LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as an equity shareholder of Pradeep Metals Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your equity shares in Pradeep Metals Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgment, Transfer Deed and Form of Withdrawal to the Member of Stock Exchange through whom the said sale was effected.

FLASHNET INFO SOLUTIONS (INDIA) LIMITED ("Acquirer" or "FISIL")

Registered Office: 1202, Regent Chambers, 208, Nariman Point, Mumbai – 400 021 Tel No: +91- 22-2283 5473/74, Fax: +91-22-2283 5475

Along with Persons Acting in Concert ('PACs')

(M/S S. V. SHAH CONSTRUCTION SERVICES PRIVATE LIMITED, MR. PRADEEP GOYAL AND MR. PIYUSH GOYAL)

MAKES A CASH OFFER AT A PRICE OF RS. 19.85 (RS. NINETEEN AND PAISE EIGHTY FIVE ONLY) PER EQUITY SHARE (Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto) **TO ACQUIRE** from existing shareholders upto 35,83,600 fully paid up equity Shares of Rs.10/- each representing 20.02% of the voting capital and 20% of the issued capital of

PRADEEP METALS LIMITED ("Target Company" or "PML")

Registered Office: # R-205, TTC Ind Area, MIDC Rabale, Navi Mumbai – 400 701, Tel No: +91-22- 2769 1026 Fax: 91-22 -2769 1123

Note:

- This Offer is being made pursuant to Regulation 11(1) and other applicable provisions of the SEBI Takeover Code.
- The Offer is subject to receipt of the permission from RBI under the Foreign Exchange Management Act, 1999 (FEMA) to acquire Equity Shares tendered by persons resident outside India under the offer. Please refer to para 8.13 of the Letter of Offer for details.
- If the aggregate of the valid response exceeds 35,83,600 equity shares, then the Acquirer shall accept shares equal to 35,83,600 equity shares, on a proportionate basis, in consultation with the Manager, in accordance with Regulation 21(6) of the SEBI Takeover Code.
- **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same until November 14, 2006, i.e. three working days prior to the date of closure of offer.**
- If there is any upward revision / withdrawal of the Offer, the public announcement for the same would be made in the same newspapers where the original public announcement has appeared. The last date for such upward revision, if any, is November 8, 2006. The Acquirer shall pay the same price for all the equity shares tendered in the Offer.
- **Equity shareholders may note that if there is a competitive bid:**
  - **The public offers under all the subsisting bids shall close on the same date.**
  - **As the Offer Price cannot be revised during seven working days prior to the date of closing of offer / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each offer / bid and tender their acceptance accordingly.**
- **There has been no competitive bid as on date.**
- The procedure for acceptance is set out in Para 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Instrument of Transfer are enclosed with this Letter of Offer
- A Copy of the Public Announcement and this Letter of Offer including the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal would also be available on SEBI's website www.sebi.gov.in

	Manager to the Offer		**Registrar to the Offer**
Inga	**Inga Advisors Private Limited** A- 404, Neelam Centre, Hind Cycle Road, Worli, Mumbai – 400 030 Tel: (22) 2498 2919 Fax: (22) 2498 2956 Email : pml.offer@ingaadvisors.com Contact Person : Mr. Ashwani Deedwania		**Intime Spectrum Registry Ltd.** C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078. Tel: (022) 2596 3838 Fax: (022) 2596 0329 Email: srnl@vsnl.com Contact Person : Ms. Awani Punjani

OFFER OPENS ON: Wednesday, November 1, 2006	OFFER CLOSES ON: Monday, November 20, 2006

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule	Revised Schedule
Public Announcement Date	Friday, May 05, 2006	Friday, May 05, 2006
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Tuesday, May 16, 2006	Tuesday, May 16, 2006
Last date for a Competitive Bid	Friday, May 26, 2006	Friday, May 26, 2006
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

Risk Factors

Given below are the risks related to the transaction, the proposed offer and the risks involved in getting associated with the Acquirer

1) Transfer of equity shares received from NRI shareholders under the offer is subject to receipt of RBI approval for the same.

2) In the event that either (a) a regulatory approval is not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of PML whose equity shares have been accepted in the Offer as well as the return of the shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI Takeover Code, SEBI may, if satisfied that the non receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. Tuesday, November 14, 2006, shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed

3) The Acquirer makes no assurance with respect to the financial performance of Pradeep Metals Limited. The Acquirer makes no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in Pradeep Metals Limited.

4) The Acquirer makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business or operations of Pradeep Metals Limited or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of Pradeep Metals Limited are advised to consult their advisors, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

1. DEFINITIONS

Acquirer/ FISIL	:	Flashnet Info Solutions (India) Limited
BSE	:	Bombay Stock Exchange Limited
CDSL	:	Central Depository Services (India) Limited
Corrigendum to PA	:	Corrigendum to Public Announcement of this Offer made by the Acquirer together with PACs on October 19, 2006
DP	:	Depository Participant
Form of Acceptance 'FOA'	:	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
Form of Withdrawal or "FOW"	:	Form of Withdrawal accompanying this Letter of Offer
Issued Capital	:	Means 1,27,20,000 Equity Shares of Rs. 10/- each plus 5,19,800 10% OCCRPS of Rs. 100/- each equivalent to 1,79,18,000 equity shares of Rs. 10/- each
Letter of Offer or "LOO"	:	This Letter of Offer dated October 23, 2006
Manager / Manager to the Offer	:	Inga Advisors Private Limited
Non Resident Shareholders	:	NRIs, OCBs and FIIs holding the equity shares of PML
NRI(s)	:	Non Resident Indian(s)
NSDL	:	National Securities Depository Limited
OCCRPS or Preference Shares	:	10% Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each
Offer or Open Offer	:	Open Offer being made to acquire upto 35,83,600 fully paid up equity shares of Rs.10/- each of PML, representing 20.02% voting rights of the total voting capital of the PML, at a price of Rs. 19.85/- per fully paid up Equity Share
Offer Price	:	Rs. 19.85/- (Rupees Nineteen and Paise Eighty Five Only) per fully paid up equity share of Rs.10/- each of PML
Persons Acting in Concert or PACs (for the offer)	:	Mr. Pradeep Goyal, Mr. Piyush Goyal, and M/s S. V. Shah Construction Services Private Limited
Persons Eligible to participate in the Offer	:	Equity Shareholders of the PML (other then the 'Acquirers', 'other persons in the promoter group' and seller under SPA) whose names appear in the Register of the Members of PML at the close of business hours on May 16, 2006 (the '**Specified Date**') and also to those persons who own shares at any time prior to the closure of the offer, but are not the registered equity shareholders.
Promoter Group	:	Mr. Vedprakash Goyal, Mrs. Chandrakanta Goyal, Mr. Piyush Goyal, Mr. Pradeep Goyal, Mrs. Seema Goyal, Mrs. Neeru Goyal, Mr. Abhinav Goyal and M/s S. V. Shah
Public Announcement or PA	:	Public Announcement of this Offer made by the Acquirer on May 5, 2006
Registrar to the Offer or Registrar or Intime	:	Intime Spectrum Registry Limited
RBI	:	Reserve Bank of India
SEBI or Board	:	Securities and Exchange Board of India
SEBI Act	:	Securities and Exchange Board of India Act, 1992
SEBI Guidelines	:	Securities and Exchange Board of India (Disclosure and Investor Protection), Guidelines 2000 and subsequent amendments thereto.
SEBI Takeover Code / the Regulations / SEBI (SAST) Regulations	:	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Seller	:	Dewar's Garage Limited
SPA	:	Share Purchase Agreement dated May 2, 2006
Specified Date	:	May 16, 2006
M/s S. V. Shah	:	M/s S. V. Shah Construction Services Private Limited
Transaction Shares	:	13,18,899 fully paid up equity shares of PML to be acquired through SPA dated May 2, 2006 from the Seller of the Target Company
Target Company or PML	:	Pradeep Metals Limited
Voting Capital	:	Means 1,27,05,200 Equity Shares of Rs. 10/- each fully paid plus 5,19,800 10% OCCRPS of Rs. 100/- each equivalent to 1,79,03,200 equity shares of Rs. 10/- each

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF PRADEEP METALS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY.

IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, INGA ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 15, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the offer

3.1.1 This offer is being made pursuant to Regulation 11(1) of, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

3.1.2 Flashnet Info Solutions (India) Limited is a Company incorporated under the Companies Act, 1956, having its registered office at 1202, Regent Chambers, 208, Nariman Point, Mumbai - 400 021.

3.1.3 FISIL has entered into a Share Purchase Agreement on May 2, 2006 as set out in Paragraph 3.1.4 below with Dewar's Garage Limited (Seller) having its address at 4th Council House Street, Kolkatta-700 001, for acquisition of 13,18,899 fully paid up equity shares of Rs.10/- each, representing 7.37% voting rights of the total voting capital of the Target Company at a price of Rs. 16.65/- per equity share, payable in cash, thereby taking the cumulative voting rights of the Promoter Group to 42.90% of the total voting capital of the Target Company.

3.1.4 The Salient features of the SPA are:

3.1.4.1 The Seller has agreed to sell and the Acquirer has agreed to purchase 13,18,899 fully paid up equity shares at a price of Rs. 16.65/- per share aggregating to Rs. 2,19,59,668/- (Rupees Two crore nineteen lakhs fifty nine thousand six hundred and sixty eight only) (herein after referred to as "consideration").

3.1.4.2 The sale of the Transaction Shares is subject to the Acquirer complying with the Regulations. If the Acquirer, fails to comply with the Regulations, the SPA shall not be acted upon by the Acquirer or the Seller.

