like bi-directional conveyor bucket.
- Cross seating operator position for better bi-directional visibility and safety.
- Simple hydraulics for ease of maintenance.

912E Load Haul Dumper



- Higher payload for increased productivity.
- No spin differential on both the axles.
- High strength and impact resistant structure.
- Extra large cooling system and tank capacity for lower operating temperature with HFB fluid.
- Cross seating operator position for better bi-directional visibility and safety.

PRODUCTS



912CH
COAL HAULER

Features

- Simple hydraulics for ease of maintenance
- High strength and impact resistant structure
- No spin differential on both the axles
- Cross seating operator position for better bi-directional visibility and safety
- All Operations Fully Hydraulic
- Higher payload for increased productivity

PRODUCTS



611 – UNIVERSAL DRILL MACHINE



612 – UNIVERSAL DRILL MACHINE (LOW HEIGHT)

Features

- Rotary drill ensures fast drilling speed.
- Maximum penetration speed to complete full face drilling in a minimum time and to maximize production.
- Maximum stiffness to meet the hardest underground condition.
- Compact feed allows drilling under low roof height and is a simple robust design for minimum maintenance.
- Robust universal boom with 360 rotation for fast and easy face & roof drilling.
- Powerful crawler carrier ensured fast and safe maneuvering in narrow drifts and under low coal seams.
- All the service points are well protected but easy to access for fast and economic maintenance.
- Large and optimum shaped coverage allowing maximum bolt's implementation from one setting.

PRODUCTS

CONTINUOUS MINER



- Microprocessor controlled DC motor drive with advanced diagnostics and programmable features.
- DC driver systems have protections like Thermal protection, Motor overload, Over current Protection.
- Displays shows all motors parameters, motor starting interlocks conditions, motor faults.
- Radio Remote control with backup data logger for smooth machine operations with range of 100m.
- Efficient spraying system for highest safety and dust control.



SHUTTLE CAR

- DC drive electronic system integrates electrical, software, electronic and mechanical systems for stable performance.
- Heavy-duty, high-power drive train to handle heavy loads in hard conditions.
- Heavy-duty conveyor decking to improve reliability and durability.
- Operational control panel with PLC screen which shows healthiness and fault of the system.

PRODUCTS



ROOF BOLTER

DGMS approved electrical equipment

The drilling system with twin independently elevating booms has a greater flexibility to allow more easy operation in roof bolting process

Powerful crawler carrier ensures fast and safe maneuvering in underground coal mines.

Robust universal drill mast with 90 degree rotation for fast and easy face and roof drilling.

PRODUCTS



907 LHD

- Total Length - 9115 mm.
- Total Loaded Weights - 27,000 Kgs.
- Tramming Capacity - 7000 Kgs.
- Breakout Force - 13,830 Kgs (Lift) And 15,284 Kgs (Tilt).
- Turning Radius - 2555 mm (Inner) and 5640 mm (Outer).
- Total Operating Weights - 20,000 Kgs.
- Electronically Controlled Pilot Operated Joystick For Bucket Rollback And Lift Operations.
- Type Of Engine - Volvo TAD851VE (MSHA - Approved Tier 3) With 6 Inner Cylinder.
- Engine Fuel - High Speed Diesel - 300 Litre
- 45 Degree Turning Angle.
- 4 Front And 2 Rear Work Lights (LED)
- Rear View Camera With Infra Red Night Vision LED.
- Emergency Streering System
- Centralized Lubrication System.
- Automatic Fire Suppresion System.
- Simple 24V Electric System For Ease Of Maintenance.

