

FORM OF 2004 BOND CONVERSION NOTICE

BOND CONVERSION NOTICE

JINDAL STAINLESS LIMITED

US\$60,000,000

0.50% Convertible Bonds Due 2009

PLEASE READ THE NOTES AT THE END OF THIS NOTICE BEFORE COMPLETING THIS NOTICE.

Please fax the completed Bond Conversion Notice to:

Citibank, N.A.

Facsimile: +44 207 508 3866

Attention: Agency and Trust

Please enter principal amount and serial or identifying numbers of Bonds to be converted:

Total principal amount of Bonds to be converted:	
Serial or identifying number of Bonds to be converted*:	
ISIN number of Bonds:	XS0208872902

* Not required for Bonds represented by a Global Certificate. Attach extra sheets if necessary.

TO: **Citibank, N.A.**
Jindal Stainless Limited (the "Company")

I/We, being the Holder(s) of the Bonds specified above, hereby irrevocably elect to convert such principal amount of Bonds (being US\$5,000 in principal amount or integral multiple thereof) as indicated above into common shares of the Company ("**Shares**") in accordance with Article 11 of the Indenture dated December 23, 2004 by and between the Company and Citibank, N.A., as Trustee (the "**Indenture**") and Condition 5 of the terms and conditions of the Bonds.

Please complete Item A below:

A. Information on the Registered Holder of the Shares

1. Name and address of the person in whose name Shares and other property or cash (including cash payable pursuant to Condition 5(A)(ii)) (if applicable) (the “**Conversion Property**”) are to be registered or delivered upon conversion of the Bonds:

Name:	_____
Address:	_____ _____

2. I/We hereby request that the Shares (together with any Conversion Property) delivered upon conversion of the Bonds specified above be registered in the name of the person specified above and be delivered to the account registered in the name of the following person at the National Securities Depository Limited or Central Depository Services (India) Limited specified below:

Name:	_____
Account Number:	_____
Telephone No.:	_____
Email Address:	_____
Fax No.:	_____
[Other additional information required by Conversion Agent]*	_____

* To be supplied by the Conversion Agent and the additional information to be required by the Conversion Agent may differ from time to time.

Please read and complete Items B through F below:

B. Delivery of the Required Documents. I/we have provided the Conversion Agent with the Bonds to be converted hereby and any documents required in relation to the declarations below or to verify the same accompany this form.

C. Acknowledgement of the Closed Period. I/we hereby declare that I/we have been notified by the Company that the Company’s register of shareholders may be closed from time to time. I/We hereby declare that any applicable condition to conversion of the Bonds, if any, has been complied with by me/us, that I/we am/are not acting on behalf of the Company or any of its

affiliates and that the Shares issued upon conversion have not been, and when received by the converting Holder of the Bonds will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority in any state or jurisdiction of the United States.

D. Compliance. I/We certify that I/We am/are, or at the time the Shares are issued upon conversion of the Bonds will be the beneficial owner of the Shares, and:

(1) I/We (i) am/are located outside the United States (within the meaning of Regulation S under the Securities Act), (ii) acquired, or have agreed to acquire and will have acquired, the Bonds convertible for the Shares in an offshore transaction (within the meaning of Regulation S under the Securities Act), (iii) acknowledge the Shares to be received upon conversion of the Bonds have not been registered under the Securities Act or with the securities regulatory authority of any state of the United States and (iv) will not sell, pledge, or transfer the Shares to, or for the account or benefit of, persons other than persons outside the United States or pursuant to a registration statement under the Securities Act.

(2) I/We am/are not an “affiliate” of the Company or a person acting on behalf of such an “affiliate,” and

(3) I/We am/are not in the business of buying and selling securities or, if I/we am/are in such business, I/we did not acquire the Shares from the Company or any affiliate thereof in a “distribution”.

E. Taxes and Duties Payable. I/We hereby declare that all stamp, issue, registration and similar taxes or duties or transfer costs payable on conversion of the Bonds in the jurisdiction where the Bonds are delivered to the Conversion Agent for conversion have been paid.

F. Converting Holder’s Information and Signature.

Please complete the following information with respect to the converting Holder of the Bonds:

Name: (In English)	
Date:	
Signature:	
Nationality:	
Address:	
Euroclear/Clearstream Account No.:	
Contact Person:	
Daytime Telephone No.:	
Fax No.:	
Email Address:	

For Conversion Agent's use only:

1. Bonds Deposited for Conversion.

(a) Bonds conversion identification reference: [identification code of relevant Conversion Agent] / Jindal Stainless Limited 0.50% Convertible Bonds Due 2009/[]

(b) Deposit Date: _____

(c) Conversion Date: _____

2. Shares Issuable Upon Conversion.

(a) Aggregate principal amount of Bonds deposited for conversion:

(b) Conversion Price on Conversion Date: _____

(c) Number of Shares deliverable: _____
(disregard fractions)

3. Amount of cash payment due to the converting Holder of the Bonds under Condition 5(A)(ii) in respect of fractions of Shares (if applicable): _____

N.B. The Conversion Agent must complete items 1 and 2 and (if applicable) 3.

