



Nusli N. Wadia

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Worli,  
Mumbai 400 025.

December 20, 2016

*My Dear Shareholder,*

I had sent you a few days ago, a detailed letter setting out my response to the resolution proposed by Tata Sons for my removal as a Director of your Company.

As I mentioned, I have served your Company as an 'Independent Director' for more than 37 years having been invited at a very young age by JRD Tata, my mentor and Godfather.

It is you the Shareholders of the Company who have over these years re-elected me to serve your Company and reposed your faith and confidence in me: The last occasion being in 2014 with an overwhelming majority of more than 95% of the votes cast.

In my letter I felt it my duty to point out to you, the baseless and false allegations that have been made in the explanatory statement by Tata Sons supporting the resolution to seek my removal. I addressed each of the allegations that they claimed to be their reasons for my removal none of which were linked to my performance as an Independent Director. I also referred to representations made by me to the Board on the subject seeking their action. I also recorded that the Board and the Directors had evaluated my performance at their respective meetings.

The Notice by the Company that is before you states clearly that I continue to be an Independent Director, despite the allegations made by Tata Sons. You may wish to seek guidance from the Independent Directors at the meeting as to my performance and contribution to the company and seek their views on my independence. I have also drawn your attention to the events that triggered the notice, issued at the midnight hour seeking my removal.

I have presented to you matters that related to your Company where I acted to the best of my ability as an 'Independent Director' with respect to the onerous fiduciary responsibility placed on me as in the case of all Independent Directors.

I have outlined events relating to various decisions of the Board. Most important of all to Tata Steel's investment in Corus and events that have led to the impairment of approximately Rs.35,000 cr and a capital employed in the region of Rs.75000 cr on which it is highly unlikely that shareholders will ever see any return.

The recent public statements that have been made on Tata Steel Europe just to protect 11000 British jobs is a matter of concern that needs to be addressed by all shareholders as such support has now become unaffordable and is detrimental to the interest of the shareholders.

Equally important is the fact that the capital employed in Tata Steel Europe today could have been invested in 3 Steel Plants across India with substantial returns making Tata Steel the number one Steel Company of the country while providing employment to a million Indians.

In the process it would have fulfilled the original dream of Jamshetji Tata as also that of our Hon'ble Prime Minister of 'Make in India'.

I have brought to your attention the issues that relate to Corporate Governance, or the lack of it, with regard to the unauthorised and inappropriate statements made by one Lord Bhattacharyya with regard to the strategies of the Company.

I have raised the issue on the actions which I believe to be inappropriate and in violation of the SEBI Insider Trading Regulations by the promoter Tata Sons and the Trustees of the Tata Trusts: as also the manner in which they have and continue to influence and direct the affairs of your Company. A role that is solely the responsibility of your Board.

I have tried to allay your doubts and fears that you the Shareholders may have with regard to the notice of Tata Sons seeking to intimidate you in respect to the Tata Steel brand and financial support alluded to, both of which are untrue.

Most important of all I have tried to bring to your notice that the issue before you is not about the removal of Nusli Wadia, but about the very independence of an 'Independent Director' and his ability to perform his fiduciary duties and responsibilities without fear or favour.

The ability of a promoter to remove an Independent Director through the brute force of its holding in an ordinary resolution on which it can vote is a serious and major dichotomy and contradiction that needs to be and must be addressed urgently. Two respected Jurists have opined accordingly. I have

provided their Opinions to the Government, Department of Company Affairs and to SEBI for their consideration.

Independent Directors are your custodians. They chair the Audit Committee and the Nominations & Remuneration Committee, which are directly accountable to you. If they can be removed at the whim and fancy of a promoter then their role will be reduced to that of 'yes men'.

It will no longer protect them from addressing issues as fiduciaries accountable to all stakeholders, most important of all, you the Shareholders. They will be left with the option to either toe the line, resign or face removal as I do.

What is at stake now is not whether I am removed or not but the fate of the very institution of the Independent Director that has been created in law and by SEBI to safeguard the interests of all stakeholders.

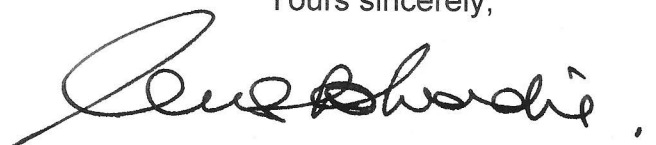
It is in your hands to vote with your conscience for what is right for your company and more important for the institution of Independent Directors.

I have chosen not to attend the meeting as I understand that recent meetings held of other Tata Companies have been inappropriately and shamefully stage managed by the requisitionist controlling the entry into the hall as also in the selection and choice of speakers as never before seen in Indian Corporate history.

In keeping with good Governance and natural justice, I have forwarded this letter to the Company Secretary to read it out to you my Dear Shareholders. It is for him and the board to decide whether they wish to allow him to do so.

*With my Best wishes,*

Yours sincerely,



NUSLI N. WADIA  
INDEPENDENT DIRECTOR  
TATA STEEL LTD.