

Jindal Stainless Limited
Jindal Centre
12, Bhikaji Cama Place
New Delhi 110066

9th October 2006

Sub: Engagement Letter – CDM Advisory Services

Dear Sir,

This letter will confirm Ernst & Young Pvt Ltd's ('E&Y') engagement to act as advisor to **Jindal Stainless Limited** regarding matters related to Kyoto Protocol under United Nation Framework Convention on Climate Change (UNFCCC). This letter shall constitute an engagement agreement ("***the Agreement***") between **Jindal Stainless Limited ('the Company')** and Ernst & Young and sets out our understanding of the services you require us to provide, the Supplemental Terms and Conditions (Annexure-1) and Dispute Resolution Procedures (Annexure-2), provide further details of our respective responsibilities and form part of this engagement letter.

1.0 Introduction

The Company has undertaken the following Green House Gas (GHG) abatement project. The Company hereby appoints E&Y to assist the Company in getting the potential benefits of the GHG abatement project under the Clean Development Mechanism (CDM) of the Kyoto Protocol.

The Company is implementing a 13 MW waste heat recovery power generation project from flue gas of Fe-Cr furnace at their upcoming steel plant in Daburi, Orissa. The project is presently under trial run and commissioning.

2.0 Scope of Services

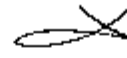
Scope of services of E&Y is detailed below in this section

2.1 Preparation of Project Idea Note (PIN)

The PIN document will test in brief suitability of the project as a CDM project. The PIN document will be delivered to the Company.

2.2 Preparation of PDD

E&Y would assist the Company to prepare Project Design Document (PDD) based on the guidelines of the United Nations Framework Convention on Climate Change (UNFCCC). The Company would provide E&Y all the technical information/data required for preparing the PDD. Following documents would be prepared:



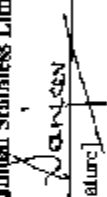
Any controversy or claim arising out of or relating to services covered by this letter or hereafter provided by us for the Company or at its request (including any such matter involving any parent, subsidiary, affiliate, successor in interest, or agent of the Company or of E&Y, or involving any person or entity for whose benefit the services in question are or were provided), shall be submitted first to voluntary mediation, and if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures set forth in the Annexure 2 to this letter. Judgment on any arbitration award may be entered in any court having jurisdiction.

6.0 Agreement of Terms

The general terms of business as per Annexure 1 & 2 holds good. We hereby agree to this engagement letter and request E&Y to start this engagement.


Sudipta Das
Partner
For, Ernst & Young Pvt. Ltd.

We accept the above Terms & Conditions
For **[United Stainless Limited]**


[Signature]

SANDEEV PANDIYA

[Name]

Sr. Vice President

[Designation]

[Date]


(Mr. Rajiv Gupta)
General Manager