3.1.4.3 The Acquirer will discharge 10% of consideration at the time of completion of the open offer and balance 90% at the end of one year from the date of completion of the open offer. Further, the Seller will transfer the Transaction Shares immediately at the time of receipt of 10% consideration as mentioned above.

The SPA would be available to shareholders for inspection during the period between the Offer opening date and the Offer closing date at the Registered office of the Acquirer located at 1202, Regent Chambers, 208, Nariman Point, Mumbai – 400 021.

3.1.5 Presently, the promoters of the Target Company, i.e. Mr Pradeep Goyal and Mr. Piyush Goyal, along with Persons Acting in Concert (hereinafter mentioned as "Promoter Group") hold 35.53% voting rights of the total voting capital of the Target Company.

3.1.6 Mr. Pradeep Goyal and Mr. Piyush Goyal are the promoters of FISIL. By virtue of this, FISIL would form a part of Promoter Group of the Target Company. Therefore, the total voting rights of the Promoter Group pursuant to the shares to be acquired by FISIL under the SPA would increase to 42.90 % of the total voting capital of PML.

3.1.7 Pursuant to the above-mentioned acquisition of equity shares under SPA, the aggregate voting rights of the Promoter Group would increase from 35.53 % to 42.90% of the total voting capital which is more than the prescribed limit, as stipulated in regulation 11(1) of the Regulations. The Acquirer along with PACs is therefore making an Open Offer to the remaining shareholders of PML (other than the Acquirer, PACs, and the Promoters of the Target Company and Seller) to acquire 35,83,600 fully paid up equity shares of Rs.10/- each representing 20.02% voting rights of the total voting capital (*refer para 6.3*) and 20.00% of the issued capital of the Target Company, at a price of Rs. 19.85/- per fully paid-up Equity Share (the "Offer price") payable in cash, in terms of regulation 20 of the Regulations (the "Offer" or "Open Offer").

3.1.8 Background of acquisition of Preference Shares by M/s S V Shah

3.1.8.1 IDBI had subscribed to 5,00,000 10% Optionally Convertible Cumulative Redeemable Preference Shares (hereinafter referred to as "OCCRPS" or "Preference Shares") of Rs. 100/- each pursuant to the subscription agreement dated March 15, 2000 entered into with PML which were issued as one time settlement of the dues to IDBI.

3.1.8.2 Due to inadequacy of profits, PML has not been able to pay any dividends on the said OCCRPS due to which voting rights accrued on these OCCRPS in accordance with Section 87(2)(b) of the Companies Act, 1956. Such voting rights accrued were 27.93% of the total voting capital of PML.

3.1.8.3 M/s S. V. Shah, a promoter group company, agreed to acquire 5,00,000 OCCRPS of Rs. 100/- each from IDBI at par provided the voting rights, which were accrued thereon were not transferred to it. Towards this end, M/s S. V. Shah also provided an irrevocable undertaking relinquishing its voting rights, should the preference shares be purchased by it.

3.1.8.4 The first payment by M/s S.V. Shah towards the OCCRPS was made on January 27, 2006 and the final payment was made on March 27, 2006, subsequent to which the OCCRPS were transferred in the name of M/s S. V. Shah on May 13, 2006.

3.1.8.5 The Board of PML in its meeting held on May 13, 2006 took on record the relinquishment of voting rights proposed by M/s S. V. Shah and called for an EGM on June 24, 2006 to amend the Articles for canceling the voting rights on the OCCRPS. The EGM was duly convened on June 24, 2006 and the Articles of PML were amended to effectively record the relinquishment of the voting rights on the preference shares held by S.V. Shah.

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 02, 2006.

3.1.8.6 Revision in the offer price and offer size

3.1.8.6.1 As per SEBI's directives, the relinquishment as mentioned under para 3.1.8.5 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 and for calculating the offer size in terms of Regulation 21(5) such voting rights should also be reckoned.

3.1.8.6.2 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/-. The revised offer size considering the voting rights on the OCCRPS would work out to 35,83,600 equity shares.

3.1.8.6.3 In view of the above, the acquirer (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, the offer price has been revised from Rs. 19/- to Rs. 19.85/- per equity share and the offer size has been revised form 25,83,600 equity shares to 35,83,600 equity shares.

3.1.8.6.4 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 above acquisition of voting rights accrued on the OCCRPS.

3.1.9 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.

3.1.10 No separate consideration has been paid or would be paid by the Acquirer, other than as mentioned in Clause 3.1.4.1, to the Seller for any of the above covenants or any other covenants mentioned in the SPA.

3.1.11 The Acquirer does not hold any Shares of PML as on the date of this Letter of Offer.

3.1.12 The equity shares tendered and accepted pursuant to the Offer will be acquired by the Acquirer only.

3.1.13 Neither the Acquirer and PACs nor the Target Company nor the Seller have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

3.1.14 There is no proposal to change the Board of Directors of the Target Company after the offer.

3.2 Details of the proposed Offer

3.2.1 The Public Announcement dated May 5, 2006 as per Regulation 15(1) of the Regulations, was made in the following newspapers on May 5, 2006:

Newspaper	Language	Edition
Business Standard	English	All editions
Prathakal	Hindi	All editions
Navshakti	Marathi	Mumbai

An announcement dated October 19, 2006 was made in the above mentioned newspapers giving details of the revised offer price, revised offer size, changes made in the escrow account and the activity schedule and reasons for doing the same. Copies of the aforesaid Public Announcements are also available at SEBI's website www.sebi.gov.in

3.2.2 The offer is made by the Acquirer along with PACs to the shareholders of PML to acquire 35,83,600 fully paid up equity shares of Rs.10/- each of PML, representing 20.02% voting rights of the total voting capital of PML, at a price of Rs. 19.85 per fully paid up equity share, payable in cash.

3.2.3 The Acquirer and PACs has not acquired or sold any equity shares of PML from the date of the Public Announcement upto the date of this Letter of Offer.

3.2.4 This is not a Conditional Offer. The Offer is not subject to any minimum level of acceptance.

3.2.5 FISIL will acquire all the shares that are validly tendered in terms of the Offer, upto a maximum of 35,83,600 equity shares at the Offer Price.

3.2.6 The Offer is not a competitive bid

3.2.7 The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of the Public Announcement and has not acquired any equity shares of the Target Company since the date of PA upto the date of this Letter of Offer.

3.2.8 Assuming full acceptance of the Offer the Promoter Group will hold 62,64,199 equity shares of the Target Company.

3.3 Object of the Acquisition / Offer

3.3.1 The promoters of PML with a view to consolidate their holding and for better control over the management of the Target Company have entered into an agreement with the seller to purchase 7.37% voting rights of the total voting capital of the Target Company through their group company FISIL. The voting rights of Promoter Group in the Target company post acquisition of the Transaction shares, will increase from 35.53% to 42.90% of the total voting capital.

3.3.2 The Offer to the shareholders of PML, as explained above, is made pursuant to regulation 11(1) of the Regulations for Substantial Acquisition of equity shares of PML, as holding of Promoter Group together with the Acquirer after the said acquisition of Transaction Shares is exceeding 5% of voting rights in the Target Company.

3.3.3 The Acquirer and Target Company are not in the same line of business.

4. BACKGROUND OF THE ACQUIRER PERSONS ACTING IN CONCERT ('PACs') AND DEEMED PERSONS ACTING IN CONCERT ('Deemed PACs')

4.1 Details of the Acquirer

4.1.1 FISIL was incorporated on March 23, 2000 under the Companies Act, 1956 having its registered office at 1202, Regent Chambers, 208, Nariman Point, Mumbai – 400 021. Tel No. 022-2283 5473, Fax: 022-2283 5475.

4.1.2 FISIL was incorporated for carrying on the business related to computer software, hardware, telecommunication, information technology and other services. Currently, FISIL is in the business of providing Marketing and Management Consultancy Services.

4.1.3 Mr Piyush Goyal and Mr Pradeep Goyal are the Promoters of FISIL. There is no specific group to which the Acquirer belongs.

4.1.4 Mr. Piyush Goyal, Mr. Pradeep Goyal and M/s S. V. Shah are person acting in concert with the Acquirer for the purpose of this Offer. Mr. Vedprakash Goyal, Mr. Abhinav Goyal, Mrs. Chandrakanta Goyal, Mrs. Neeru Goyal, Mrs. Seema Goyal are deemed persons acting in concert for the purpose of this Offer.

4.1.5 The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company are not applicable as the Acquirer is not holding any shares of PML since its inception.

4.1.6 The shareholding pattern of FISIL as on March 31, 2006 is as follows:

S.No	Shareholders	No. of Shares	%
1	Mr. Piyush Goyal	17,500	34.95%
2	Mrs. Seema Goyal	23,010	45.96%
3	Mrs. Neeru P. Goyal	9,510	18.99%
4	Mrs. Chandrakanta V. Goyal	10	0.02%
5	Others	40	0.08%
	Total	50,070	100%

4.1.7 The Board of Directors of FISIL as on the date of the Public Announcement was as follows:

Name Designation	Date of Appointment	Residential Address
Mr. Piyush Goyal (Chairman and Managing Director)	November 25, 2004	501, Archana Rajabali Patel Lane, Opp. Beach Candy Hospital, Mumbai – 400 026
Mr. Pradeep Goyal (Director)	November 25, 2004	43, Dharamjyot No 2, New Kantwadi Road, Bandra (West), Mumbai – 400 050
Mr. Mahendra Gulabchand Shah (Director)	March 23, 2000	Savitri Niwas,44/45, 4^{th} Floor, Malviya Road,Vile Parle (East), Mumbai – 400 057

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.