NOTES

1. This Conversion Notice shall be void unless the applicable Sections A through F above are duly completed and must be deposited during the Conversion Period.

2. Your attention is drawn to Condition 5(B) of the Bonds with respect to the conditions precedent which must be fulfilled before the Bonds specified above shall be treated as effectively deposited for conversion.

3. If a retroactive adjustment of the Conversion Price contemplated by the terms and conditions of the Bonds is required in respect of a conversion of Bonds, additional Shares deliverable pursuant to such retroactive adjustment (together with any other securities, property or cash) shall be delivered or dispatched in accordance with the Indenture.

**ANNEX A to
2004 BOND CONVERSION NOTICE
FOR 2004 BONDS**

Check here if you wish to receive Regulation S GDSs upon conversion and complete grid below.

PLEASE READ THE NOTES AT THE END OF THE NOTICE BEFORE COMPLETING THIS ANNEX.

To: Jindal Stainless Steel Limited (the “Company”)
Citibank, N.A., as Conversion Agent
Citibank, N.A., as Depositary

I/We, being the Holder(s) of the Bonds specified above, hereby irrevocably elect to convert such principal amount of Bonds (being US\$5,000 in principal amount or integral multiple thereof) as indicated above into Regulation S Global Depositary Shares (“**Regulation S GDSs**”), each Regulation S GDS representing two Shares, in accordance with Article 11 of the Indenture and Condition 5 of the terms and conditions of the Bonds.

If Shares or Regulation S GDSs are to be delivered and registered in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto.

The undersigned hereby declares that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Shares or Regulation S GDSs or any other property or cash have been paid.

Delivery Instructions for Regulation S GDSs to:

CUSIP:	477586 20 0
Number of Regulation S GDSs to be issued:	
DTC Participant Name and Account Number:*	
Account No. for Investor at DTC Participant (f/b/o information):	
Contact person at DTC Participant:	
Daytime Telephone Number of contact person at DTC Participant:	
Email of contact person at DTC Participant:	

* The Regulation S GDSs will be delivered to DTC Participant specified above on RVP/DVP basis against payment of Depositary’s issuance fee of up to US\$0.05 per Regulation S GDS issued.

By checking and completing the above, the undersigned (A) acknowledges (or if the undersigned is acting for the account of another person, such person has confirmed to the undersigned that such person acknowledges) that the Regulation S GDSs and the Shares represented thereby have not been and will not be registered under the Securities Act or with any securities regulatory authority in any state or jurisdiction of the United States; (B) certifies that the Shares are not “restricted securities” within the meaning of Rule 144(a)(3) under the United States Securities Act of 1933, as amended (the “Securities Act”) and certifies that it either:

(i) is, or at the time the Shares are deposited and at the time Regulation S GDSs are issued will be, the beneficial owner of such Shares and of such Regulation S GDSs and (1) is not a U.S. person (as defined in Regulation S under the Securities Act (“Regulation S”)) and is located outside the United States (within the meaning of Regulation S) and acquired, or has agreed to acquire and will have acquired, the Shares to be deposited outside the U.S. (within the meaning of Regulation S), (2) is not an affiliate of the Company or a person acting on behalf of such an affiliate, and (3) is not in the business of buying and selling securities or, if it is in such business, did not acquire the securities to be deposited from the Company or any affiliate thereof in the initial distribution of Regulation S GDSs and Shares and did not acquire the Regulations S GDSs or Shares with the intent of making a “distribution” of such Regulation S GDSs or Shares into the U.S. or to a U.S. person, or

(ii) is a broker-dealer acting on behalf of its customer and such customer has confirmed to the undersigned that such customer is, or at the time the Shares are deposited and at the time Regulation S GDSs are issued will be, the beneficial owner of such Shares and of such Regulation S GDSs, and (1) is not a U.S. person and is located outside the United States and acquired, or has agreed to acquire and will have acquired, the Shares to be deposited outside the U.S. (within the meaning of Regulation S), (2) is not an affiliate of the Company or a person acting on behalf of such an affiliate, and (3) is not in the business of buying and selling securities or, if it is in such business, did not acquire the securities to be deposited from the Company or any affiliate thereof in the initial distribution of Regulation S GDSs and Shares and did not acquire the Regulations S GDSs or Shares with the intent of making a “distribution” of such Regulation S GDSs or Shares into the U.S. or to a U.S. person;

