CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

PRADEEP METALS LIMITED

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CASH OFFER FOR ACQUISITION OF 35,83,600 EQUITY SHARES FROM SHAREHOLDERS AT A PRICE OF RS. 19.85/- (RUPEES NINETEEN AND PAISE EIGHTY FIVE ONLY) PER EQUITY SHARE

This is a corrigendum to the Original Public Announcement ('PA') that appeared in this newspaper on Friday, May 5, 2006 issued by Inga Advisors Private Limited ('Manager to the Offer') on behalf of M/S. FLASHNET INFOSOLUTIONS (INDIA) LTD. (the 'ACQUIRER' or 'FISIL'). This announcement should be read in conjunction with the PA and the Letter of Offer dated October 23, 2006 ('Letter of Offer') that will be posted to the public shareholders of Pradeep Metals Limited ('PML') by October 26, 2006. The terms used but not defined in this announcement have the same meanings assigned to them in the PA issued earlier and / or the Letter of Offer.

The shareholders of PML may please note the following changes/ amendments in this announcement:

1. Reasons for increase in the offer size and offer price

Acquisition of 10% Optionally Convertible Cumulative Redeemable Preference Shares ('OCCRPS') carrying voting rights by M/s S. V. Shah Construction Services Private Limited ('M/s S. V. Shah') from Industrial Development Bank of India ('IDBI')

M/s S.V. Shah, a promoter group company had acquired 5,00,000 OCCRPS (carrying voting rights) of Rs. 100/- each at par, from IDBI that were issued to IDBI pursuant to share subscription agreement dated March 15, 2000. The precondition to this acquisition by M/s S. V. Shah was that the voting rights are not transferred to it. Towards this end, M/s S. V. Shah also provided an irrevocable undertaking relinquishing its voting rights, should the OCCRPS be purchased by it. Such voting rights accrued were 27.93% of the total voting capital of PML.

On the basis of this relinquishment, M/s S.V. Shah did not make an open offer in terms of regulation 10 of the Regulations. The PA made on May 5, 2006 was made considering this relinquishment and was made pursuant to proposed acquisition of shares by FISIL vide the Share Purchase Agreement dated May 2, 2006.

Details of Revision

As per SEBI's directives, the relinquishment as mentioned above cannot be taken on record and M/s S.V. Shah was required to make an offer in terms of the Regulations. For the purpose of this open offer, January 27, 2006 (first payment date) was required to be considered as the trigger date. The offer price has therefore been computed based on the premise that M/s S.V. Shah is required to make an open offer for the aforesaid trigger together with interest @ 10% p.a. for the delayed period, which works out to Rs. 19.85/-.

For calculating the offer size in terms of Regulation 21(5) such voting rights on the OCCRPS should also be reckoned. The revised offer size considering the voting rights on the OCCRPS amounts to 35,83,600 equity shares.

In view of the above, FISIL being a promoter group company has agreed to revise the offer price and offer size under the present offer to the public shareholders. Accordingly, under the present offer, the offer is being made by FISIL along with persons acting in concert, namely, M/s S V Shah, Mr. Pradeep Goyal and Mr. Piyush Goyal. The offer price has been revised from Rs. 19/- to Rs. 19.85/- per equity share and the offer size has been revised from 25,83,600 equity shares to 35,83,600 equity shares.

SEBI may initiate appropriate action against M/s S.V. Shah / PACs for failure to comply with the provisions of Chapter III in respect of the acquisition of voting rights accrued on the OCCRPS.

2. Escrow Account

The Acquirer had deposited Rs. 4,91,00,000/- in the Escrow Account based on the offer as per the original PA. In terms of provisions of clause 28(2)(a), the same amount is being retained in the Escrow account, which is more than 25% of the total consideration payable under the revised offer size and price. The Manager to the offer is authorised to operate and realise the value of the Escrow Account in terms of the Regulations.

The Acquirer has made firm financial arrangements as per the Regulations for the acquisition of equity shares under the Offer. For this purpose, the Acquirer along with PACs intends to utilize funds from internal accruals. Mr. S. M. Patki (Membership No. 37690), partner of S. R. Rege & Co. Chartered Accountants, having office at 125, Hiramani Supermarket, Dr. S. S. Rao Road, Lalbaug, Mumbai – 400 012 Tel.: 022 2471 0050 Fax: 022 2471 3450, vide certificate dated September 25, 2006 has confirmed that sufficient resources are available with the Acquirer along with PACs to fulfill their obligation under the offer.

3. Financials of FISIL

The financial details of FISIL have been updated for the Financial year ended March 31, 2006 and further for the quarter ended June 30, 2006. For details of the same, the shareholders may refer to the Letter of offer that will be posted to them by October 26, 2006.