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. Further, Mr Pradeep Goyal is on the Board of the Target Company and therefore, has recused himself and shall not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the offer required in terms of Regulation 22(9) of the SEBI (SAST).

Mr. Mahendra Gulabchand Shah has done his Master in Printing Tech and is engaged in Metal Packaging industry and has promoted one of the largest groups in India in packaging industry and has also promoted leading Cosmetic manufacturing set up.

4.1.8 The shares of FISIL are not listed on any Stock Exchange.

4.1.9 Financials details of FISIL are as below:

(Rs. lakhs)

Profit & Loss Statement	**2003-04 (Audited)**	**2004-05 (Audited)**	**2005-06 (Audited)**	**April 01, 2006 to June 30, 2006 **(Certified)**
Income from operations	44.83	120.89	265.97	56.46
Other Income	0.20	1.39	2.42	11.64
Total Income	45.03	122.28	268.39	68.10
Total Expenditure.	29.02	59.68	101.50	30.83
Profit Before Depreciation Interest and Tax (PBDIT)	16.01	62.60	166.89	37.27
Depreciation	1.07	2.47	3.02	0.76
Interest	0.64	1.10	0.71	0.20
Profit Before Tax (PBT)	14.30	59.03	163.16	36.31
Provision for Tax	5.39	21.69	57.30	9.07
Profit After Tax (PAT)	8.91	37.34	105.86	27.24

(Rs. lakhs)

Balance Sheet Statement	**As at March 31, 04 (Audited)**	**As at March 31, 05 (Audited)**	**As at March 31, 06 (Audited)**	**As at June 30, 2006 **(Certified)**
Sources of funds				
Equity share capital	5.01	5.01	5.01	5.01
Preference Share Capital	-	-		12.50
Reserves and Surplus (excluding revaluation reserves)	22.00	59.34	165.20	679.94
Share Application Money	10.00	10.00	10.00	10.00
Networth	36.65	74.05	179.97	707.22
Secured loans	5.83	9.57	3.40	2.57
Unsecured loans	-	-		-
Total	**42.84**	**83.92**	**183.61**	**710.02**
Application of funds				
Net fixed assets	9.87	26.10	33.83	33.07
Investments	0.00	16.00	68.64	553.64
Net current assets	32.61	41.52	80.90	123.08
Miscellaneous expenditure not written off	0.36	0.30	0.24	.23
Total	**42.84**	**83.92**	**183.61**	**710.02**

Other Financial Data	**2003-04**	**2004-05**	**2005-06**	**As at June 30, 2006**
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	17.78	74.53	211.30	*54.37
Return on Networth	24.31%	50.42%	58.82%	15.41%
Book Value Per Share (Rs.)	53.19	127.84	339.26	1366.71

* Not annualised

** Certified by the Statutory Auditors of the Company

1) Earning per Share = Profit after tax / No. of Equity Shares outstanding
2) Return on Networth = Profit after tax / Net worth at the year end
3) Networth = Equity Share Capital plus Preference Share Capital plus Share Application Money plus Reserves and Surplus minus Misc. Expenses minus debit balance in Profit and Loss Account
4) Book Value per Share = (Equity Share Capital plus Reserves and Surplus minus Misc. Expenditure) / No. of Equity Share outstanding

4.1.10 There are no contingent liabilities and following are the reasons for fall / rise in total income and PAT from:

Year 2002-03 Vs 2003-04

During the year 2003-04, the company earned gross revenue of Rs 45.03 lakhs from its activities of marketing services and management consultancy, an increase of Rs 4.63 lakhs over 2002-03. The PAT was more than doubled from Rs. 4.39 lakhs in 2002-03 to Rs 8.91 lakhs. Increase in PAT was due to increase in revenue and better cost control initiatives by the company.

Year 2003-04 Vs 2004-05

During the year 2004-05, the company earned gross revenue of Rs 122.28 lakhs from its activities of marketing services and management consultancy. The gross revenue for the year 2004-05 increased by over 172% as compared to gross revenue in 2003-04. On account of better earnings, PAT has also increased to Rs. 37.34 lakhs in the year 2004-05 from Rs 8.91 lakhs in the year 2003-04.

Year 2004-05 Vs 2005-2006

During the year 2005-06, the company earned gross revenue of Rs 268.39 lakhs from its activities of marketing services and management consultancy. The gross revenue for the year 2005-06 increased by over 119% as compared to gross revenue of 2004-05. On account of better earnings, PAT has also increased to Rs. 105.86 lakhs in the year 2005-06 from Rs 37.34 lakhs in the year 2004-05.

4.1.11 The following Significant Accounting Policies are followed by FISIL:

4.1.11.1 System of Accounting:

The company follows the Mercantile System of accounting and recognizes income and expenditure on accrual basis.

4.1.11.2 Fixed Assets and Depreciation:

Fixed assets are stated at cost less depreciation. Depreciation is provided on the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

4.1.11.3 Payment of leave encashment is accounted on cash basis.

4.1.11.4 Preliminary expenses are being amortized over a period of 10 years

4.1.12 There are no companies that have been promoted by FISIL and no companies are controlled by FISIL.

4.2 Details of PACs

4.2.1 **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. Further, Mr Pradeep Goyal is on the Board of the Target Company and therefore, has recused himself and shall not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the offer required in terms of Regulation 22(9) of the SEBI (SAST). He holds 2,94,100 shares in PML in his individual capacity. 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. Pradeep Goyal is on the Board of the following listed companies: Pradeep Metals Limited and Uniphos Enterprises Limited. He is a Chairman and Managing Director of Pradeep Metal Limited and Whole Time Director of Flashnet Info Solutions (India) Limited.

Details of earlier acquisitions in the Target Company:

There has been no change in his shareholding since the SEBI (SAST) Regulations came into effect. He has complied with the provisions of the Chapter II of the Regulations without any delay.

4.2.2 **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. He holds 3,55,280 shares in PML in his individual capacity. 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. Mr. Piyush Goyal is on the Board of Sate Bank of India. He is a Chairman and Managing Director of FISIL and Managing Director of Intercon Advisors Pvt. Limited.

Details of earlier acquisitions in the Target Company:

There has been no change in his shareholding since the SEBI (SAST) Regulations came into effect. He has complied with the provisions of the Chapter II of the Regulations without any delay.

4.2.3 **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 No. 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. M/s S. V. Shah was taken over by Mr Piyush Goyal and Mr Pradeep Goyal in June 2004.

4.2.3.1 Mr Piyush Goyal and Mr Pradeep Goyal are the current Promoters of M/s. S.V. Shah. There is no specific group to which M/s S. V. Shah belongs.

4.2.3.2 The shareholding pattern of M/s S.V. Shah as on March 31, 2006 is as follows:

S.No	**Shareholders**	**No. of Shares**	**%**
1	Mr. Piyush Goyal	85,000	50%
2	Mr. Pradeep Goyal	85,000	50%
	Total	**1,70,000**	**100%**

4.2.3.3 The Board of Directors of M/s S. V. Shah as on the date of the Public Announcement was as follows:

Name **Designation**	**Residential Address**
Mr. Piyush Goyal (Chairman and Managing Director)	501, Archana Rajabali Patel Lane, Opp. Beach Candy Hospital, Mumbai – 400 026
Mr. Pradeep Goyal (Director)	43, Dharamjyot No 2, New Kantwadi Road, Bandra (West), Mumbai – 400 050

For details of **Mr. Pradeep Goyal** and **Mr. Piyush Goyal** refer paragraphs 4.2.1 and 4.2.2

4.2.3.4 The shares of M/s S.V. Shah are not listed on any Stock Exchange.

4.2.3.5 Financials details of M/s S. V. Shah are as below:

(Rs. lakhs)

Profit & Loss Statement	**2003-04 (Audited)**	**2004-05 (Audited)**	**2005-06 (Audited)**
Income from operations	0.00	0.00	0.00
Other Income	0.06	0.00	1.06
Total Income	0.06	0.00	1.06
Total Expenditure.	1.35	0.11	0.51
Profit Before Depreciation Interest and Tax (PBDIT)	(1.29)	(0.11)	0.55
Depreciation	0.00	0.00	0.00
Interest	0.00	0.00	0.00
Profit Before Tax (PBT)	(1.29)	(0.11)	0.55
Provision for Tax	0.00	0.00	0.09
Profit After Tax (PAT)	(1.29)	(0.11)	0.45

(Rs. lakhs)

Balance Sheet Statement	As at March 31, 04 (Audited)	As at March 31, 05 (Audited)	As at March 31, 06 (Audited)
Sources of funds			
Equity share capital	17.00	17.00	17.00
Preference Share Capital	0.00	0.00	0.00
Reserves and Surplus (excluding revaluation reserves)	5.29	5.18	5.63
Share Application Money	0.00	0.00	487.50
Networth	22.29	22.18	510.13
Secured loans	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00
Total	**22.29**	**22.18**	**510.13**
Application of funds			
Net fixed assets	0.00	0.00	0.00
Investments	0.00	0.00	503.36
Net current assets	22.29	22.18	6.77
Miscellaneous expenditure not written off	0.00	0.00	0.00
Total	**22.29**	**22.18**	**510.13**

Other Financial Data	2003-04	2004-05	2005-06
Dividend (%)	-	-	-
Earning Per Share (Rs.)	(0.76)	(0.06)	0.26
Return on Networth	-	-	1.99%
Book Value Per Share (Rs.)	13.11	13.05	13.31

1) Earning per Share = Profit after tax / No. of Equity Shares outstanding
2) Return on Networth = Profit after tax / Net worth at the year end
3) Networth = Equity Share Capital plus Preference Share Capital plus Share Application Money plus Reserves and Surplus minus Misc. Expenses minus debit balance in Profit and Loss Account
4) Book Value per Share = (Equity Share Capital plus Reserves and Surplus minus Misc. Expenditure) / No. of Equity Share outstanding

4.2.3.6 There are no contingent liabilities and following are the reasons for fall / rise in total income and PAT from the Year 2003-04 to 2005-06.