- Electronically Controlled Pilot Operated Joystick For Bucket Rollback & Lift Operations
- 6 Inline Cylinder
- 400 Ltr Fuel Tank Capacity



910-LHD



822 – LHD

- Dynamic Breaking Through The Hydrostatic Transmission
- 4 Inline Cylinder
- 225 Ltr Fuel Tank Capacity

PRODUCTS



912B MK II LOAD HAUL DUMPER

- Payload - 4000 Kgs
- Breakout force - 6700 Kgs (DIGGING) and 11890 Kgs (HYD. COMBINED)
- Type of engine - Deutz F6L 912W
- High Strength and impact resistant structure.
- Compact in size with short turning radius.
- Short loading and tramming cycles.
- Spacious operator compartment on rear chassis at articulation.
- Unique articulation joint and rear axle oscillation for minimum downtime.
- Full power shift Transmission.
- No spin on both front and rear axles.
- High dumping height for easy truck loading.
- Modulated clutch for reduced shocks and drive train stress.
- Pilot operated controls for reduced fatigue and increased productivity.
- Designed for effective maintenance.
- Simple 24V Electric system for ease of maintenance.



LOW PROFILE DUMP TRUCK

Eimco Elecon Trucks are proven workhorses in the toughest underground mining applications. Featuring 4 wheel drive with articulated steering, our Trucks offer unsurpassed traction and optimum maneuverability. Maximum productivity with minimum size places each of these trucks in a class of their own.

ARTICULATED WHEEL LOADER



AL 120 – ARTICULATED WHEEL LOADER

- Bucket capacity 1.2 m3 Standard and up to 1.6 m3 optional.
- Front end Articulated, 4 Wheel drive loader with all wheels of equal size.
- Engine power 76hp @ 2200 rpm.
- Turning radius is as small as 3.78m
- Z bar linkage for high breakout force.
- Hydrostatic drive which gives instantaneous and fast operational speed.
- Spacious operators cab with excellent visibility.
- Single lever operation.
- Low operating weight only 6.2 T which gives excellent fuel economy.
- Loading height suitable for loading standard high body trucks/tippers, or Railway wagons.

PRODUCTS

ARTICULATED WHEEL LOADER



- Bucket capacity of 1.9 - 3.0 cuM
- Engine Power 150 hp @2200 rpm
- Operating weight 11010 kg
- Hydrostatic steering system
- Single Lever operation
- Electrically controlled transmission
- Wet Disc Brakes

AL 520 – ARTICULATED WHEEL LOADER

FOUNDATION EQUIPMENT

PILING RIG MODEL EC216





- Designed in USA, Make in India
- A Step Ahead in Foundation Technology
- Unique Kelly Bar Design with High Contact Ratio & Ease of Maintenance
- CFA with Bottom Head Drive
- Robust Steel Mast made up of High Strength Steel
- High Performance to Power Ratio
- Fuel Efficient & Economical Isuzu Engine
- Unique Rotary Design for Longer & Durable Life
- Capable for use of Multiple Working Range
- Supported by Wide Pan India Service Network.
- Compact & Easily Transportable
- Off the Shelf Spare Parts Availability being In-house Production
- Serviced by Trained & Efficient Team on site

Industry Outlook

The mining industry, encompassing both underground and open-cast operations, plays a pivotal role in extracting valuable minerals and resources from the Earth's crust. This sector is essential for various industries, including construction, energy, and manufacturing.

Current State of the Industry: The mining industry has witnessed significant advancements in technology and equipment, leading to increased efficiency and safety in both underground and open-cast mining. Underground mining involves extracting minerals from beneath the Earth's surface through tunnels and shafts, while open-cast mining involves removing overlying rock and soil to access deposits near the surface. Both methods have their advantages and challenges. The manufacturing side of the industry focuses on producing state-of-the-art machinery and equipment tailored for the unique demands of mining operations. Cutting-edge technologies, such as autonomous vehicles, advanced drilling techniques, and real-time monitoring systems, have become integral to enhancing productivity and reducing environmental impact. Marketing efforts in the mining industry are multifaceted, involving global partnerships, strategic alliances, and compliance with environmental regulations. Companies engage in extensive market research to identify emerging trends, understand consumer demands, and establish sustainable practices. As the world's population continues to grow, the demand for minerals is expected to rise, driving the industry to explore new markets and opportunities.

