

**CERTIFICATION AND AGREEMENT OF CERTAIN ACQUIRORS
OF GDRS OR BENEFICIAL INTEREST IN THE INTERNATIONAL
MASTER GDR CERTIFICATES UPON DEPOSIT OF SHARES
PURSUANT TO CONDITION 1 OF THE TERMS AND CONDITIONS**

[Date]

Citibank, N.A.,
as Depositary
GDR Department
111 Wall Street
New York, New York 10043

Re: Steel Authority of India Limited

Dear Sirs:

Reference is hereby made to Section 2.2 of the Deposit Agreement, dated as of March 6, 1996 (the "Deposit Agreement"), between Steel Authority of India Limited (the "Company") and Citibank, N.A., as Depositary. Capitalized terms used but not defined herein shall have the meanings given to them in the Deposit Agreement.

This certification and agreement is furnished in connection with the deposit of Shares and issuance of International Global Depositary Receipts ("International GDRs") to be evidenced by one or more Global Depositary Receipts pursuant to Sections 2.2 and 2.3 of the Deposit Agreement.

A. We acknowledge (or if we are acting for the account of another person, such person has confirmed to us that it acknowledges) that the International GDRs, International GDR certificates and the Shares represented thereby have not been and will not be registered under the Securities Act.

B. We certify that:

(a) The Shares are not restricted securities within the meaning of Rule 144(a)(3) of the Securities Act and we are, or at the time the Shares are deposited and at the time the International GDRs are issued will be, the beneficial owner of such Shares and of such International GDRs and we are not a U.S. person (as defined in Regulation S under the Securities Act) and we are located outside the United States (within the meaning of Regulation S) and we acquired, or have agreed to acquire and will have ac-

quired, the Shares to be deposited outside the United States (within the meaning of Regulation S), we are not an affiliate of the Company or a person acting on behalf of such an affiliate, and we are not in the business of buying and selling securities or, if we are in such business, we did not acquire the securities to be deposited from the Company or any affiliate thereof in the initial distribution of International GDRs and Shares; or

(b) The Shares are not restricted securities within the meaning of Rule 144(a)(3) of the Securities Act and we are a broker-dealer acting on behalf of our customer; our customer has confirmed to us that it is, or at the time the Shares are deposited and at the time the International GDRs are issued will be, the beneficial owner of such Shares and the International GDRs, and it is not a U.S. person (as defined in Regulation S) and it is located outside the United States (within the meaning of Regulation S) and it acquired, or has agreed to acquire and will have acquired, the Shares to be deposited outside the United States (within the meaning of Regulation S), it is not an affiliate of the Company or a person acting on behalf of such an affiliate, and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the securities to be deposited from the Company or any affiliate thereof in the initial distribution of International GDRs and Shares.

C. We agree (or if we are a broker-dealer, our customer has confirmed to us that it agrees) that prior to the expiration of 40 days after the latest of the commencement of the offering of International GDRs on behalf of the Company, the original issue date of the International GDRs, and the issue date with respect to the additional International GDRs, if any, issued to cover over-allotments in connection with the offering (the "Restricted Period"), we (or it) will not offer, sell, pledge or otherwise transfer such International GDRs or the Shares represented thereby except to a person whom we reasonably believe (or it and anyone acting on its behalf reasonably believes) is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A under the Securities Act, or in accordance with Regulation S under the Securities Act, in either case in accordance with any applicable securities laws of any state of the United States. We further agree (or if we are a broker-dealer, our customer has confirmed to us

that it agrees) that if we sell or otherwise transfer (or it sells or otherwise transfers) the International GDRs or the Shares represented thereby in accordance with clause (ii) above prior to the expiration of the Restricted Period, we (or our customer) will, prior to settlement of such sale, cause such Shares to be withdrawn from the International Facility (as defined in the Deposit Agreement) in accordance with the terms and conditions of the Deposit Agreement and we (or our customer) will cause instructions to be given to the Custodian to deposit such Shares in the Rule 144A Facility (as defined in the Deposit Agreement) and to the Depository for the issuance of a certificate evidencing Rule 144A GDRs or adjustment of the Master Rule 144A GDR Certificate upon receipt of the proper certification on behalf of the purchaser and otherwise in accordance with the terms and conditions of the Deposit Agreement.

Very truly,

[NAME OF CERTIFYING ENTITY]

By: _____

Title: _____