Year 2003-04, 2004-05 and 2005-06
During the years 2003-04, 2004-05 and 2005-06, M/s S.V. Shah does not have any operational activities and major source of its earning was from investments and interest

4.2.3.7 The following Significant Accounting Policies are followed by M/s S.V. Shah:

4.2.3.7.1 System of Accounting:

The company follows the Mercantile System of accounting and recognizes income and expenditure on accrual basis.

4.2.3.7.2 Investments:

All Investments are valued and stated at cost

4.2.3.8 There are no companies that have been promoted by M/s S. V. Shah and M/s S.V. Shah controls no company.

4.3 Details of Deemed PACs

Mr. Vedprakash Goyal, Mrs. Chandrakanta Goyal, Mrs. Seema Goyal, Mrs. Neeru Goyal, and Mr Abhinav Goyal are shareholders in the Target Company and also are the immediate family members of the Promoters of the Target Company and also of FISIL. By virtue of their holding in the Target Company and relationship with the promoters of

FISIL, they are considered as Deemed Persons Acting in Concert with the Acquirers for the purpose of this Offer. Their brief details of them are as follows:

4.3.1 **Mr. Vedprakash Goyal** residing at 75, Amber Sion West, Mumbai 400 022 is Chartered Engineer with a experience of more than 52 years in steel and heavy engineering industries. In recognition of his in-depth knowledge, experience and contribution to diverse fields in industry and commerce, he was conferred the 'Distinguished Alumnus Award' by Banaras Hindu University in 1980.

4.3.2 **Mr. Abhinav Goyal** residing at 44775, Aguila Terrace, Fremont CA 94539, USA. He has just completed his studies and presently employed with an Information Technology Company in USA.

4.3.3 **Mrs. Chandrakanta Goyal** residing at 75, Amber Sion West, Mumbai 400 022 is Public Life and social worker for over 40 Years.

4.3.4 **Mrs. Seema Goyal** residing at 75, Amber Sion West, Mumbai 400 022 is real estate dealer since two years.

4.3.5 **Mrs. Neeru Goyal** residing at 43, Dharamjyot No 2, New Kantwadi Road, Bandra (West), Mumbai – 400 050 merchant exporter engineering goods with experience of seven years.

4. 4 Disclosures in terms of Regulation 16(ix) of the SEBI Takeover Code

The Acquirer and PACs do not currently intend to dispose of or otherwise encumber any assets of the Target Company in the succeeding two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any.

4. 5 Acquirers' future plans for PML

The promoters of PML with a view to consolidate their holding and for better control over the management of the Target Company have entered into an agreement with the Seller to purchase 7.37% voting rights of the total voting capital of the Target Company through their group company FISIL.

5. OPTION IN TERMS OF REGULATION 21(3): NOT APPLICABLE

6. INFORMATION ON THE TARGET COMPANY

6.1 Pradeep Metals Limited was incorporated on January 22, 1982 as a private limited company. It was subsequently converted into a public limited company in terms of Special Resolution dated January 1, 1993 and the certificate of change of name was issued by the Registrar of Companies, Maharashtra on January 14, 1993. The registered office of PML: # R-205, TTC Ind. Area, MIDC Rabale, Navi Mumbai – 400 701. Tel No. 91-22- 2769 1026 Fax No.91-22-2769 1123

6.2 PML was initially promoted by Mr. Vedprakash Goyal, Mr Pradeep Goyal and Mr. Piyush Goyal. However, Mr. Vedprakash Goyal retired and currently Mr. Pradeep Goyal and Mr. Piyush Goyal are the promoters of PML. PML is engaged in manufacture of intricate closed die steel forgings mainly for automobile, petrochemical and engineering industries.

6.3 The Share capital structure of PML as on May 5, 2006 is as follows:

Particulars	No. of Shares	Voting rights	% of shares / voting rights
Authorised Share Capital			
Equity Share Capital	1,30,00,000	1,30,00,000	100.00%
Preference Share Capital	7,00,000	-	-
Issued and Subscribed			
Fully paid up equity shares*	1,27,05,200	1,27,05,200	70.97%
Partly paid up equity shares	14,800	-	-
Total Issued and paid up equity shares*	1,27,20,000	1,27,05,200	70.97%
OCCRPS (of Rs. 100/- each)	5,19,800	**51,98,000	29.03%
Total voting rights in Target company		**1,79,03,200**	**100.00%**

* There are 14,800 partly paid-up equity shares with Rs. 1,11,000(Rs. 74,000/- towards capital and Rs. 37,000/- towards premium) being allotment money in arrears.
** Voting rights accrued because the dividend is in arrear for more than two years as on the date of PA.

6.4 Build up of the Capital Structure of PML (as certified by PML) is as follows:

Date of allotment	**No of shares issued**	**Cumulative paid up capital**	**Mode of allotment**	**Identity of allottees (promoters / ex-promoters/ others)**	**Status of compliance**
22/01/82	10	10	Issued for Cash at par. Face value Rs 100 per share	Subscriber to Memorandum	Complied
26/04/82	2,200	2,210	Issued for consideration other than Cash at par. Face value Rs 100 per share	Promoters	Complied
26/04/82	1,070	3,280	Issued for Cash at par. Face value Rs 100 per share	Promoters / Others	Complied
02/08/82	2,158	5,438	Issued for Cash at par. Face value Rs 100 per share	Promoters / Others	Complied
09/07/83	2,085	7,523	Issued for Cash at par. Face value Rs 100 per share	Promoters	Complied
12/08/83	377	7,900	Issued for Cash at par. Face value Rs 100 per share	Promoters / Others	Complied
28/12/84	560	8,460	Issued for consideration other than Cash at par. Face value Rs 100 per share	Promoters	Complied
28/12/84	790	9,250	Issued for Cash at par. Face value Rs 100 per share	Promoters	Complied
09/03/1992		92,500	Sub divided into 10 shares of Rs 10/- each		Complied
05/08/92	4,62,500	5,55,000	Bonus issue of 1 : 5	Promoters / Others	Complied
18/09/92	2,35,000	7,90,000	Issued for Cash at par	Promoters	Complied
18/09/92	4,57,500	12,47,000	Issued for Cash at par	Promoters	Complied
24/12/92	5,87,000	18,34,500	Issued for Cash at par	Promoters / Others	Complied
20/10/93	16,65,500	35,00,000	Issued for Cash at par	Promoters / Others	Complied
20/10/93	3,00,000	38,00,000	Issued for Cash at premium of Rs. 7.50 per share	Others	Complied
08/04/1994	32,50,000	70,50,000	Public Issue at premium of Rs. 7.50 per share	Promoters/ others/public	Complied
14/11/2003	35,30,000	1,05,80,000	Preferential at par (Pursuant to BIFR Scheme)	Others	Complied
07/10/2004	21,40,000	1,27,20,000		Others	Complied

6.5 There has been no suspension of trading of the equity shares of PML on the BSE.

6.6 All the outstanding equity shares of PML are listed on the BSE.

6.7 There are 14,800 partly paid-up equity shares with Rs. 1,11,000/- (Rs. 74,000/- towards capital and Rs. 37,000/- towards premium) being allotment money in arrears of the Target Company as at the date of the Public Announcement.

6.8 Compliance with Chapter II of SEBI (SAST), Regulations 1997
PML has received a letter dated 27th January, 2004 from BSE, regarding non-compliance of regulations of SEBI (SAST) Regulations, 1997. In response to the abovementioned letter, PML had submitted details as per regulation 6(2), 6(4) and of promoters' shareholding for the years ended 31/03/1998, 31/03/1999, 31/03/2002 and 31/03/2003 on February 17, 2004.

Further, PML has received a letter Mp/ CFD/DCR/RC/TO/13060/04 dated 23rd July, 2004 with regard to "Violation of Takeover Regulations – Settlement by Consent Order" from SEBI wherein the SEBI has proposed to consider for consent order if PML is willing to pay an amount of Rs. 1,50,000/- as penalty for violations of regulations 6(2) and 6(4) for the year 1997 and 8(3) for the years 1998, 1999, 2001 and 2002 of the Regulations. In submission to above, PML vide its letter dated 13th August, 2004 has sought waiver of the penalty. PML is awaiting further directions from the SEBI in this regard.

6.9 Except as aforesaid, PML is regular in complying with the listing agreements entered into with the Stock Exchange and provisions of chapter II of SEBI (SAST) Regulations. No investigations, proceedings, or inquiries are pending against PML by the Securities and Exchange Board of India, any recognized stock exchange, or any other regulatory authority, in relation to the securities of PML or trading therein or otherwise. The shares are presently listed and frequently traded on the Bombay Stock Exchange Limited.

6.10 The Board of Directors of the Target Company as on the date of Public Announcement was as under:

Name of the Director	Designation	Qualification	Date of Appointment
Pradeep Goyal	Chairman & Managing Director	B.Tech. (Metallurgy), M.S. (Materials), USA	12/08/1983
Rajnikant D. Shroff	Director	B.Sc. SCMP (Business Mgmt., Harvard University)	31/12/1993
Om Prakash Agarwal	Director	B.E. (Mechanical)	10/05/2001
R.K. Agarwal	Director	B.E. (Mechanical)	31/10/2001
Dinesh Parekh	Director	B.Sc. MBA	30/04/2003
Suresh Vaidya	Director	B.E. (Textile)	24/06/2005
Dr. V. Gopinathan	Director	B.E. (Mechanical) M.E. (Foundry Science and Forming)	24/06/2005

Mr. Pradeep Goyal is on the Board of Directors of Target Company as well on the Board of Directors of FISIL (Acquirer). (Source: Information as provided by PML)

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.