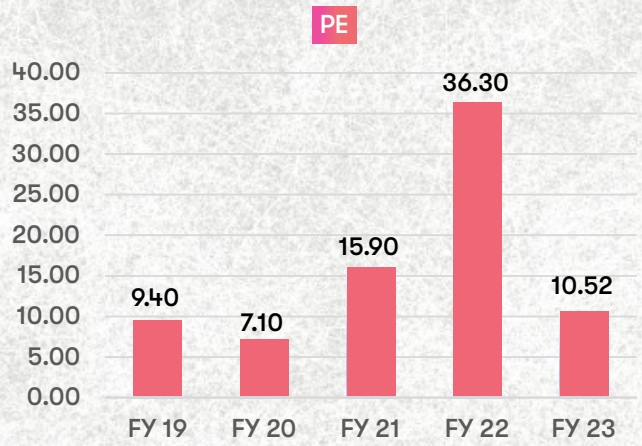
Future Outlook: The future of the mining industry is marked by a combination of technological innovation, sustainable practices, and increased global demand for minerals. Automation and artificial intelligence are likely to play a more prominent role in mining operations, leading to improved safety, efficiency, and cost-effectiveness. The industry is also expected to focus on environmental and social responsibility, with an emphasis on reducing carbon emissions, water consumption, and the overall ecological footprint. As the world transitions to renewable energy sources, the demand for minerals like lithium, cobalt, and rare earth elements is projected to soar. This shift presents both challenges and opportunities for the mining sector. Companies that adapt to these changing dynamics by investing in sustainable practices and diversifying their portfolios are likely to thrive. Global economic trends and geopolitical factors will continue to influence the mining industry's future. Emerging markets, especially in Asia and Africa, may become key players in the mining and consumption of minerals. Collaborations between mining companies and governments will be crucial in navigating regulatory landscapes and ensuring responsible resource extraction.

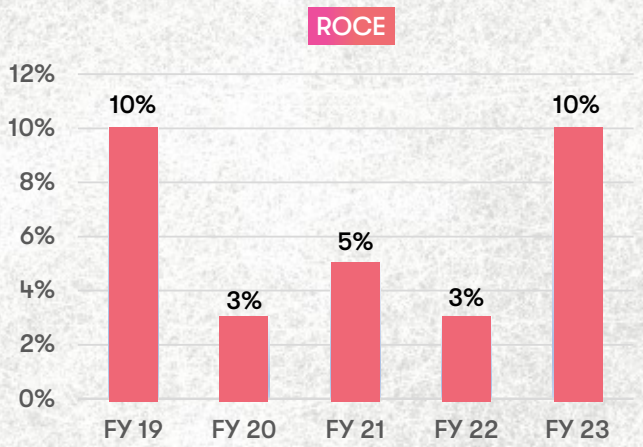
Risks: Despite the promising future, the mining industry faces several risks that can impact its stability and growth. Environmental concerns remain at the forefront, with increased scrutiny on the industry's ecological impact. Stricter regulations related to emissions, waste management, and land reclamation pose challenges for mining companies. Failure to adhere to these regulations can result in legal consequences, financial liabilities, and reputational damage. Volatility in commodity prices is another significant risk. The mining industry is highly dependent on global market trends, and fluctuations in prices can impact profitability. Economic downturns, geopolitical tensions, and unforeseen events such as the COVID-19 pandemic can lead to market uncertainties, affecting investment decisions and project viability. Operational risks, including accidents, equipment failures, and labor disputes, pose constant challenges. Safety measures and employee well-being are critical concerns for mining companies, and any lapses in these areas can have severe consequences. Additionally, the industry's reliance on complex machinery and infrastructure makes it susceptible to technological disruptions and cyber threats. Social risks, such as community opposition, land rights disputes, and ethical concerns, can also impact mining operations. Building and maintaining positive relationships with local communities are essential for long-term success. Companies that fail to address social issues adequately may face delays, protests, and a tarnished corporate image.

