DRAFT LETTER OF OFFER

"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

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

RABALE ENGINEERING INDIA PRIVATE LIMITED ('ACQUIRER')
Registered Office: 75, Amber, Sion (West), Mumbai 400 022; Tel. No.: 7738757976; Fax No.: 022-27691123;
MAKES A CASH OFFER AT RS. 22/- (RUPEES TWENTY TWO ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF RS. 10/- (RUPEES TEN ONLY) EACH
pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ('SEBI (SAST) Regulations, 2011')

TO ACQUIRE UPTO 44,90,200 (FOURTY FOUR LAC NINTY THOUSAND TWO HUNDRED) FULLY PAID-UP EQUITY SHARES
representing 26% of the issued & subscribed capital and 26.02% of the voting capital
of
PRADEEP METALS LIMITED ('TARGET COMPANY')
Registered Office: R-205, TTC Indl Area, MIDC, Rabale, Navi Mumbai – 400 701; Tel. No.: 022 - 2769 1026; Fax No.: 022 - 2769 1123; Email id: info@pradeepmetals.com

1. This Offer is being made by the Acquirer pursuant to regulation 3(2) of the SEBI (SAST) Regulations, 2011.
2. The Offer is not conditional upon any minimum level of acceptance in terms of SEBI (SAST) Regulations, 2011.
3. This is not a competing offer in terms of the regulation 20 of the SEBI (SAST) Regulations, 2011.
4. As on the date of this DLOF, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may subsequently become applicable to acquire equity shares of the Target Company.
5. If there is any upward revision in the Offer Price/Offer Size at any time up to three (3) working days prior to commencement of the tendering period i.e. upto January 14, 2013 in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of a announcement in the same newspapers where the Detailed Public Statement was published. Such revised Offer Price would be payable for all the shares validly tendered and accepted under the Offer. If the Offer is withdrawn pursuant to regulation 23, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the Detailed Public Statement had appeared.
6. **There is no competitive bid for this Offer as on the date of this DLOF.**
7. A copy of Public Announcement, Detailed Public Statement, and DLOF (including Form of Acceptance-cum-Acknowledgement) is also available on the website of Securities and Exchange Board of India ('SEBI') http:// www.sebi.gov.in.

All future correspondence, if any, should be addressed to the Manger to the Offer/ Registrar to the Offer at the addresses mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Inga Capital **Inga Capital Private Limited** A-404, Neelam Centre, 4th Floor, Hind Cycle Road, Worli, Mumbai - 400 030. Tel. No.: 022-2498 2919 / 2498 2937, Fax No.: 022- 2498 2956 Email: pml.offer@ingacapital.com Contact Person: Mr. Mihir Pandhi / Mr. Sanchit Agarwal	UCS **Universal Capital Securities Private Limited** (Formerly, Mondkar Computers Private Limited) 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel No.: 022-2820 7203 / 28207205. Fax No.: 022- 2820 7207 Email: info@unisec.in Contact Person : Mr. Ravindra Utekar
Offer Opens: January 17, 2013	Offer Closes: January 30, 2013

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

ACTIVITY	DATE	DAY
Public Announcement Date	November 27, 2012	Tuesday
Publication of Detailed Public Statement in newspapers	December 4, 2012	Tuesday
Last date of a Competing Offer	December 26, 2012	Wednesday
Identified Date*	January 3, 2013	Thursday
Date by which the Letter of Offer will be dispatched to the shareholders	January 8, 2013	Tuesday
Last date of upward revision of Offer Price and/or Offer Size	January 14, 2013	Monday
Last date by which Board of the Target Company shall give its recommendation	January 15, 2013	Tuesday
Offer opening public announcement	January 16, 2013	Wednesday
Date of commencement of tendering period	January 17, 2013	Thursday
Date of closing of tendering period	January 30, 2013	Wednesday
Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/ return of unaccepted shares	February 13, 2013	Wednesday

*Identified Date is only for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent.

RISK FACTORS RELATING TO THE TRANSACTION, THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER:

A. **Relating to transaction**

This Offer subject to the provisions of the SEBI (SAST) Regulations, 2011 and in case of non-compliance with any of the provisions of the SEBI (SAST) Regulations, 2011, the Acquirer shall not act upon the acquisition of equity shares under the Offer.

