



NESCO LIMITED
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05 August 2019

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 60th Annual General Meeting on 05 August 2019.

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 60th Annual General Meeting on Monday 05 August 2019.

Warm welcome to our shareholders to the 60th Annual General Meeting of the Company.

Today our Nesco Center 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 exhibition in our Center. Their exhibition starts from Thursday 08 August 2019.

I. 1. During the year your Company generated consolidated revenue of Rs.392.66 crores and profit before tax of Rs. 247.89 crores, 63% of revenue.

Considering profit for the year and as part of the Company's policy to reward our shareholders, the Board has recommended higher dividend of 125% for 2018-19 as against 115% for 2017-18.

2. Bombay Exhibition Centre was able to register revenue of Rs. 155.97 crores as compared to Rs.129.70 crores in previous year. 118 exhibitions were held out of which 19 were from organizers holding their shows for the first time at our Center.

So far Bombay Exhibition Centre was providing space & infrastructure for guest exhibitions. Now we have set up a new division – Nesco Exhibitions – which will launch its own exhibitions. During 2019-20 these will include India Auto Show; Edutech; Machine Tools, Manufacturing & Technology Expo; Hobby & Lifestyle India; and Arogya Expo.

Our other division – Nesco Events – organizes its own events. These include Paddy Fields and Rangilo Re.

We had added one new hall admeasuring about 1,16,000 sq. ft., cost Rs.25 crores.

3. We are holding today's meeting in the Reception Lobby of Nesco's IT Park Tower 04 which is now completed; its built up area is about 17 lakhs sq. feet. Total cost of Tower 04 will be Rs. 570 crores. For this new tower, we have finalized license agreements with Here Solutions, WeWorks, KPMG and India First Life Insurance. Discussions are going on with other potential licensees. When fully occupied, we should have gross revenue of about Rs. 200 crores per year from IT tower 04.

4. Nesco Foods revenues increased to Rs. 34.13 crores in 2018-19 from Rs. 20.40 crores in 2017-18. Our world class Kitchen, one of the biggest in Mumbai, now serves meals to over 10,000 persons when large exhibitions are held.

5. Indabrator division's revenues increased by 23%. It is expanding its Abrasive Plant and also going in for some new product-lines.

6. Our actual income or cash flow from investments was Rs. 41.35 crores; however provision of Rs. 15.06 crores has to be made due to Indian Accounting Standards fair value adjustment. Hence Rs. 33.05 crores is shown as income from investments.

Our liquid resources increased from Rs. 505 crores to Rs. 534 crores as on 31.03.2019, now they have further increased to Rs. 548 crores. Even after Rs. 150 crores were spent during the year on capital expenditure for IT tower 04 other additions. Our Company continues to be debt free.

7. Now that IT Park tower 04 is completed, we are considering to take up two new projects: i) New Hall in our Bombay Exhibition Centre of about 2,50,000 sq. ft.; and, ii) New IT Park tower 02. We propose to demolish current IT tower 02, which is now quite old and in the same location construct new IT tower 02 of about 24 lakhs sq. ft. Expected cost of these two projects would be around Rs.1,700 crores. Both these projects will be financed from our own resources without raising any debt. We are working on detailed drawings and would soon start pursuing for various approvals that will be required from local authorities.

II. On the social front, our Company continued to enlarge its activities, spent an amount of Rs.4.62 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 2019, which incorporate the Indian Accounting Standards notified under the Companies Rules, 2015.

Income in first quarter was Rs. 79.54 crores as against Rs. 78.64 crores in the corresponding quarter of the previous year, while profit before tax was Rs. 45.83 crores, compared to Rs.46.14 crores in the same period last year.

Company has implemented SAP (HANA S4) with effect from 01 April 2019.

IV. After the meeting we invite our shareholders for refreshments, to see the Tower 04 and the quality of space offered by the Company to its clients.

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.