In conclusion, the mining industry, encompassing both underground and open-cast operations, is poised for a dynamic future marked by technological advancements, sustainability initiatives, and evolving market dynamics. However, navigating the associated risks, including environmental, economic, operational, and social challenges, will be crucial for the industry's sustained growth and success. Mining companies that prioritize innovation, responsible practices, and adaptability are likely to thrive in this ever-changing landscape.

Financial Highlights

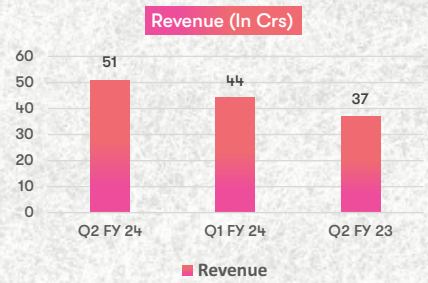
4% Revenue CAGR –5 Yrs	30% Stock Price CAGR – 5 Years	4% PAT CAGR –5 Yrs
A- CRISIL(External) Cr Rating	Debt Free Company	5 Years + Sustainable Dividend Payouts

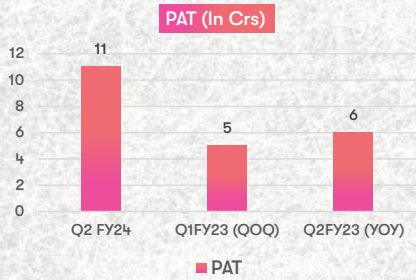




Quarterly Highlights – Q2 Fy24

15.91% Revenue Q-O-Q
550% Operating Profit Q-O-Q
120% PAT Q-O-Q





Peer Comparison

Particulars	EIMCO Elecon (India) Ltd.	AIA Engineering Ltd.
CMP(Rs) (08-12-2023)	1702.70	3,743.25
Revenue (Rs in cr)	181.76	5,143.31
EBITDA (Rs in cr)	33.36	1,475.18
PAT(Rs in cr)	19.44	1,056.50
EBITDA Margin %	19.31	30.05
PAT Margin %	11.30	21.51
ROCE %	7.17	24.01
ROE %	5.56	18.55
Debt to Equity (x)	0.00	0.09
Basic EPS (Rs)	33.85	111.95
Diluted EPS (Rs)	33.85	111.95
P/E(x)	10.52	25.93
P/B(x)	0.59	4.81
P/S(x)	4.40	6.52
Enterprise Value (Rs in cr)	202.98	27,074.06
EV/EBITDA (x)	6.08	18.35
Market Cap (Rs in cr)	982	35,306
Current Ratio (x)	4.42	6.07
Book Value (Rs)	608.02	604.35
Dividend Yield %	0.33	0.46
Interest Coverage(x)	66.58	73.38
Asset T/O (%)	0.46	0.71
RoA%	5.02	15.92

