



**NESCO LIMITED**  
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11 August 2021

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

National Stock Exchange of India Limited  
5<sup>th</sup> 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 Chairman & Managing Director of the Company at the 62nd Annual General Meeting held on 11 August 2021.

Request you to take the same on your records.

Thanking you

Yours faithfully,

**For NESCO Limited**

**Jinal J. Shah**  
**Company Secretary and**  
**Compliance Officer**

**Encl: As above**

## **NESCO LIMITED**

### **Statement of Mr. Krishna S. Patel, Chairman & Managing Director at the 62<sup>nd</sup> Annual General Meeting on Wednesday, 11 August 2021**

Warm welcome to our shareholders to the 62<sup>nd</sup> Annual General Meeting of the Company.

1. In our Board Meeting on 15 June 2021 Mr. Sumant Patel, then Chairman, had proposed to the Board that I should take over as Chairman & Managing Director. Our Directors agreed but also requested Mr. Sumant Patel to continue as Executive Director which he has agreed.

On this occasion our Directors and I would like to place on record the contribution made by Mr. Sumant Patel during the time he was Chairman. From a single activity in manufacturing he diversified Nesco in several other businesses. He established the Nesco Complex at Goregaon and set up the first and largest exhibition center in private sector ‘Bombay Exhibition Center (BEC)’. Then Nesco set up Nesco IT Park and Nesco Foods. Large land was purchased in Gujarat where our Indabrador division is expanding. Nesco has been one of the highly profitable Company with good liquid reserves and no debt.

2. To briefly summarize performance of your Company in 2020-21:

- i) Nesco IT Park registered growth of 15%, its revenues rising from Rs. 214 crores to Rs. 246 crores. Tower 04 in IT Park is 17 lakhs sq.ft. constructed area and is now almost 80% contracted. License agreements have been finalized with leading MNCs including KPMG, BlackRock, Here Solutions, Framestore, Priceline, ISS Governance, etc.
- ii) Indabrador saw revenues increase by 13% from Rs. 23 crores to Rs. 26 crores. The division has now increased the abrasives production capacity.
- iii) Our income from investments increased by 52% to Rs. 64 crores, previous year was Rs. 42 crores; liquid resources increased by 19% from Rs. 686 crores to Rs. 819 crores
- iv) Bombay Exhibition Center normally holds 150 exhibitions in a year but could hold only 2 exhibitions in the year as BMC/GOM did not allow exhibitions to take place. This adversely affected our Bombay Exhibition Center and Nesco Foods divisions. Bombay Exhibition Center revenues declined from Rs. 159 crores to Rs. 6 crores.
- v) Nesco Foods saw a decline in its revenue from Rs. 36 crores to Rs. 13 crores, as their main supplies are to exhibitions visitors. However, our Foods division was able to generate some revenues by providing packed meals to several NGO's, MCGM and contractors who in turn were delivering those meals across the city and beyond, on all days even during the peak of the pandemic conditions.
- vi) Overall our revenues went down by 25 % from Rs. 474 crores to Rs. 355 crores, profit before tax reduced from Rs. 292 crores to Rs. 216 crores, reduction of 26%. Our PBT was 61% of our revenues.

3. Now coming to 2021-2022 and onwards

- i) We expect IT Park revenues to grow by about 25%. We are expecting to shortly complete contracts for the remaining floors in Tower 03 and in Tower 04.

We are now pursuing the approvals for the next IT Tower and expect to start soon on the project. IT Tower 02 was designed by well-known foreign architects, it will have constructed area of 45 lakhs sq.ft.

- ii) We expect growth in Indabrat. To increase the capacity of abrasives production, we have decided to set up a new Abrasive Plant.
- iii) Once the new IT building 02 is completed, we propose to go ahead with expansion and modernization of Bombay Exhibition Center. This would include new exhibition halls, convention halls & hotels.
- iv) Bombay Exhibition Center customers had to reschedule or cancel their exhibitions. Revenues are affected as there are no exhibitions in Q1, Q2 & Q3. We have to see how the situation develops, Bombay Exhibition Centre may have some revenues if exhibitions are permitted in Q4.
- v) Foods will have some revenues without exhibitions and better revenues if exhibitions start from Q4.

What gives some happiness despite lower business performance is our contribution to Society during these unpreceded difficult times. We feel proud to provide the Jumbo ‘Covid Care Center’ facility and Vaccination Center operated by the BMC within our Bombay Exhibition Centre Halls. The facility provided much needed medical services free of cost to several thousands and helped families stay safe from the pandemic.

Overall, we expect slightly better revenues and PBT in 2021-22.

4. On the social front, our Company continued to enlarge its activities, spent an amount of Rs. 5.44 crores on CSR initiatives which is 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. Nesco Foundation for Innovation and Development, a Section 08 Company was incorporated during the year to effectively implement our CSR programs. Nesco Incubation Centre was established at Karamsad, Gujarat and is supporting young entrepreneurs who want to set up their own business with some new products. We look forward to increasing our CSR activities.

5. 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 2021, which incorporate the Indian Accounting Standards notified under the Companies Rules, 2015.

Income in first quarter was Rs. 85.65 crores as against Rs. 91.35 crores in the corresponding quarter of the previous year; while profit before tax stood at Rs. 50.41 crores as against Rs. 63.78 crores in the corresponding quarter of previous year. Both income and profit before tax were almost same as previous quarter.

I would like to thank our shareholders, customers and other stakeholders for the support and confidence they have always extended to us.