B. **Relating to the Offer**

a. In the event that either (a) any regulatory approvals which may become applicable prior to completion of the Offer and are not received in time; (b) there is any litigation leading to a stay on the Offer; or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the shareholders of the Target Company whose equity shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirer may be delayed.
b. The Offer involves an offer to acquire up to 26% of the issued & subscribed capital and 26.02% of the voting capital of the Target Company, in the event of over-subscription in the Offer, the acceptance would be determined on a proportionate basis.
c. Shareholders, who have accepted the Offer by tendering their shares, shall not be entitled to withdraw such acceptance.
d. The tendered shares and the documents would be held in trust by the Registrar to the Offer until the completion of Offer formalities. Accordingly, the Acquirer makes no assurance with respect to any decision by the shareholders on whether or not to participate in the Offer.
e. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer/ Detailed Public Statement/Public Announcement and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

C. Relating to Acquirer

a. The Acquirer makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.
b. The Acquirer makes no assurance with respect to investment/divestment decisions relating to proposed shareholding in the Target Company.
c. The Acquirer does not provide any assurance with respect to the market price of the equity shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
d. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative. 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 the Target Company 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 the Target Company are advised to consult their stockbroker or investment consultant, for further risks with respect to their participation in the Offer.

INDEX

1. DEFINITION

Acquirer	Rabale Engineering India Private Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended from time to time.
DLOF	This Draft Letter of Offer
DP	Depository Participant
DPS	Detailed Public Statement published on December 4, 2012
Escrow Agreement	Escrow Agreement dated November 29, 2012 between the Acquirer, Escrow Banker and Manager to the Offer
Escrow Banker	Indusind Bank Limited
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII	Foreign Institutional Investor
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent.
Income Tax Act	Income Tax Act, 1961
Manager to the Offer	Inga Capital Private Limited
NRI	Non Resident Indian
Offer or Open Offer	Open Offer for acquisition of upto 44,90,200 fully paid up equity shares of the face value of Rs. 10/- each representing 26% of the issued & subscribed capital and 26.02% of the voting capital of the Target Company at a price of Rs. 22/- per fully paid-up equity share payable in Cash.
Offer Price	Rs. 22/- (Rupees Twenty Two Only) per fully paid-up equity share payable in cash
Offer Size	44,90,200 fully paid up equity shares of the face value of Rs. 10/- each representing 26% of the issued & subscribed capital and 26.02% of the voting capital of the Target Company
PA	Public Announcement dated November 27, 2012
PAT	Profit After Tax
Eligible Shareholders	Registered and unregistered shareholders of the Target Company who own the equity shares any time prior to the closure of tendering period , including the beneficial owners of the shares held in dematerialised form except the Acquirer including persons deemed to be acting in concert in terms of regulation 7(6) of SEBI (SAST) Regulations, 2011.
RBI	The Reserve Bank of India
Registrar to the Offer	Universal Capital Securities Private Limited (Formerly, Mondkar Computers Private Limited)
Rs.	Indian Rupees
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
SEBI Act	Securities and Exchange Board of India Act, 1992
Seller	Shri Raj Krishanlal Marwah
Target Company	Pradeep Metals Limited

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 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 IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER 'INGA CAPITAL PRIVATE LIMITED' HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 10, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A 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 The Open Offer is being made by the Acquirer to the equity shareholders of the Target Company under regulation 3(2) of the SEBI (SAST) Regulations, 2011. The prime object of the Acquirer for this Open Offer is to consolidate its shareholding and voting rights in the Target Company.

3.1.2 The Acquirer is a forming part of the promoter group of the Target Company. As on date of DLOF the promoter group of the Target Company holds 71,67,460 equity shares of Rs.10/- each representing 41.50% of the issued & subscribed capital and 41.54% of the voting capital of the Target Company.

3.1.3 a. On August 27, 2012 and October 22, 2012, the Acquirer has converted 4,00,000 and 4,50,000 warrants into equity shares respectively, pursuant to which the shareholding of the Acquirer increased from 8,00,000 equity shares to 16,50,000 equity shares, resulting in incremental shareholding by 4.69% of the issued, subscribed and voting capital of the Target Company. On November 27, 2012, the Acquirer acquired 55,500 equity shares through off market mode representing 0.32% of the issued, subscribed and voting capital of the Target Company at price of Rs. 22/- per equity share from Shri Raj Krishanlal Marwah ('Seller').

b. The total acquisition by the Acquirer in the current financial year as mentioned above is 9,05,500 equity shares resulting in incremental shareholding by 5.01% of the voting capital of the Target Company, which is more than the threshold limit of 5% of voting capital as stated in regulation 3(2) of the SEBI (SAST) Regulations, 2011. Therefore, this mandatory offer is being made by the Acquirer in compliance with regulation 3(2) of the SEBI (SAST) Regulations, 2011.