Financial Snapshot

Particulars	FY 23	FY 22	FY 21	FY 20	FY 19
Financial Position				(In Cr)	
Equity Share Capital	5.77	5.77	5.77	5.77	5.77
Reserve & Surplus	344.96	327.07	321.54	313.16	308.55
Fixed Assets	64.50	67.87	62.04	63.62	74.16
Current Assets	144.13	197.08	127.79	109.59	118.42
Cash and Cash Equivalents	2.81	3.25	9.61	6.93	3.73
Current Liabilities	32.59	25.56	31.10	21.97	27.34
Non-Current Liabilities	5.45	7.06	11.24	12.55	11.34
Enterprise Value	202.98	176.35	185.34	107.91	221.14
Operating Results				(In Cr)	
Total Income	181.76	93.62	137.17	118.61	195.43
Total Expenditure	156.70	83.74	122.90	108.41	165.01
Profit/(loss) before tax (PBT)	25.06	9.88	14.27	10.20	30.42
Tax	5.62	1.36	3.01	0.80	7.20
Profit/(loss) after tax (PAT)	19.52	8.68	11.28	9.49	23.17
Ratios					
EBDITA margin (%)	19.31	21.78	17.63	15.33	19.46
Net profit margin (%)	11.25	10.08	8.94	8.71	12.56
Return on net worth (%)	5.56	2.60	3.44	2.97	7.37
Return on capital employed (%)	7.17	3.03	4.39	3.23	9.51
Return on asset (%)	5.02	2.37	3.05	2.68	6.56
Debt To Equity Ratio (x)	0.00	0.00	0.00	0.01	0.01
EPS (?)	33.85	15.04	19.55	16.45	40.17
Earning Yield	0.09	0.05	0.06	0.08	0.10
Cash Flows				(in Cr)	
Operating Activities	6.66	-11.01	2.61	11.44	10.07
Investing Activities	-4.66	7.97	3.47	-2.91	-8.02
Financing Activities	-2.43	-3.31	-3.40	-5.33	-2.51
Net Cash Flows	-0.42	-6.36	2.68	3.20	-0.46

Strengths

Blast-Free Tech Expertise: EIMCO excels in blast-free tech, meeting rising demand in underground coal mining for efficiency.

Metal Mines Diversification: EIMCO's high-capacity loaders diversify revenue, reducing dependence on coal sector fluctuations.

Strategic in Coal-Dependent Sectors: EIMCO's role in steel sector growth aligns with rising coal demand, ensuring market stability.

Integral in India's Power Sector: EIMCO's significance in thermal power plants sustains amid India's 70% coal-generated electricity.

MDO Model Adaptability: EIMCO's adaptability to the MDO mining model enhances operational and financial efficiencies.

S

Weaknesses

Dependency on Coal Mining: Heavy reliance on underground coal mining exposes EIMCO to market uncertainties and fluctuations.

Regulatory Vulnerability: Government push for renewable energy may challenge EIMCO's traditional coal-related equipment business model.

Market Concentration Risks: Diversification into metal mines introduces concentration risks if sector growth doesn't meet expectations.

W

Opportunities

O

Blast-Free Tech Demand: Growing demand for blast-free tech in underground coal mining presents a significant growth opportunity for EIMCO.

Renewable Energy Transition: Despite renewables, EIMCO can explore opportunities in providing equipment for cleaner coal technologies.

Steel Sector Growth: EIMCO can expand market share by providing essential equipment for coal-dependent processes in the growing steel sector.

Mining Company Collaborations: Partnering with major mining firms, especially those in the MDO model, secures long-term contracts and market presence.

T

Threats

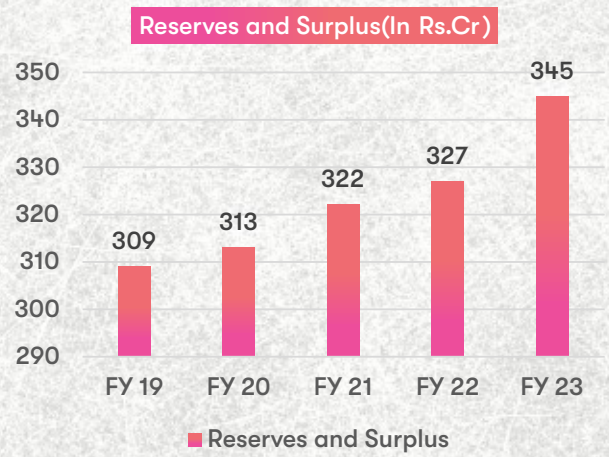
Technological Disruption Risk: Rapid tech advancements in mining equipment pose threats if EIMCO fails to stay ahead or adapt quickly.