(C) agrees (or if the undersigned is a broker-dealer, its customer has confirmed to the undersigned that such customer agrees) that prior to expiration of forty (40) days after the later of the commencement of the offering of the Regulation S GDSs and the Shares on behalf of the Company and the last closing in respect of such offering (the “restricted period”), it (or such customer) will not offer, sell, pledge or otherwise transfer the Regulation S GDSs evidenced thereby or the Shares represented thereby except outside the U.S. to a person other than an U.S. person (as defined in Regulation S) in accordance with Regulation S or in accordance with any

applicable securities laws of any state of the United States, and certifies that it has paid all applicable fees and expenses of the Depositary in connection with the deposit of Shares; and

(D) agrees that (i) the Shares deposited in connection with the conversion contemplated herein may be withdrawn upon presentation of Regulation S GDSs for cancellation under the Deposit Agreement only after the Company has received confirmation from the Indian Stock Exchanges that such Shares have been listed for trading thereon (such Shares, the “Listed Shares”) and the Depositary has received confirmation that all requirements for the de-materialization of such Shares have been satisfied (such Shares, the “De-Materialized Shares,” and Shares that are both Listed Shares and De-Materialized Shares hereinafter referred to as the “Final Shares”); (ii) the undersigned (or if the undersigned is a broker-dealer, its customer has confirmed to the undersigned that it agrees that it) will not surrender the Regulation S GDSs received in connection with the conversion contemplated herein for cancellation and withdrawal of the underlying Shares for a period of time from the Conversion Date (as defined in the Indenture) until the underlying Shares are listed on the Indian Stock Exchanges and all requirements for the de-materialization of such Shares have been satisfied, and the undersigned (or its client) will notify any subsequent purchaser and request that such purchaser notify any subsequent purchaser within such period of this restriction that is applicable to the Regulations S GDSs received in connection with the conversion contemplated herein and being issued in reliance upon this certification; (iii) the Company has indicated that it is expected that newly issued Shares which may be deposited by the Company from time to time and which are not listed for trading on the Indian Stock Exchanges at the time of such deposit, including Shares deposited with the Custodian from time to time upon conversion of bonds of the Company, will be listed on the Indian Stock Exchanges for trading and will be fully de-materialized, thereby becoming Final Shares, no later than forty-five (45) calendar days after any such deposit; (iv) the Depositary will deliver Shares represented by Regulation S GDSs presented for cancellation only to the extent of the number of Final Shares then on deposit with the Custodian; (v) the Depositary will process presentations of Regulation S GDSs for withdraw of Final Shares on a first come, first served basis; (vi) the Depositary will complete requests for cancellation of Regulation S GDSs and withdrawal of the Shares represented thereby only to the extent of the number of Final Shares at such time deposited with the Custodian; (vii) the Depositary will refuse to complete a request for cancellation of Regulation S GDSs and withdrawal of Shares to the extent the number of Shares to be withdrawn exceeds the number of Final Shares at such time deposited with the Custodian; and (viii) the Depositary reserves the right to suspend

withdrawals of Shares until such time as Final Shares are deposited with the Custodian.

Very truly yours,

[NAME OF CERTIFYING ENTITY]

By: _____
Title:

Date: _____

For Conversion Agent's use only:

1. (A) Conversion identification reference:
(B) Deposit Date: _____
(C) Conversion Date: _____
2. (A) Aggregate principal amount of Security deposited for conversion: _____
(B) Conversion Price on Conversion Date: _____
(C) Number of Regulation S GDSs deliverable: _____
(disregard fractions)
3. Regulation S GDS issuance fees: _____
(only if Regulation S GDSs being delivered)
4. (If applicable) amount of cash payment due to converting Holder in respect of fractions of Shares or of Regulation S GDSs due to a consolidation or re-classification of Shares:

N.B. The Conversion Agent must complete items 1 and 2 and (if applicable) 3 and 4.

Notwithstanding anything herein to the contrary, Shares which would be represented by a fraction of one Regulation S GDS shall not be issuable by the Company or deposited with the Custodian or the Depositary.

Upon receipt, a copy of this Annex A shall be forwarded to:

Citibank, N.A.
Depositary Receipts Department
15th Floor
111 Wall Street

New York, New York 10043
Facsimile No.: (212) 825-2029

Citibank, N.A. (Mumbai)
Ramnord House
77 Dr. Annie Besant Road
Worli, Mumbai, India 400 018
Facsimile No.: 91 222 497 806