4. Details of Persons acting in concert:

M/s S. V. Shah was incorporated as private limited company on June 14, 1977 having its registered office at 1202, Regent Chambers, 208, Nariman Point, Mumbai – 400 021. Tel: 022-2283 5473, Fax: 022-2283 5475 for carrying on the business of construction and allied activities. M/s S.V. Shah was promoted by Mr. Ram Kumar Mr. A. Batra, Mr. Hira K. Advani, Mr Sankalchand V. Shah and Mr Shirish R. Merchant and was taken over by Mr Piyush Goyal and Mr Pradeep Goyal in June 2004.

The financial highlights of M/s S.V. Shah are as below:

As on March 31, 2006, M/s S.V. Shah had a subscribed and paid up capital of Rs. 17.00 Lakhs, comprising of 1,70,000 fully paid up equity shares of face value of Rs.10/- each, the total networth (excluding revaluation reserves) was Rs. 510.13 Lakhs, Total income for the year ended March 31, 2006 was of Rs. 1.06 Lakhs, Net profit after tax of Rs.0.45 Lakhs. As on March 31, 2006, the Return on Net worth was 0.18%, Book Value of Rs. 13.31 per equity share, Earnings per share of Rs. 0.26

As on March 31 2005, M/s S.V. Shah had a subscribed and paid up capital of Rs. 17.00 Lakhs, comprising of 1,70,000 fully paid up equity shares of face value of Rs.10/- each, the total networth (excluding revaluation reserves) was Rs. 22.18 Lakhs, Total income of Rs. Nil, Net loss of Rs.0.11 Lakhs. As on March 31 2005, the Return on Net worth was negative, Book Value of Rs. 13.05 per equity share, Earnings per share of Rs. (0.06).

Mr. Pradeep Goyal is a B. Tech (Metallurgy) and M.S. (Materials) from USA and has 26 years of experience in the functional areas of improving process efficiency, yield and energy conservation through innovative applications of gases in ferrous and non-ferrous metallurgical industries. He has gained wide exposure to international marketing of industrial products while he worked for 4 years in Air Products and Chemicals Inc., USA and has brought with him state-of-the-art technology in manufacture of precision closed die steel forgings and knowledge of international marketing of the same. The networth of Mr. Pradeep Goyal as on March 31, 2006, as certified by Mr. S. M. Patki (Membership No 37690) of M/s S. R. Rege And Company (Chartered Accountants) vide his certificate dated September 25, 2006 is Rs. 57.57 lakhs.

Mr. Piyush Goyal is B.Com, L.L.B and Chartered Accountant. He has 18 years of experience in the diversified filed of Strategic Management Consultancy and has extensive experience in industry, project conceptualisation and implementation, investment banking etc. strong skills on infrastructure projects. He is also involved with several NGO's in diverse fields such as tribal welfare, education, health, etc. The networth of Mr. Piyush Goyal as on March 31, 2006, as certified by Mr. S. M. Patki (Membership No 37690) of M/s S. R. Rege And Company (Chartered Accountants) vide his certificate dated September 25, 2006, is Rs. 42.52 lakhs.

The following persons, being part of the promoter group have been considered as deemed PACs for the purpose of this open offer:

Mr. Vedprakash Goyal
Mr. Abhinav Goyal
Mrs. Chandrakanta Goyal
Mrs. Seema Goyal
Mrs. Neeru Goyal

5. Eligibility of shareholders with partly paid shares

There are 14,800 partly paid-up equity shares in PML. The shareholders holding partly paid-up shares shall be eligible to participate in this offer provided they pay the allotment money along with interest @ 18% p.a. on the due amount in terms of the prospectus dated January 4, 1994 of PML. The amount payable by them is Rs. 7.50/- per share being the allotment money due and interest of Rs. 47.16/- per share. The partly paid-up shares do not carry voting rights.

6. Revised Schedule of Activities

A revised schedule of some of the key events in respect of this offer is given below:

Activity	Original Schedule	Revised Schedule
Date by which Letter of Offer will be posted to shareholders	Wednesday, June 14, 2006	Thursday, October 26, 2006
Date of Opening of the Offer	Monday, June 26,2006	Wednesday, November 1, 2006
Last date for revising the Offer Price / No. of Equity Shares	Thursday, July 6, 2006	Wednesday, November 8 2006
Last date of withdrawal of tendered application by the shareholders of PML	Wednesday, July 12, 2006	Tuesday, November 14, 2006
Date of Closing of Offer	Saturday, July 15, 2006	Monday, November 20, 2006
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and / or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited	Tuesday, July 25, 2006	Tuesday, December 5, 2006

The Board of Directors of the Acquirer and PACs severally and jointly accept full responsibility for the information contained in this announcement and also for the obligations of the Acquirer under the Regulations.

Inga

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CONCEPT

Issued on behalf of

Place: Mumbai
Date : October 19, 2006

M/S. FLASHNET INFOSOLUTIONS (INDIA) PVT. LTD.
(Acquirer)

Size: 30x16 sq. cm