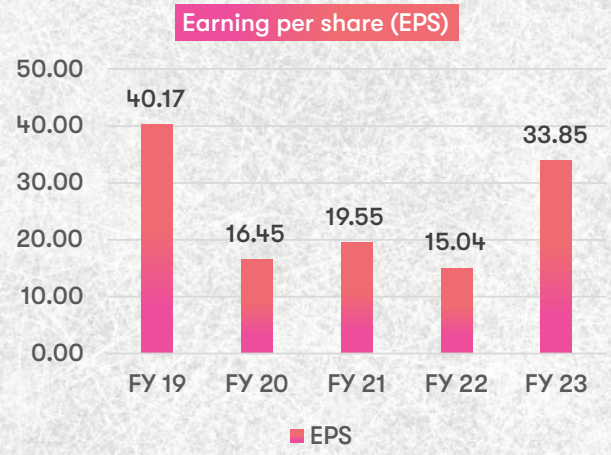
Renewable Energy Policies: Government policies favoring renewables may reduce coal-related equipment demand, impacting EIMCO's market share.

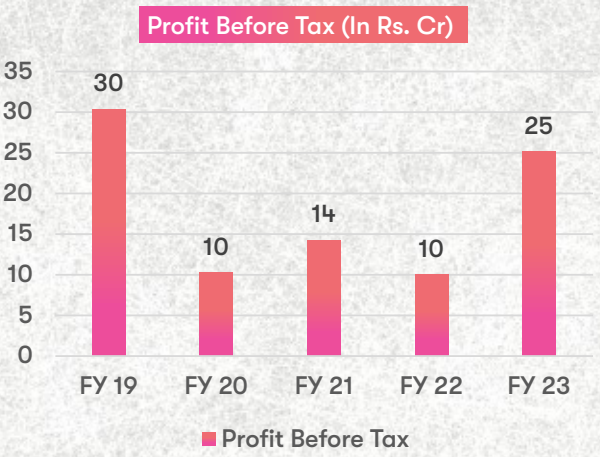
Intense Market Competition: Competition within mining equipment industry could impact pricing and profit margins for EIMCO.

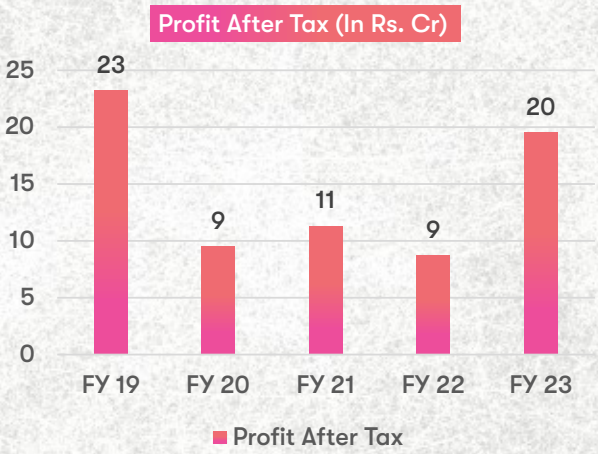
Economic Downturn Impact: Economic downturns or uncertainties may reduce investments in mining projects, affecting EIMCO's sales and revenue.

