



14 August 2017

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 58th Annual General Meeting held today.

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

CIN : L17100MH1946PLC004886

Western Express Highway, Goregaon (E), Mumbai - 400 063. INDIA.

Phone : +91-22-6645 0123 ■ Fax : +91 22-6645 0101 ■ URL : www.nesco.in ■ E-mail : contact@nesco.in

Nesco Limited

Statement of Mr. Sumant J Patel, Chairman at the 58th annual General Meeting on Monday 14 August 2017.

Warm welcome to our shareholders to the 58th Annual General Meeting of the Company.

We are holding today's meeting in Hall 2, now known as Hall Grande which is part of Bombay Exhibition Centre. This hall was renovated recently to be a hall for use by exhibitions organizers, corporates and others for inaugural & celebrity functions, banquets, conferences, receptions & weddings, as also for exhibitions & conventions.

1. During the year your Company was able to achieve 19% growth in revenues from Rs.299 crores to Rs.357crores; 15% increase in profit before tax from Rs.210 crores to Rs.244 crores; and 18% increase in earning per share, from Rs.102 to Rs.120.

Your Company continues to be debt free, our liquid resources increased to Rs.486 crores as compared to Rs.478 crores in the previous year, even after Rs.187 crores was spent in the year on capital expenditures and repairs to buildings. In the last two years we spent Rs.345 crores on capital expenditure & repairs to buildings. Major portion of this amount was spent on IT building 4.

Considering increased profits in the year and as part of the Company's policy to reward our shareholders, the Board has recommended higher dividend of 110% i.e. Rs.11per share for 2016-17as against 85% i.e. Rs.8.50 per equity share dividend for 2015-16.

2. You will recollect that since our Company was founded in 1939 till 1991 our Company was in a single business - manufacture of capital goods. Since1992 we have transformed into a multi business Corporation: now our three new business groups include Bombay Exhibition Centre, Nesco IT Park and Nesco Hospitality; the fourth group is Indabrator, which manufactures capital equipment.

i) Bombay Exhibition Centre was able to achieve 18% growth in revenues; 109 exhibitions were held during the year out of which 27 new exhibitions were held for the first time. During the year Prime Minister Narendra Modi visited Bombay Exhibition Centre to inaugurate Martime Expo.

Your Company is now finalizing plans to build a new World Class Exhibition & Convention Centre for which we have engaged a foreign firm of architects.

Usable area of the new World Class Exhibition Centre will be around 35 lakh square feet, builtup area will be about 70 lakh sq.ft., estimated cost Rs.2400 crores.

In the first phase it is proposed to build 7.50 lakh sq.ft. usable area, about 15 lakh sq.ft. builtup area, estimated cost Rs.600 crores. The 7.50 lakh sq.ft. will consist of a convention centre comprising of an exhibition hall on ground floor, an auditorium and a banquet hall; and a hotel.

:2:

We are endeavouring to complete the IT4 building in Q1 2018-19 and then start construction of the first phase of new world class exhibition & convention centre from our own funds without going in for debt.

ii) Nesco IT Park was able to achieve 14% growth in revenues. Construction of IT building 4 is in progress and is expected to be completed in first quarter of 2018-19. Estimated cost of IT building 4 is Rs.580 crores, out of which the Company has so far spent Rs.290 crores.

iii) Nesco Hospitality, a 100% subsidiary of Nesco Ltd., is now well established, having completed construction of a world class kitchen for which an amount of Rs.15 crores has been spent. Revenues increased from Rs.2.22 crores to Rs.6.42crores in 2016-17 and are further expected to grow to about Rs.20-25crores in 2017-18. We expect good growth in Nesco Hospitality in years to come.

iv) During 2016-17 Indabrator, our capital goods division's revenues increased from Rs.27crores to Rs.33crores, an increase of 21%. Indabrator has completed modernization and expansion of machine building division at its Vishnoli Complex in Gujarat.

3. On the social front, our Company continued to enlarge its activities, spent an amount of Rs.320 lakhs on CSR initiatives which is slightly higher than the average net profit of last three years. During the year we completed an English Medium School with latest facilities; supported expansion of another English Medium School for 11 & 12 standards; and helped to expand surgical ICU in a large medical complex. So far we have set up in rural areas a girl's hostel, an Industrial Training Institute, a surgical ICU, three English Medium Schools, several toilets and water supply systems. We look forward to increasing our CSR activities.

4. 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 2017. I would like to share these results with you, which incorporate the Indian Accounting Standards notified under the Companies Rules, 2015.

Income in first quarter was Rs.78 crores as against Rs.69 crores in the corresponding quarter of the previous year, a growth of 13% while profit before tax was Rs.54 crores, compared to Rs.51crores in the same period last year.

5. 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.