Mr. Rajnikant D. Shroff has an extensive experience in aspects of the chemicals industry and closely involved with Research and Development with the Government concerning the Agrochemical industry.

Mr. Omprakash Agarwal has expertise in the forging and engineering industry and marketing.

Mr. R.K. Agarwal has expertise in corporate consultancy on international trade supported with logistics and supply chain management. He also has wide experience in the fields of technology and global trade.

Mr. Dinesh Parekh has expertise in various fields over a period of 22 years. He is also member of various institutions / federations such as Thane, Belapur Industries Association, Indian Merchants' Chamber, ASSOCHAM, etc and former Trustee of Mumbai Port Trust.

Mr. Suresh Vaidya is a certified Management Consultant with an experience of over 4 decades.

Dr. V. Gopinathan has over 37 years of experience in establishing cold, hot and warm forging units and has developed more than 100 automobile components as a substitute for imported products.

6.11 There were no mergers, demergers and / or spin offs during last three years involving the Target Company.

6.12 The financial highlights of PML for the last three years is as follows:

(Rs. in lakhs)

Profit & Loss Statement	**2003-04 Audited**	**2004-05 Audited**	**2005-06 Audited**
Income from operations	1889.66	3550.50	4643.30
Other Income	138.55	64.29	135.17
Total Income	2028.21	3614.79	4778.47
Total Expenditure.	1821.03	3214.19	4283.67
Profit Before Depreciation Interest and Tax (PBDIT)	207.18	400.60	494.80
Depreciation	102.20	105.47	116.24
Interest	100.80	149.92	226.67
Profit Before Tax (PBT)	4.18	145.21	151.89
Exceptional Items	-	839.15	-
Provision for Tax	-	-	-
Profit After Tax (PAT)	4.18	984.36	151.89

(Rs. in lakhs)

Balance Sheet Statement	**As at March 31, 04 (Audited)**	**As at March 31, 05 (Audited)**	**As at March 31, 06 (Audited)**
Sources of funds			
Paid up Equity share capital	1057.26	1271.26	1271.26
Paid up Preference Share Capital	519.80	519.80	519.80
Reserves and Surplus (excluding revaluation reserves)	(2168.89)	(1184.53)	(1032.64)
Share Application Money	225.14	151.14	56.14
Networth	(368.71)	755.86	812.97
Secured loans	3112.36	2627.68	3247.05
Unsecured loans	78.00	128.00	353.00
Total	**2823.67**	**3513.35**	**4414.61**
Application of funds			
Net fixed assets	1398.21	1415.78	1677.20
Investments	1.00	1.00	1.00
Net current assets	1422.44	2094.76	2734.82
Total miscellaneous expenditure not written off	2.02	1.81	1.59
Total	**2823.67**	**3513.35**	**4414.61**

Other Financial Data	**2003-04 Audited**	**2004-05 Audited**	**2005-06 Audited**
Dividend (%)	-	-	-
Earning Per Share (Rs.)	0.04	7.74	1.19
Return on Networth	-	24.00 %*	18.71%
Book Value Per Share (Rs.)	(10.52)	0.66	1.86

(Source: Annual reports and Audited Statements)

* Excluding exceptional items

- EPS = Profit after Tax / Total no. of shares outstanding
- Return on Net Worth = Profit after Tax / Net Worth (excluding Share Application Money)
- Networth = Equity Share Capital plus Preference Share Capital plus Share Application Money plus Reserves and Surplus minus Misc. Expenses minus debit balance in Profit and Loss Account
- Book Value Per Share = (Equity Share Capital plus Reserves and net of revaluation reserves and miscellaneous expenditure to the extent of not written off and profit and loss account debit balance) / Total no. of shares outstanding.

6.13 Reasons for the rise in total income and Profit after tax (PAT) for the period ended March 31, 2006, as compared to previous year 2005, for the period ended March 31, 2005, as compared to previous year 2004 and for the period ended March 31, 2004 as compared to previous year 2003 is as follows:

(i) PML reported revenue of Rs. 4643 lakhs in 2005-06 up from Rs. 3550 lakhs in 2004-05. This increase is mainly on account of increase in export turnover from 1785.63 lakhs in the year 2004-05 to Rs. 2292.34 lakhs in the year 20005-06. The concerted and focused efforts on cost reduction, better product mix, higher productivity, and installation of new CNC vertical machines and other related measures contributed for PAT of Rs 151.89 lakhs.

(ii) PML reported revenue of Rs. 3550 lakhs in 2004-05 up from Rs 1889.66 lakhs in 2003-04. This increase is mainly on account of increase in export turnover from Rs. 799.80 lakhs in the year 2003-04 to Rs. 1785.63 lakhs in the year 2004-05. The concerted and focused efforts on cost reduction, better product mix, higher productivity, installation of new CNC vertical machines and other related measures contributed for PAT of Rs 145.21 lakhs (before exceptional items)

(iii) PML has achieved turnover of Rs 1889.66 lakhs during 2003-04 as compared to Rs 1767.24 lakhs in the year 2002-03. The company has reported profit of Rs 4.18 lakhs in year 2003-04 as against a loss of Rs. 94.60 lakhs due to change in product mix and higher other income. The export declined by 5% which is essentially due to lower export of stainless steel forgings.

6.14 PML was making losses since 1997 due to which its networth was completely eroded as on March 31, 2001. In terms of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), PML became sick industrial enterprise due to which it was referred to Board for Industrial and Financial Reconstruction (BIFR). BIFR declared PML as sick industrial company on October 23, 2002 and approved a rehabilitation scheme. On November 18, 2005 PML, has received an order from BIFR for discharge from SICA as the Networth of PML has became positive.

6.15 Shareholding pattern of PML as on the date of Public Announcement and expected post offer shareholding pattern assuming full acceptance in the open offer is detailed below:

(a) Based on voting rights:

	Shareholders' category	Voting Rights prior to the agreement / acquisition and Offer		Voting Rights acquired / to be acquired which triggered off the Regulations.		Voting Rights to be acquired in open offer (Assuming full acceptances)		Voting Rights after the acquisition	
		(A)		(B)		(C)		(A)+(B)+(C) =(D)	
		No.	%	No.	%			No.	%
(1)	Promoter Group								
a)	Promoters	1,169,700	6.53	-	-	-	-	1,169,700	6.53
b)	PAC	192,000	1.07	-	-	-	-	192,000	1.07
c)	*S.V. Shah	-	-	5,000,000	27.93	-	-	5,000,000	27.93
d)	**Acquirer (FISIL)	-	-	1,318,899	7.37	3,583,600	20.02	4,902,499	27.38
	Sub total (a + b + c + d)	**1,361,700**	**7.60**	**6,318,899**	**35.30**	**3,583,600**	**20.02**	**11,264,199**	**62.92**
(2)	**Parties to agreement other than (1)**	**1,318,899**	**7.37**	**(1,318,899)**	**(7.37)**	**-**	**-**	**-**	**-**
(3)	**Public (other than parties to agreement, Promoter & PACs)**								
a)	FI /MF /FII / Bank, SFI	16,600	0.09	-	-	(3,583,600)	(20.02)	6,441,001	35.98
b)	Others	10,008,001	55.90	-	-				
	Sub total (a + b)	**10,024,601**	**55.99**	**-**	**-**	**(3,583,600)**	**(20.02)**	**6,441,001**	**35.98**
(3A)	**Voting Rights on Preference shares on which dividend was in arrears for more than 2 years**								
a)	ICICI	198,000	1.11	-	-	-	-	198,000	1.11
b)	IDBI*	5,000,000	27.93	(5,000,000)	(27.93)	-	-	-	-
	Sub total (a + b)	**5,198,000**	**29.03**	**(5,000,000)**	**(27.93)**	**-**	**-**	**198,000**	**1.11**
	Grand Total (1 + 2 + 3 + 3A)	**17,903,200**	**100.00**	**-**	**-**	**-**	**-**	**17,903,200**	**100.00**

Note:

* S.V. Shah Construction Services Private Limited has acquired Preference Shares from IDBI. For further details of this transaction refer para 3.1.8

** FISIL entered into SPA on May 2. 2006 to acquire shares form Dewar's Garage Ltd. pursuant to which Public Announcement was made on May 5, 2006

(b) Based on outstanding Equity Shares

	Shareholders' category	Equity Shares prior to the agreement / acquisition and Offer		Equity Shares to be acquired which triggered off the Regulations.		Equity Shares to be acquired in open offer (Assuming full acceptances)		Equity Shares after the acquisition	
		(A)		(B)		(C)		(A)+(B)+(C) =(D)	
		No.	%	No.	%			No.	%
(1)	Promoter Group								
a)	Promoters	1,169,700	9.20	-	-	-	-	1,169,700	9.20
b)	PAC	192,000	1.51	-	-	-	-	192,000	1.51
c)	**Acquirer (FISIL)	-	-	1,318,899	10.37	3,583,600	28.17	4,902,499	38.54
	Sub total (a + b + c)	**1,361,700**	**10.71**	**1,318,899**	**10.37**	**3,583,600**	**28.17**	**6,264,199**	**49.25**
(2)	**Parties to agreement other than (1)**	**1,318,899**	**10.37**	**(1,318,899)**	**(10.37)**	**-**	**-**	**-**	**-**
(3)	**Public (other than parties to agreement, Promoter & PACs)**								
a)	FI /MF /FII / Bank, SFI	16,600	0.13	-	-	(3,583,600)	(28.17)	6,455,801	50.75
b)	Others	10,022,801	78.80	-	-				
	Sub total (a + b)	**10,039,401**	**78.93**	**-**	**-**	**(3,583,600)**	**(28.17)**	**6,455,801**	**50.75**
	Grand Total (1 + 2 + 3)	**12,720,000**	**100.00**	**-**	**-**	**-**	**-**	**12,720,000**	**100.00**

Notes :

1. No shares of PML have been purchased by the Acquirer after the Public announcement till the date of letter of offer.
2. As on Specified Date i.e. Tuesday, May 16, 2006 the total number of shareholders of PML are 8,513.

