

6th September, 2016
Ref. No.: NSAIL/SEC/2016

To,
Corporate Relationship Department,
BSE Limited.
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai - 400 001

To,
Listing Department,
National Stock Exchange of
India Limited.
'Exchange Plaza', C-1, Block G,
Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

Sub: Chairman's Statement at the 30th Annual General Meeting

Dear Sir/Madam,

We are enclosing herewith Chairman's Statement delivered at the 30th Annual General Meeting (AGM) of the Company held on Saturday, 3rd September, 2016 at 11.00 A.M (IST) at the M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400001 (Maharashtra).

This is for your information and records.

Thanking you,

Yours Sincerely

For National Steel and Agro Industries Limited



Pankaj Gupta
Company Secretary
Membership No. 15649





CHAIRMAN'S STATEMENT

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30th ANNUAL GENERAL MEETING

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***Saturday, 3rd September, 2016
at 11.00 A.M.
at***

***M. C. Ghia Hall,
Bhogilal Hargovindas Building,
4th Floor, Kala Ghoda, 18/20,
K. Dubash Marg, Mumbai - 400001***

Dear Members,

I extend a very warm and hearty welcome to all of you at the 30th Annual General Meeting of your Company, and thank you for sparing your valuable time and making it convenient to attend the meeting.

ECONOMIC SCENARIO

STEEL BUSINESS

Your Company is engaged in the business of manufacturing of Cold Rolled Steel Sheets / Coil, Galvanized Sheets / Coils / Corrugated Sheets, Colour Coated (Pre-printed) Sheets / Coil / Profile Sheets and some OEM Products.

In 2015, India achieved the distinction of being the third largest crude steel producer globally with an output of 89.37 million tonnes. India witnessed a growth rate of 3.32% in crude steel production in 2015. Apart from India, amongst top 10 producers, none of the producer showed an increase in production. In 2015, India moved into third position from fourth position overtaking the United States of America.

While Indian crude steel production increased, the World crude steel production declined by 2.8% in 2015.

India continues to be the largest producer of sponge iron in the world.

China remained the World's largest crude steel producer in 2015 at 803.83 million tonnes followed by Japan at 105.15 million tonnes.

Indian steel industry is genuinely seized with the threat of rising imports and expansion of some steel mills. However, Steel Ministry in consultation with Commerce Ministry is putting certain restrictions on importation of Steel. This will help in protecting domestic market for the Indian industries. Your Company is making all efforts to be ahead of the curve.

In the financial year 2015-16, per capita steel consumption in India stood at 61.9 kg, an increase of 1.8 per cent in comparison to financial year 2014-15. Whereas, World's average per capita steel consumption is over 200 kg. So, there is a lot of scope for your Company in future.

There is good opportunity for Indian Steel Industries in future considering per capita steel consumption, Construction and

infrastructure sector, Government's idea of 100 smart cities, high speed trains, renewable energy and other key reforms.

There is very good monsoon till date in the current financial year, which will increase rural income and consumption of steel as compared to financial year 2015-16.

Market expects revival in steel demand and foresees a double digit growth in the coming years.

AGRI BUSINESS

Your Company is also engaged in the Agri business mainly in trading of pulses. With its professional & niche market knowledge, today, your Company commands major market share of business in India.

Pulses, an integral part of many diets across the globe and have great potential to improve human health, conserve soils, protect the environment and contribute to global food security. The United Nations, declared 2016 as "International Year of Pulses" to heighten public awareness of the nutritional benefits of pulses, as part of sustainable food production aimed at food security and nutrition.

After two consecutive years of rain deficit, there is very good monsoon till date, in the current financial year.

The Department of Agriculture and Cooperation, Govt. of India, has estimated the national crop production of pulses at 20.75 million tonnes for the year 2016-17 as against 17.20 million tonnes of actual crop production in the year 2015-16.

PERFORMANCE OF YOUR COMPANY IN FINANCIAL YEAR 2015-16

During the Financial Year 2015-16 your Company's top line performance from Operations was Rs. 3893.53 Crore, EBIDTA was Rs. 175.66 Crore and Net Profit was Rs. 28.14 Crore.

Major reasons for lower performance than the previous year includes global economic slowdown, slowdown in the domestic manufacturing and infrastructure sector and excess supply in Indian steel industry leading to lower sales realization.

CURRENT YEAR'S FIRST QUARTER PERFORMANCE

Your Company's performance during the first quarter of current financial year has been reasonable. Income from Operations has been Rs. 998.72 Crore as against Rs. 965.46 Crore in the corresponding quarter of previous year.

Net profit has been Rs. 6.33 Crore as against Rs. 3.18 Crore in the corresponding quarter of previous year on account of better performance in Agri Business.

The management of Your Company is trying its best to improve the performance in the remaining period of the current Financial Year.

COMMISSIONING OF COLOUR COATING LINE 2 AND ALUMINUM ZINC ALLOY COATING LINE:

In the current financial year, your Company has commissioned "Colour Coating Line 2" and "Aluminum Zinc Alloy Coating Line" at existing plant located at Village Sejwaya, Dist. Dhar, Madhya Pradesh, to meet out demand from domestic and export markets of Colour Coated and Aluminum Zinc Alloy Coated Sheets/Coils/Profile Sheets.

Your Company is proud to be one of the very few steel companies having the Alu Zinc Alloy Coated Line.

Your Company has modified its one of the existing Galvanizing Line into Aluminum Zinc Alloy Coated Line. The capacity of Aluminum Zinc Alloy Coating Line is 70,000 TPA which can be increased upto 1,80,000 TPA.

The capacity of your Company to manufacture Colour Coated Sheets/Coils/Profile Sheets has increased by 80,000 TPA to 1,70,000 TPA on account of commissioning of "Colour Coating Line 2".

There was discussion in the Board Meeting held on 27th May, 2016 about the dividend to the Shareholders of the Company. However, due to the commissioning of "Colour Coating Line 2" and "Aluminum Zinc Alloy Coating Line" the Board of Directors of your Company decided not to recommend any dividend for the Financial Year 2015-16, as these lines are set-up with internal accruals.

FUTURE PLANS:

Your Company intends to continue investing in its assets for next couple of years with the objective to scale up production, widen product basket

and reduce costs, the combination of which is expected to strengthen competitive advantage.

Your Company will continue to give importance to the State of the art technology and quality.

SEBI ORDER:

The Securities and Exchange Board of India (SEBI) has issued an ex-parte ad-interim order on 24th May, 2016 against your Company in the matter of trading in Castor Seed Contracts at National Commodity & Derivative Exchange.

Your Company has filed detailed reply to SEBI on 28th July, 2016 and personal hearing is also held on 10th August, 2016. The Order of SEBI is awaited. We are hopeful that your Company, being a law abiding entity, would be able to come out of it successfully.

ACKNOWLEDGEMENT

Our Corporate vision in all its activities has been shaped by the wisdom and guidance of our eminent Board of Directors who have provided valuable insights from time to time.

I would also like to express my thanks and appreciation to all the employees of your Company.

I convey my special thanks to the investors, bankers, customers and all stakeholders for continuously reposing their confidence in the Management and Company's performance.

With your continued support and encouragement, I am sure that your Company will achieve good performance year after year.

Jai Hind.....

Note: This does not purport to be a record of the proceedings of the 30th Annual General Meeting.