3.1.4 Details of equity shares acquired by the Acquirer is as follows:

Sr.	Particulars	Date	Price per	Mode	No. of shares	% of voting

No.			shares		acquired	right
1	Conversion of warrants into equity shares	August 27, 2012	Rs. 19/-	Cash	4,00,000	2.26%
2	Conversion of warrants into equity shares	October 22, 2012	Rs. 22/-	Cash	4,50,000	2.42%
3	Off market purchase	November 27, 2012	Rs. 22/-	Cash	55,500	0.32%
Total					**9,05,500**	**5.01%**

3.1.5 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.6 There is no Person Acting in Concert ('PAC') with the Acquirer for the purpose of this Open Offer.

3.1.7 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act, 1992.

3.1.8 There is no change in control pursuant to this Offer.

3.1.9 Ms. Neeru Pradeep Goyal and Mr. Om Prakash Agarwal, Directors of the Acquirer are on the Board of Directors of the Target Company. They recluse themselves to participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to this Open Offer.

3.1.10 As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company is required to constitute a committee of independent directors who would provide its written reasoned recommendation on the Offer to the shareholders of the Target Company and such recommendation shall be published at least two working days before the commencement of the tendering period, in the same newspapers where the DPS was published.

3.2. Details of the Proposed Offer

3.2.1 In accordance with regulation 14(3) of SEBI (SAST) Regulations, 2011, the DPS was published in the following newspapers on December 4, 2012.

Newspaper	Language	Editions
Financial Express	English	All Edition
Jansatta	Hindi	All Edition
Mumbai Lakshadeep	Marathi	Mumbai Edition

(The Detailed Public Statement is also available on the website of SEBI ('SEBI') http://www.sebi.gov.in.)

3.2.2 The Acquirer is making a Open Offer to the equity shareholders of the Target Company for the acquisition of 44,90,200 (Forty Four Lac Ninety Thousand Two Hundred) fully paid up equity shares of the face value of Rs. 10/- each representing 26% of the issued & subscribed capital and 26.02% of the voting capital of the Target Company ('Offer Size') at a price of Rs. 22/- (Rupees Twenty Two Only) per fully paid-up equity share ('Offer Price') payable in Cash ('Open Offer' / 'Offer') and subject to the terms and conditions set out in PA, DPS and this DLOF .

3.2.3 As on date of the DLOF, there are 14,800 partly paid-up equity shares in the Target Company. Shareholders who are holding partly paid-up equity shares will be eligible to participate in the Offer provided they pay the allotment money along with the interest @18% per annum on the due amount in terms of the prospectus dated January 4, 1994 of the Target Company. The amount payable by them is Rs. 7.50/- per share being the allotment money due and interest of Rs. 25.18 per equity share.

3.2.4 This is not a competitive bid in terms of the regulation 20 of SEBI (SAST) Regulations, 2011.

3.2.5 The Offer is not conditional upon any minimum level of acceptance from the equity shareholders of the Target Company in terms of regulation 19(1) of the SEBI (SAST) Regulations, 2011.

3.2.6 The Acquirer has not acquired any equity share of the Target Company after the date of PA i.e. November 27, 2012 and upto the date of this DLOF.

3.2.7 The Manager to the Offer, Inga Capital Private Limited does not hold any equity shares in the Target Company as on the date of this DLOF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.

3.2.8 Upon completion of the Open Offer, assuming full acceptances the public shareholding of the Target Company will not fall below minimum level of public shareholding as required to be maintained as per Rule 19A(1) of the Securities Contract (Regulation) Rules, 1957 as amended and Clause 40A of the Listing Agreement. Hence, the provisions of regulation 7(4) of the SEBI (SAST) Regulations, 2011 are not applicable.

3.3. Object of the Offer

3.3.1 The prime object of the Acquirer for this Open Offer is to consolidate its shareholding and voting rights in the Target Company.

3.3.2 The Acquirer is a forming part of the promoter group. The Acquirer proposes to extend support to continue and expand the existing business activities in same line through exercising the effective management and control over the Target Company.

