

09 August 2018

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 59th Annual General Meeting on 08 August 2018.

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. Sumant J Patel, Executive Chairman at the 59th Annual General Meeting
on Wednesday 08 August 2018.

Warm welcome to our shareholders to the 59th Annual General Meeting of the Company.

We are holding today's meeting in Food Court area of Nesco's IT Park Building 03 which is now fully occupied. Our licensees include HSBC Bank, KPMG, PWC, Morgan Stanley Capital Index, Blackrock, Ericsson, and other international companies. Our IT building 02 is occupied by Intelenet and KPMG.

Today our Nesco Centre is very busy as entire space in Bombay Exhibition Center is occupied by the Gems & Jewellery Export Promotion Council for their flagship exhibition, India International Jewellery Show, which is one of the largest exhibitions in our Centre.

I. 1. During the year your Company generated Rs.237.93 crores profit before tax on a total revenue of Rs.358 crores resulting in earning of Rs.25.36 on paid up equity share of Rs.2 each.

Our liquid resources increased to Rs. 508 crores as compared to Rs. 478 crores in the previous year, even after Rs. 93 crores were spent during the year on capital expenditures for IT04; Rs.25 crores were spent to build a new hall in BEC; and Rs.23 crores were spent on our Food Division, totaling Rs.144 crores. Our Company continues to be debt free.

Considering profits in the year and as part of the Company's policy to reward our shareholders, the Board has recommended higher dividend of 115% i.e. Rs. 2.30 per share for 2017-18 as against 110% for 2016-17.

Our new division, Nesco Foods was earlier our subsidiary, recently we have made it a division of Nesco. Now our business groups include Bombay Exhibition Centre; Nesco IT Park; Nesco Foods; and, Indabrator, which manufactures capital equipment.

2. Bombay Exhibition Centre was able to register revenue of Rs. 129.70 Crores from 127 exhibitions out of which 14 were from organizers holding their shows for the first time at our Center. During the year we added one new hall admeasuring about 1,16,000 sq.ft.; spent Rs.25 crores for this new hall; and, spent Rs.25 crores for upgrading of other exhibition halls in earlier two years.

3. Nesco IT Park was able to achieve modest growth in revenues. Construction of IT building 4, which is of about 17 lakhs sq.foot built-up area, is expected to be completed in Q3 of 2018-19. IT building is expected to cost Rs.560 crores, out of which we have already spent Rs.420 crores so far.

4. Nesco Foods, our new division has started well and is now on growth path. Revenues increased to Rs. 20.40 Crores in 2017-18 from Rs. 5.69 crores in 2017-18. We have set up a world class Kitchen, one of the biggest in Mumbai, which serves lunch to over 10,000 persons when large exhibitions are held.

:2:

5. There is increasing demand for capital goods in our Indabrator division.

Overall, we expect our four divisions to do better this year.

6. Now that IT04 is nearing Completion, we are considering which project or projects to take up next. Options include: i) New Bombay Exhibition Centre halls; ii) Next IT building IT05; and, iii) Commercial Tower, as our zone is likely to be declared as Commercial zone. Whichever project we take up, it will be financed from our own resources without raising any debt. We expect to take a decision in the next 2 or 3 months.

II. On the social front, our Company continued to enlarge its activities, spent an amount of Rs. 4.11 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 look forward to increasing our CSR activities.

III. 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 2018, which incorporate the Indian Accounting Standards notified under the Companies Rules, 2015.

Income in first quarter was Rs. 78.64 crores as against Rs. 77.27 crores in the corresponding quarter of the previous year, while profit before tax was Rs. 46.14 crores, compared to Rs. 53.94 crores in the same period last year.

IV. After the meeting we invite our shareholders to visit IT Building 04 for refreshments and to see the progress we have made in construction of this building.

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