



NESCO LIMITED
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14 August 2020

BSE Limited
Department of Corporate Services
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

National Stock Exchange of India Limited
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Ref : 505355

Ref : NESCO

Sub: Chairman's Speech

Dear Sir,

Enclosed herewith is the speech delivered by the Executive Chairman of the Company at the 61st Annual General Meeting held on 14 August 2020.

Request you to take the same on your records.

Thanking you

Yours faithfully,

For Nesco Limited

A handwritten signature in blue ink, appearing to read 'Jinal J. Shah'.

Jinal J. Shah
Company Secretary and
Compliance Officer



Encl : As above

Nesco Limited

Statement of Mr. Sumant J Patel, Executive Chairman
at the 61st Annual General Meeting
on Friday, 14 August 2020

Warm welcome to our shareholders to the 61st Annual General Meeting of the Company. Today we have with us our Vice Chairman and Managing Director Mr. Krishna Patel, our Independent Directors Mr. Mahendra Chouhan, Mr. Jai Diwanji, Mr. Manu Parpia, Mrs. Amrita Chowdhury; and Mrs. Sudha Patel, Non-executive Director. Also present are Statutory & Secretarial Auditors, our CFO and our Company Secretary.

I. To briefly summarize performance of your Company in 2019-20.

1. Our revenues increased by 21% from Rs. 392 crores to Rs. 474 crores, profit before tax increased from Rs. 247 crores to Rs. 292 crores, an increase of 18%. Our PBT was 62% of our revenues. This was the year when we had the highest PBT in our Company's history.
2. Nesco IT Park showed a growth of 57% its revenues rising from Rs. 136 crores to Rs. 214 crores. Our IT building 04 – 17 lakhs sq. ft. BUA – was completed during the year. License agreements have already been finalized with leading MNCs including KPMG, BlackRock, Here Solutions, etc. We should have revenues of about Rs. 200 crores per year when fully occupied.
3. Bombay Exhibition Centre revenues were Rs.158 crores. So far Bombay Exhibition Centre was providing space & infrastructure to guest exhibitions. Last year we set up a new division – Nesco Exhibitions – which launched its own exhibitions that included India Auto Show; Edutech; Machine Tools, Manufacturing & Technology Expo; Hobby & Lifestyle India; and Arogya Expo.
4. Our income from Investments increased by 34% to Rs. 42 crores, previous year was Rs. 31 crores; liquid resources increased by 27% from Rs. 538 crores to Rs. 685 crores. This was after Rs. 57 crores were spent on capital expenses.

II. Now coming to 2020-21. We are optimistic, even though many unexpected issues are coming up due to COVID-19.

1. We expect IT Park revenues to grow. Now that IT Park Tower 04 is completed, we have decided to take up next IT Tower 02, built up area will be about 40 lakhs sq.ft. which will be financed from our own resources without raising any debt.
2. We expect growth in Indabrator.
3. We also expect growth in Investment income.
4. Bombay Exhibition Centre customers had to reschedule or cancel their exhibitions due to COVID-19. Also, we gave six of our halls to GOM for creating facilities for COVID-19 patients. Hence BEC revenues will be affected as there are no exhibitions in Q1 and Q2. We have to see how situation develops, BEC can have some revenues if exhibitions are possible in Q3 and Q4. We have decided to build a new exhibition hall so as to increase capacity of Bombay Exhibition Centre.

Our new division – Nesco Exhibitions expects growth in the current year.

5. Nesco Foods revenues have always been linked to BEC exhibitions. Our team is diversifying so as not to depend only on BEC exhibitions. It is likely Nesco Foods will have revenues without exhibitions and better revenues if exhibitions start from Q3 & Q4.

Overall, as I said earlier, we expect reasonable revenues and PBT in 2020-21.

- III. On the social front, our Company continued to enlarge its activities, spent an amount of Rs. 5.09 crores on CSR initiatives which is slightly higher than 2% of the average net profit of last three years. So far we have set up in rural areas a girls' hostel; an Industrial Training Institute; three English Medium Schools; a surgical ICU in a large medical complex; several toilets; and, water supply systems. We expect to start Nesco Incubation Centre actively from September 2020. We look forward to increasing our CSR activities.
- IV. Company's Board of Directors met today to consider unaudited financial results for the first quarter of the current financial year which ended on 30 June 2020, which incorporate the Indian Accounting Standards notified under the Companies Rules, 2015.

Income in first quarter increased by 15% to Rs. 91.35 crores as against Rs. 79.53 crores in the corresponding quarter of the previous year; while profit before tax increased by 39% from Rs 45.82 crores to Rs 63.78 crores.

- V. I would like to express my thanks to our shareholders for the support and confidence they have always extended to Nesco in our endeavors and we remain committed to justify the faith and trust you have reposed in us.