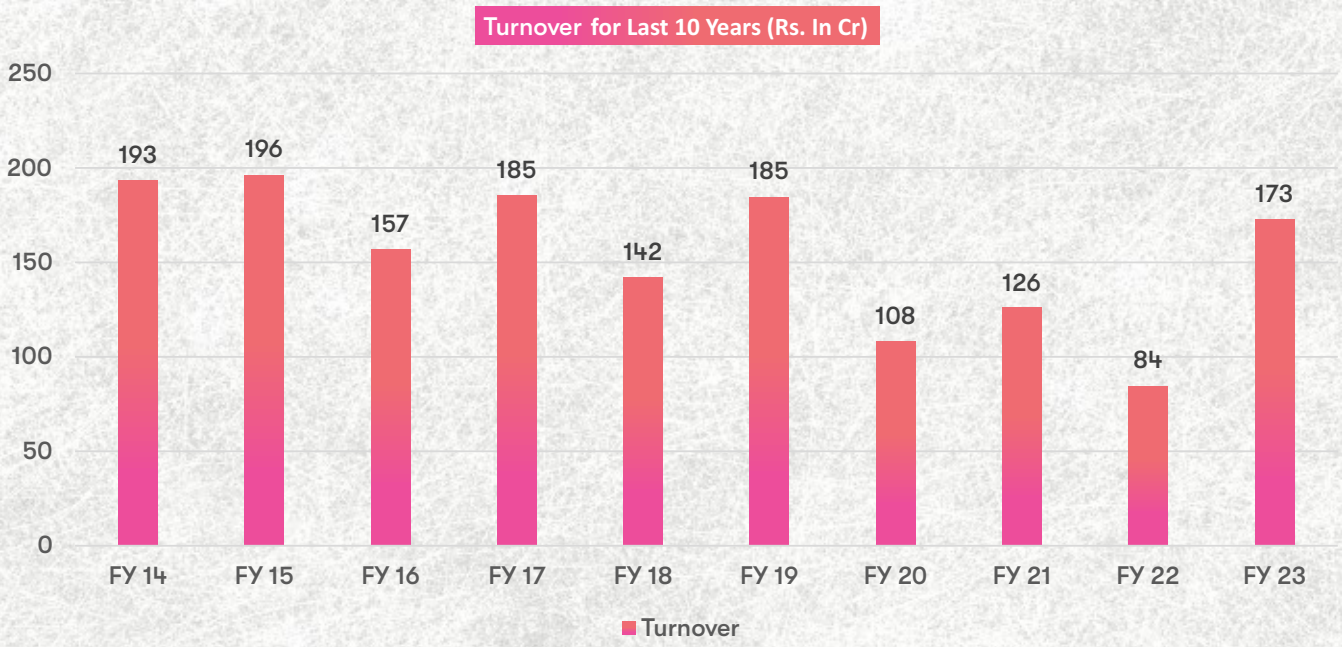
Supply Chain Disruptions: Disruptions in the supply chain, especially for critical components, may impact EIMCO's ability to meet demand.


Reserves and Surplus(In Rs.Cr)
350
340
330
320
310
300
290
309
313
322
327
345
FY 19
FY 20
FY 21
FY 22
FY 23
Reserves and Surplus


Earning per share (EPS)
50.00
40.00
30.00
20.00
10.00
0.00
40.17
16.45
19.55
15.04
33.85
FY 19
FY 20
FY 21
FY 22
FY 23
EPS


Profit Before Tax (In Rs. Cr)
35
30
25
20
15
10
5
0
30
10
14
10
25
FY 19
FY 20
FY 21
FY 22
FY 23
Profit Before Tax


Profit After Tax (In Rs. Cr)
25
20
15
10
5
0
23
9
11
9
20
FY 19
FY 20
FY 21
FY 22
FY 23
Profit After Tax


Turnover for Last 10 Years (Rs. In Cr)
250
200
150
100
50
0
193
196
157
185
142
185
108
126
84
173
FY 14
FY 15
FY 16
FY 17
FY 18
FY 19
FY 20
FY 21
FY 22
FY 23
Turnover

Technical Outlook



EIMCO Elecon India gave a monthly breakout along with Good volumes near the Breakout Level

Daily and Weekly RSI above 60 are indicating massive strength in the buying.

20 Days Moving Average > 50 Days Moving Average > 100 Days Moving Average > 200 Days Moving Average indicates a strong sustainable buying in this counter.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	1,711.81	1,699.45
10	1,716.10	1,680.57
20	1,608.18	1,617.70
50	1,416.37	1,426.67
100	1,104.73	1,193.95
200	807.40	937.93

Pivot Levels : FIBONACCI		
R1 1,867.40	Pivot 1,782.33	S1 1,697.26
R2 1,919.96		S2 1,644.70
R3 2,005.03		S3 1,559.63

Relative Strength Index (RSI)	Daily	Weekly
	61.12	78.08

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