TATA SPONGE IRON LIMITED

RECOMMENDATIONS OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("IDC") ON THE OPEN OFFER TO THE SHAREHOLDERS OF TATA SPONGE IRON LIMITED UNDER REGULATION 26(7) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

Date	19th July, 2012
Name of the Target Company	TATA SPONGE IRON LIMITED
Details of the Offer pertaining to Target Company	Voluntary Open Offer for acquisition of up to 1,734,040 equity shares of face value of Rs. 10 each ("Equity Shares") at a price of Rs.375 per equity share from the shareholders of Tata Sponge Iron Limited (the "Target Company") by Tata Steel Limited ("Acquirer") pursuant to Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, and subsequent amendments thereto ("Takeover Code").
Name(s) of the acquirer and PAC with the acquirer	"Acquirer" – Tata Steel Limited " PAC" – None
Name of the Manager to the offer	ICICI Securities Limited
Members of the Committee of Independent Directors ("IDC").	Mr. N.P. Sinha – Chairman Mr. D.K. Banerjee – Member Mr. Manoj T. Thomas – Member
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/relationship), if any	All the IDC Members are independent and non-executive directors of the Target Company. They do not have any contractual relationship with the Target Company. Mr. N. P. Sinha holds 1000 equity shares of the Target Company while Mr. D. K. Banerjee and Mr. Manoj T. Thomas do not hold any equity share of the Target Company. None of the IDC members has any contract/ relationship with the Target Company at present.
Trading in the Equity shares/other securities of the Target Company by IDC Members	None of the IDC members has done any trading in the shares of the Target Company since their appointment.
IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract/relationship), if any	None of the IDC members is a director of the Acquirer. Mr. D. K. Banerjee holds 950 equity shares of the Acquirer while Mr. N. P. Sinha and Mr. Manoj T. Thomas do not hold any equity shares of the Acquirer. None of the IDC members has any contract/relationship with the Acquirer at present.
Trading in the Equity shares/other securities of the acquirer by IDC Members	Nil
Recommendation on the open offer, as to whether the offer is, or is not, fair and reasonable.	The IDC believes that the offer is fair and reasonable.
Summary of reasons for recommendation	The IDC looked at the Volume Weighted Average Price of the Target Company for a period of 60 trading days immediately preceding the date of the Public Announcement and was convinced that the Offer price is at a premium to the Volume Weighted Average Price of the equity shares which has been computed in accordance with the Takeover Code. The IDC has further based its recommendation on the share valuation report received from the independent advisors.
Details of Independent Advisors, if any	M/s Ernst & Young Merchant Banking Services Pvt. Ltd.
Any other matter to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the Takeover Code.

For Tata Sponge Iron Limited

(N. P. Sinha)
Chairman of the Committee of Independent Directors

Place : Joda
Date : 19th July, 2012