6.16 The promoters of PML have neither sold nor purchased any equity shares in the Target Company since public issue vide prospectus dated January 4, 1994.

6.17 Other Details

6.17.1 The Company is in compliance with Corporate Governance as is required by the provision of Clause 49 of the Listing Agreement with Stock Exchange.

6.17.2 There are no pending litigations by and / or against PML.

6.17.3 Name and address of the compliance officer are as under:
Mr. Abhinay Kapoor
Pradeep Metals Limited,
R-205, T.T.C. Industrial Area,
M.I.D.C., Rabale, Navi Mumbai -400 701
Tel: 022-2769 1026; Fax: 022- 2769 1123

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 Equity shares of PML are listed only on the Bombay Stock Exchange Ltd. ("BSE").

7.1.2 The annualized trading turnover during the preceding six calendar months viz. November 2005 to April 2006 on BSE is detailed below:

Name of the Stock Exchange	Total no. of equity shares traded during the preceding six calendar months ending April 2006 (prior to the month in which public announcement was made)	Total no. of issued equity shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	32,13,003	1,27,20,000	50.52%

(Source: BSE website)

The annualized trading turnover of the equity shares on the BSE during the six months immediately preceding the month of the public announcement is more than 5 % of the listed equity shares.

The annualized trading turnover during the preceding six calendar months viz. July 2005 to December 2005 on BSE is detailed below:

Name of the Stock Exchange	Total no. of equity shares traded during the preceding six calendar months ending December 2005 (prior to the month of Jan 2006 (First Trigger) as set out in Paragraph 3.1.8)	Total no. of issued equity shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	96,16,881	1,27,20,000	151.21%

(Source: BSE website)

The annualized trading turnover of the equity shares on the BSE during the six months immediately preceding the month of the first trigger (January, 2006), is more than 5 % of the listed equity shares.

Consequently as per explanation to regulation 20(5)(i) of the Regulations, the equity shares of the PML are frequently traded on BSE for both the above-mentioned periods.

7.1.3 The Offer Price of Rs. 19.85/- (Rupees Nineteen and paise eighty five only) per fully paid equity share is justified in terms of regulation 20 (5) of the Regulations, in view of the following:

a)	Negotiated price under the agreement	Rs. 16.65/- per equity share
b)	Highest price paid by the Acquirer for acquisition of any equity share of PML during the 26 weeks period preceding the date of the PA	Not Applicable
c)	The average of the daily high and low of the equity shares of PML during the 2 weeks preceding the date of PA - (on BSE).	Rs.18.68/-
d)	*The average of the daily high and low of the equity shares of PML during the 26 weeks preceding the day of February 02, 2006 – (on BSE). *(Refer table (a) below)*	Rs. 18.74/-
e)	*The average of the daily high and low of the equity shares of PML during the 2 weeks preceding the day of February 02, 2006 - (on BSE). *(Refer table (b) below)*	Rs. 17 .86/-

* Accordingly, January 27, 2006 has been considered as the trigger date for acquisition of voting rights by M/s S. V. Shah (Refer para 3.1.8and 3.2.2) the last date for making a public announcement in terms of regulation 14 (1) of the Regulations is February 02, 2006. Therefore, February 02, 2006 is considered for the purpose of calculating the offer price.

Calculation of the revised offer price

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. Accordingly, the due date for the public announcement would be February 2, 2006 and as per the stipulated timelines, the consideration would be payable by them by May 3, 2006. Hence, the offer price has been computed after including interest @ 10% p.a. for the delayed period of 215 days, as the consideration under the present offer will be paid by December 5, 2006. The computation is shown below:

Particulars	**Amount (Rs.)**	**Amount (Rs.)**	**Amount (Rs.)**
Highest price (amongst a and e above)	18.74		
Interest @ 10% for 215 days	1.10	19.84	
Revised Offer Price (Rounded off)			**19.85**

In view of the above, the acquirer (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, 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.

Table (a): Average of weekly high and low of the closing price of the shares quoted in the Bombay Stock Exchange Limited, during the twenty six weeks preceding the day of February 02, 2006

Week	From	To	Closing price at BSE		Average Price (Rs.)	Volume
			High (Rs.)	Low (Rs.)		
1	04-Aug-05	10-Aug -05	24.55	23.20	23.88	2,34,354
2	11-Aug –05	17-Aug -05	26.80	24.25	25.53	5,69,836
3	18-Aug-05	24-Aug -05	24.65	22.45	23.55	4,66,544
4	25-Aug –05	31- Aug -05	25.20	24.15	24.68	4,22,709
5	01-Sep-05	07-Sep -05	24.40	23.40	23.90	4,27,907
6	08-Sep-05	14-Sep-05	27.65	24.25	25.95	14,88,296
7	15-Sep-05	21-Sep-05	25.30	22.15	23.73	10,15,384
8	22-Sep-05	28-Sep-05	22.30	18.00	20.15	4,50,313
9	29-Sep –05	05-Oct-05	20.20	18.90	19.55	2,03,583
10	06-Oct-05	12-Oct-05	17.55	16.15	16.85	3,04,880
11	13- Oct-06	19-Oct-05	16.15	14.50	15.33	1,60,649
12	20-Oct-05	26-Oct-05	16.25	14.60	15.43	1,42,191
13	27-Oct-05	02-Nov-05	15.75	14.40	15.08	39,261
14	03-Nov-05	09-Nov-05	16.22	15.77	16.00	40,190
15	10-Nov-05	16-Nov-05	17.60	16.69	17.15	94,024
16	17-Nov-05	23-Nov-05	17.81	16.27	17.04	65,832
17	24-Nov-05	30-Nov-05	18.32	16.20	17.26	1,07,597
18	01-Dec-05	07-Dec-05	16.50	15.50	16.00	57,271
19	08-Dec-05	14-Dec-05	16.95	15.20	16.08	1,21,887
20	15-Dec-05	21-Dec-05	16.25	15.30	15.78	1,49,540
21	22-Dec-05	28-Dec-05	15.65	15.30	15.48	49,801
22	29-Dec-05	04-Jan-06	16.95	15.450	16.20	1,40,109
23	05-Jan-06	11-Jan-06	16.65	15.650	16.15	48,899
24	12- Jan-06	18-Jan-06	15.50	14.80	15.15	87,256
25	19-Jan-06	25-Jan-06	19.55	14.95	17.25	3,08,600
26	26-Jan-06	01-Feb-06	18.85	17.30	18.08	2,16,713
				AVERAGE	**18.74**	

Table (b): Average of daily high and low of the closing price of the shares quoted in the Bombay Stock Exchange Limited during two weeks preceding the day of February 02, 2006:

Day	Date	Closing Price at BSE		Average Price (Rs.)	Volume
		High (Rs.)	Low (Rs.)		
1	19-Jan-06	15.35	14.65	15.00	11,500
2	20-Jan-06	15.50	14.90	15.20	8,250
3	23-Jan-06	18.60	15.20	16.90	57,042
4	24-Jan-06	21.95	18.65	20.30	1,69,179
5	25-Jan-06	20.45	18.10	19.28	62,629
6	27-Jan-06	19.00	17.55	18.28	52,754
7	30-Jan-06	19.95	18.35	19.15	91,594
8	31-Jan-06	19.20	18.10	18.65	32,725
9	1-Feb-06	18.95	17.00	17.98	39,640
			AVERAGE	**17.86**	

(Source: BSE website)

7.1.4 The offer price of Rs. 19.85/- per share offered by FISIL to the shareholders of PML under the proposed open offer is justified in terms of regulation 20 of the Regulations. In the opinion of the Manager to the Offer and the Acquirer, the offer price is justified as explained above in para 3.1.8 under the head “Revision in Offer Price and Offer Size”.

7.1.5 There is no non-compete agreement between the Acquirer and the Seller and any other entity as envisaged under regulation 20(8) of the Regulations. No additional payments are being made by the Acquirer as non-compete fees.

7.1.6 The Acquirer is permitted to revise this Offer upward upto seven working days prior to the date of closure of the Offer. In the event of such revision, the offer price shall not be less than the highest price paid by the Acquirer for any acquisition of shares of the Target Company from the date of PA upto 7 working days prior to the closure of the offer.

7.1.7 As on the date of this Letter of Offer, the Acquirer does not hold any shares in the Target Company.

7.1.8 To the extent of the Offer Size, all equity shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer. The Equity Shares will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

7.2 Financial Arrangement for the Offer

7.2.1 The total fund requirement for the Offer assuming full acceptance of the Offer would be Rs. 7,11,34,460/- (Rupees Seven crores eleven lakhs thirty four thousand four hundred and sixty only) (i.e. 35,83,600 fully paid up Equity Shares of PML at offer price of Rs.19.85/- per Equity Share).

7.2.2 In accordance with the provisions of regulation 28 of the Regulations, the Acquirer has created an escrow in the form of cash deposit of Rs. 4,91,00,000/- (Rs. Four crore ninety one lacs only) in Account Number 060 035 002 6479 with HDFC Bank Limited, Address: Maneckji Wadi Building, Ground Floor, Nanik Motwane Marg, Fort, Mumbai – 400 023 (Escrow Account). The amount placed in the Escrow Account is more than 25% of the maximum consideration payable under the offer. The Manager to the Offer is authorised to operate and realise the value of the Escrow Account in terms of the Regulations.

7.2.3 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.

7.2.4 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 have confirmed that sufficient resources are available with the Acquirer along with deemed PACs to fulfill their obligation under the offer.

7.2.5 FISIL, the Acquirer vide its letter dated May 2, 2006 has provided an undertaking to the Manager to the Offer to meet its obligation in full under the Offer.

7.2.6 The Manager to the Offer on the basis of the above has satisfied itself that the Acquirer has the ability to implement the Offer in accordance with the Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

8 TERMS AND CONDITION OF THE OFFER

8.1 The Acquirer has made a Public Announcement on May 5, 2006 and Corrigendum to Public Announcement on October 19, 2006 for the Offer. This Offer is being made to all the equity shareholders of PML (other than the Acquirer, PACs and the Seller) whose names appear on the Register of Members of PML or on the beneficial record of the respective depositories, at the close of business hours on May 16, 2006 (the “Specified date”) and to also those persons, who own the equity shares at any time prior to closure of the Offer, but are not registered shareholders.

8.2 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance-cum-Acknowledgement (“Form of Acceptance”), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form only) is being mailed to those shareholders of PML whose names appear on the Register of Members of PML and to the Beneficial Owners of the Equity Shares of PML whose names appear as beneficiaries on the record of the respective Depositories, at the close of business hours on May 16, 2006 (the “Specified Date”). Owners of equity shares at any time prior to the closure of the Offer but not registered as shareholder(s) are also eligible to participate in the Offer. No Letter of Offer together with a Form of Acceptance-cum-Acknowledgement will be mailed to the Acquirer and the Seller.

8.3 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the letter of offer (including Form of Acceptance) is expected to be available on SEBI's Website (http://www.sebi.gov.in) during the period the offer is open and may also be downloaded from the site.

8.4 The Offer is not subject to any minimum level of acceptance.

8.5 The acceptance of the Offer is entirely at the discretion of the equity shareholders of PML. Each shareholder of PML to whom the Offer is being made, is free to offer his shareholding in PML, in whole or in part while accepting the offer.

8.6 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

8.7 Equity Shares tendered in the Offer by the shareholders of PML shall be free from lien, charges and encumbrances of any kind whatsoever.

8.8 Any Shares of PML that are the subject matter of litigation or are held in abeyance due to the restriction from Court/ Forum/ ITO attachment etc., wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders of the court/ forum/ITO etc permitting transfer of these Shares are not received together with the equity shares tendered under the Offer.

8.9 Incomplete applications, including non-submissions of necessary enclosures, if any, are liable to be rejected.

8.10 The Acquirer will not be responsible in any manner for any loss of Equity Share Certificate(s) and other documents during transit. The Equity Shareholders of PML are therefore advised to adequately safeguard their interest in this regard.

8.11 The instructions and provisions contained in the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal constitute an integral part of the terms of this Offer.

8.12 There are no outstanding lock-in shares of the Target Company.

8.13 Statutory Approvals

8.13.1 The Offer is subject to the receipt of approval from Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer.

8.13.2 As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals are not obtained.

8.13.3 The Offer will stand withdrawn in terms of regulation 27 of the Regulations in the event the statutory approvals indicated above are refused. Any such withdrawal will be notified in the form of public announcement in the same newspapers in which the public announcement has appeared.

8.13.4 The Acquirer shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those shareholders whose share certificates and / or other documents are found valid and in order. In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer agrees to pay interest in accordance with regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

9.1 Shareholders who hold equity shares of PML in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and transfer deed(s) duly signed to the Registrars to the Offer, Intime Spectrum Registry Limited at their office mentioned below, so as to reach on or before the closure of the Offer, i.e. November 20, 2006, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

Name & Address of Collection Centers	Contact Person	Mode of Delivery	Telephone No.	Fax No.
Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai - 400 078	Vishwas Attavar	Hand Delivery / Registered Post / Speed Post	022-25960320-28	022-25960329
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	Vivek Limaye	Hand Delivery / Registered Post / Speed Post	022-22694127	-
Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	Hand Delivery / Registered Post / Speed Post	079-2646 5179	079-2646 5179

The documents can be tendered at any of the above centres between Monday to Friday from 10.30 am to 12.30 pm and 1.30 pm to 4.30 pm and on Saturdays from 10.00 am to 1.00 pm. The centres will be closed on Sundays and other Public Holidays.

The equity shareholders who cannot hand deliver their documents at the collection centre referred to above may send the same by registered post/ speed post, at their own risk, to the Registrar to the Offer at their office at Mumbai or Ahmedabad, so as to reach their office on or before the closure of the Offer i.e., November 20, 2006

9.2 Shareholders who wish to tender their shares under this offer should enclose the following documents duly completed:

9.2.1 Procedure for Equity Shares held in Physical Form

Registered Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificate(s).
- Original share certificate(s).
- Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with PML and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s).
- Original broker contract note.
- Valid share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

9.2.2 Procedure for Equity Shares held in Demat Form:

Beneficial owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Offmarket” mode, duly acknowledged by DP in favour of the special depository account.

In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

The Registrars to the Offer, Intime Spectrum Registry Limited has opened a special depository account with Kotak Securities Limited in National Securities Depository Limited ("NSDL"). Beneficial Owners and shareholders holding equity shares of PML in the dematerialised form, will be required to send their Form of Acceptance to the Registrars to the Offer, at the collection centre mentioned above on or before the closure of the Offer, along with a photocopy or counterfoil of the delivery instructions in duly acknowledged by the Depository Participant ("DP"), in favour of "Intime Spectrum Registry Limited – Escrow Account – PML Open Offer" and filled in with the details given below:

DP Name	Kotak Securities Limited
DP ID Number	IN 300214
Client ID Number	12104705
ISIN	INE 770A01010
Market	"Off Market"
Depository	National Securities Depository Ltd.

Form of Acceptance of dematerialized equity shares not credited to the above special depository account on or before the closure of Offer is liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least two working days prior to the date of closing of the Offer. Shareholders having their beneficiary account in Central Depository Services Ltd ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account with NSDL.
For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

9.2.3 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent, failing which, the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- ♦ Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- ♦ Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- ♦ No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- ♦ In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.3 The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the collection centre mentioned above. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.** The above-mentioned documents can be sent to the collection centre on all days except Sundays and public holidays.

9.4 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one share.

9.5 In case of unregistered owners or shareholders who have not received the Letter of Offer, they may send their consent to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "off-market" mode or counterfoil of the delivery instruction in the "off-market" mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No indemnity is required from the unregistered owners.

The application should be signed by all the shareholders as per the registration details available with PML and should be sent to the Registrar to the Offer in an envelope clearly marked "PML – Open Offer".

Shareholders of PML who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to PML (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

In case of non-receipt of the Letter of Offer / Form of Acceptance-cum-Acknowledgement / Form of Withdrawal, the eligible shareholders may obtain a copy of the same from the collection centre mentioned above on providing suitable documentary evidence of acquisition of shares of PML. The Letter of Offer and Form of Acceptance-cum-Acknowledgment will also be made available on SEBI's website: http://www.sebi.gov.in, from the Offer opening date. The eligible shareholders, desirous of participating in the Offer, can download these documents from SEBI's website and apply on the same.

9.6 Non Resident shareholders should submit copy of the permission received from Reserve Bank of India for acquisition of the shares of PML. In case of its non-submission, Acquirer reserves their right to reject the shares tendered in the Offer.

9.7 In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period, as directed by SEBI in terms of Regulation 22(12) of the SEBI Takeover Code.

9.8 In accordance with the regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the Public Announcement and Letter of Offer shall have the option to withdraw acceptances tendered upto three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at the address mentioned above as per the mode of delivery indicated therein on or before November 14, 2006.

9.9 In case of non-receipt of the form of withdrawal, the application can be made on a plain paper. Kindly follow the detailed instruction given below with respect to withdrawal:

a) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with PML for shareholders in case of physical holdings/ with the Depository in case of electronic holdings so as to reach the Registrar to the Offer at the Registrars address mentioned above on or before November 14, 2006.The signature of the beneficial holders on the Form of Withdrawal should be attested by the Depository Participant.

b) The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this Letter of Offer, duly completed together with acknowledgement slip in original / copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

c) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

   i. In case of physical shares: Name, address, distinctive numbers, folio number and number of shares tendered / withdrawn.

   ii. In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of delivery instructions in "Off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the special depository account.

d) Shareholders who have tendered shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with PML and duly witnessed at the appropriate place.

e) The withdrawal of shares will be available only for the share certificates/ shares that have been received by the Registrar to the Offer/ Special Depository Account.

f) The intimation of returned shares to the shareholders will be at the address as per the records of PML or the Depositories as the case may be.

g) In case of partial withdrawal of shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from PML.

h) Partial withdrawal of tendered shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance-cum-Acknowledgement will stand revised to that effect.

i) Shareholders holding shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

9.10 In case the number of shares tendered by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per regulation 21(6) of the Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

It will be the responsibility of the equity shareholders to ensure that the unaccepted equity shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer. Shareholders holding shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the offer formalities are completed.

9.11 The consideration to those shareholders whose shares or share certificates and /or other documents are found complete, valid and in order, will be paid by crossed account payee cheques/demand drafts. Such considerations in excess of Rs. 1,500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. The Acquirer is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

It is advised that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order.

9.12 The Registrar to the Offer will hold in trust the equity shares and Share Certificate(s), equity shares lying in credit of the special depository account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of PML who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

9.13 The Acquirer is permitted to revise the Offer price of shares / No. of equity shares upwards, such upward revision will be made in accordance with regulation 26 of the Regulations, not later than, November 8, 2006 which is 7 (Seven) working days prior to the date of closure of the Offer. If the Offer price is revised upward, such revised price will be payable to all shareholders who have accepted the Offer and submitted their equity shares at any time during the offer period to the extent that their shares have been verified and accepted by the Acquirer. The same would be informed by way of Public Announcement in the same newspapers where the Public Announcement has appeared.

9.14 The Acquirer, Seller and PML have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or any other regulation made under the SEBI Act.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of PML at the office of the Manager to the Offer, A- 404, Neelam Centre, Hind Cycle Road, Worli, Mumbai 400 030, from 10.00 a.m. to 4.00 p.m. on any day, except Saturdays, Sundays and public holidays, from the date of opening of the Offer until the Offer closes:

1. Certification of Incorporation and Memorandum and Articles of Association of FISIL.
2. Certification of Incorporation and Memorandum and Articles of Association of PML.
3. Annual Reports of PML for the accounting year ended March 31, 2004, 2005 and 2006
4. Financial statements of FISIL for the financial year ended March 31, 2004, 2005 and 2006 and certified financial for three months ended June 30, 2006.
5. Financial statements of M/s S. V. Shah for the financial year ended March 31, 2004, 2005 and 2006.
6. Share Purchase Agreement dated May 2, 2006.
7. Certificate dated September 25, 2006 from Mr. S.M. Patki, Chartered Accountants, (Membership no 37690), certifying sufficiency of the financial resources of FISIL.
8. Networth Certificate of Mr. Piyush Goyal dated September 25, 2006 by Mr. S. M. Patki of S. R. Rege & Company (Chartered Accountants)
9. Networth Certificate of Mr. Pradeep Goyal dated September 25, 2006 by Mr. S. M. Patki of S. R. Rege & Company (Chartered Accountants)
10. Letter from HDFC Bank Ltd. dated May 4, 2006 confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the SEBI Takeover Code.
11. Copy of Code of Conduct dated May 2, 2006 between Inga Advisors Private Limited and the Acquirer.
12. Copy of confirmation regarding opening of Special Depository Account in the name and Style of “FISIL ESCROW A/C – PML OPEN OFFER”
13. Copy of Public Announcement as published in the newspapers on May 5, 2006
14. Copy of Corrigendum to Public Announcement as published in the news papers on October 19, 2006.
15. Letter No. CFD/DCR/MM/TO/76723/06 dated September 14, 2006 received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the Regulation.

11 DECLARATION BY THE ACQUIRER

The Board of Directors of the Acquirer and PACs severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. Piyush Goyal has been authorised by the Board of Directors of FISIL, to be the authorised signatory to the Letter of Offer.

By the Order of the Board
For Flashnet Info Solution (India) Limited.
Sd/-
Piyush Goyal

Place: Mumbai
Date: October 23, 2006

Encl:

1. Form of Acceptance-cum-acknowledgement.
2. Form of Withdrawal.

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance cum acknowledgement with enclosures to Intime Spectrum Registry Limited at any of the collection centers as mentioned in the Letter of Offer)

OFFER OPENS ON	**November 1, 2006 (Wednesday)**
OFFER CLOSES ON	**November 20, 2006 (Monday)**

From

Folio No./DP ID No./Client ID No.:

To

The Acquirer: Flashnet Info Solutions (India) Limited

1202, Regent Chambers

208, Nariman Point,

Mumbai – 400 021

Dear Sir,

Sub: Open Offer to acquire up to 35,83,600 fully paid up equity shares of Rs.10/- each, representing 20.02 % of the voting capital (as defined in the Letter of Offer), of Pradeep Metals Limited ('PML'/ 'Target Company') by Flashnet Info Solutions (India) Limited ('FISIL'/ 'Acquirer') at a price of Rs. 19.85/-(Rupees Nineteen and Paise Eighty Five only) per fully paid up equity share (Offer Price) payable in cash.

I/We refer to the Letter of Offer dated October 23, 2006 for acquiring the equity shares held by me/us in **Pradeep Metals Limited**. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

☐ **SHARES IN DEMATERIALIZED FORM**

I/We, holding shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/ our shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

I/We have executed an off-market transaction for crediting the shares to the special depository account via

☐ A delivery instruction from my account with NSDL

☐ An inter-depository delivery instruction from my account with CDSL

DP Name	Kotak Securities Limited
DP ID Number	IN 300214
Client ID Number	12104705
Beneficiary Account Name	'Intime Spectrum Registry Limited - Escrow Account-PML Open Offer'
ISIN	INE 770A01010
Market	"Off-market"
Depository	National Securities Depository Limited

I/We note and understand that the shares would lie in the special depository account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

☐ **SHARES IN PHYSICAL FORM**

I/We accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below.

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of shares
			From	To	
1.					
2.					
3.					
4.					
5.					
				Total number of shares	

(In case the space provided is inadequate, please attach a separate sheet with details.)

-------------------------------**Tear Here** ------------------------------------

ACKNOWLEDGEMENT SLIP

Received from Mr./Ms. _____________________ residing at ____ a Form of Acceptance cum Acknowledgement for ________ shares along with:

☐ copy of depository instruction slip from DP ID ___________ Client ID _____________

☐ ___________ Share certificate(s) ______________ transfer deed(s) under folio number(s) ____________

for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:
I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.
☐ RBI approvals for acquiring shares of **Pradeep Metals Limited** hereby tendered in the Offer.

I/We confirm that the equity shares of, **Pradeep Metals Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We authorize the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.
I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below

Yours faithfully,
Signed and Delivered

	Full Name(s) of the shareholders	**Signature**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First / Sole Shareholder____

Place: _______________ Date: ____________

Bank Details: So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the Bank account as obtained from the beneficiary position (download to be provided by the depositories) will be considered and the draft/cheque will be issued with the said Bank particulars, and not any details provided herein.

Name of the Bank		Branch
Account Number		Savings/Current/(Others: please specify)

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

General Instructions

(1) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **Pradeep Metals Limited**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
(2) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
(3) **Non-resident shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire shares held by them in **Pradeep Metals Limited** .
(4) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
(5) **All the shareholders** should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

   (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
   (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
   (c) No Objection Certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURE FOR ACCEPTANCE AND SETTLEMENT ON PAGE 22 OF THIS LETTER OF OFFER.

--**Tear Here** ------------------------------------

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Intime Spectrum Registry Limited
(Unit: **Pradeep Metals Limited**)
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai-400 078
Tel: (+91 22) 2596 3838,
Fax: (+9122) 2596 0329
Email: srnl@vsnl.com,
Contact Person Ms. Awani Punjwani

FORM OF WITHDRAWAL

OFFER OPENS ON	**November 1, 2006 (Wednesday)**
LAST DATE OF WITHDRAWAL	**November 14, 2006 (Tuesday)**
OFFER CLOSES ON	**November 20, 2006 (Monday)**

From
Folio No. /DP ID No./Client ID No.:

To
The Acquirer: Flashnet Info Solutions (India) Limited
1202, Regent Chambers
208, Nariman Point,
Mumbai – 400 021

Dear Sir,

Sub: Open Offer to acquire up to 35,83,600 fully paid up equity shares of Rs.10/- each, representing 20.02 % of the voting capital (as defined in the Letter of Offer), of Pradeep Metals Limited ('PML' / 'Target company') by Flashnet Info Solutions (India) Limited ('FISIL' / 'Acquirer') at a price of Rs. 19.85/- (Rupees Nineteen and Paise Eighty Five only) per fully paid up equity share (Offer Price) payable in cash.

I/We refer to the Letter of Offer dated October 23, 2006 for acquiring the equity shares held by me/us in **Pradeep Metals Limited**. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. **November 14, 2006 (Tuesday)**

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

S.No	**Ledger Folio No(s)**	**Certificate No(s)**	**Distinctive No(s)**		**No. of shares**
			From	**To**	
1					
2					
3					
4					
5					
				Total number of shares	

(In case the space provided is inadequate, please attach a separate sheet with details.)

--**Tear here** -----------------------------------

ACKNOWLEDGEMENT SLIP

Received from Mr. /Ms. _____________________________ residing at ____ a Form of Withdrawal for ________ shares along with a copy of:

☐ Depository instruction slip from DP ID ___________ Client ID _____________

☐ Acknowledgement slip issued when depositing dematerialized shares

☐ Acknowledgement slip issued when depositing physical shares

for withdrawing from the Offer made by the Acquirer

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We hold the following shares in dematerialized form and had executed an off-market transaction for crediting the shares to the "Intime Spectrum

Registry Limited - Escrow Account- PML Open Offer". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

I / We note that the shares will be credited back only to that depository account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

I / We confirm that the particulars given above are true and correct.

In case of dematerialized shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder ____

Place:

Date:

PLEASE NOTE THAT THE FORM OF WITHDRAWAL SHOULD NOT BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

General Instructions

(1) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in the **Pradeep Metals Limited**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(2) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(4) **All the shareholders** should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

   (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
   (b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURE FOR ACCEPTANCE AND SETTLEMENT ON PAGE 21 OF THIS LETTER OF OFFER.

--Tear here -----------------------------------

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Intime Spectrum Registry Limited
(Unit: **Pradeep Metals Limited**)
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai-400 078
Tel: (+91 22) 2596 3838
Fax: (+9122) 2596 0329
Email: srnl@vsnl.com,
Contact Person Ms. Awani Punjwani