3.3.3 The Acquirer does not have any plans to dispose off or otherwise encumber any significant assets of the Target Company for the next 2 (two) years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company, by way of a special resolution passed by postal ballot, in terms of regulation 25(2) of SEBI (SAST) Regulations, 2011 and subject to the provisions of applicable law as may be required.

4. BACKGROUND OF THE ACQUIRER – RABALE ENGINEERING INDIA PRIVATE LIMITED

4.1. The Acquirer was incorporated as 'Rabale Engineering India Private Limited' on October 11, 1994, under the provision of Companies Act, 1956 as a private limited company having its registered office at 75, Amber, Sion (West), Mumbai 400 022; Tel. No.: 7738757976; Fax No.: 022-27691123; Email id: rabale_engg@rediffmail.com. There has been no change of name of the Acquirer since incorporation. The Acquirer does not belong to any Group. There is no Person Acting in Concert along with the Acquirer.

4.2. The main object of the Acquirer as per Memorandum of Association is to carry on the business of engineers, founders, smelters, fabricators, smiths, metallurgists and chromium platers, polishers, painters in smiths, locksmiths, iron mongers, alloy makers, and machinist and manufacturers of and dealers in machinery, tools, instruments and equipments of all kinds used in mining, refining, manufacturing and processing of ores, minerals, goods and materials.

4.3. The shares of the Acquirer are not listed on any stock exchange.

4.4. Shareholding pattern of the Acquirer as on date of DLOF as follows:

Equity Share Capital (Equity shares of Rs. 10/- each):

Sr. No.	Shareholder's Category	No. of Shares held	Percentage
1	**Promoters**		
	Ms. Neeru Pradeep Goyal	71,000	75.71%
	Total of (1)	**71,000**	**75.71%**
2	**FIIs/Mutual-Funds/FIs/Banks**	**--**	**--**
3	**Public**		
	Ms. Chandrakanta V Goyal	20,000	21.33%
	Mr. Vedprakash P Goyal (HUF)	2,000	2.13%
	Mr. Abhinav P Goyal	760	0.81%
	Mr. Mahendra G Shah	10	0.01%
	Mr. Om Prakash Agarwal	10	0.01%
	Total of (3)	**22,780**	**24.29%**
	Total Paid Up Capital (1+2+3)	**93,780**	**100.00%**

Preference Share Capital (Preference shares of Rs. 100/- each)

Sr. No.	Name of Shareholders	No. of Shares held	Percentage
	0% Non Convertible Redeemable Preference Shares – Series A		
1	Maheshwari Knit Exports Limited	93,500	46.87%
2	Ronit Capital Management Limited	50,000	25.06%
3	Agarwadi Fiscal Sevices Limited	56,000	28.07%
	Total of Series A	**1,99,500**	**100.00%**
	0% Non Convertible Redeemable Preference Shares – Series B		
1	Ms. Neeru Pradeep Goyal	5,00,000	100.00%
	Total of Series B	**5,00,000**	**100.00%**

4.5. The details of Board of Directors of the Acquirer as on date of DLOF as follows:

Name (Designation)	DIN	Qualification	Experience	Date of Appointment
Ms. Neeru Pradeep Goyal (Director)	02471300	B.Sc. (Chem.), M.A. (Eng. Lit.)	Merchant exporter engineering goods with experience of 13 years.	July 7, 2011
Mr. Om Prakash Agarwal (Director)	00022796	B. E. (Mechanical)	Production & Marketing of engineering goods for more than 40 years.	January 23, 2009

Ms. Neeru Pradeep Goyal and Mr. Om Prakash Agarwal, Directors of the Acquirer are on the Board of Directors of the Target Company and hold 80,499 and 13,300 equity shares of Rs. 10/- each representing 0.47% and 0.08% of the issued, subscribed and voting capital of the Target Company respectively.

4.6. Ms. Neeru Pradeep Goyal is the promoter of the Acquirer and also forming part of the promoter group of the Target Company.

4.7. The brief details of financials of the Acquirer are given as under:

(Rs. in Lacs except EPS)

Profit & Loss Statement	March 31, 2010 (Audited)	March 31, 2011 (Audited)	March 31, 2012 (Audited)	November 30, 2012 (Unaudited)
Profit & Loss Statement				
Income from operations	-	-	-	-
Other Income	17.05	11.11	1.62	12.00
Total Income	**17.05**	**11.11**	**1.62**	**12.00**
Total Expenditure	**2.75**	**0.15**	**0.17**	**0.24**
Profit before Depreciation,Interest & Tax	**14.30**	**10.96**	**1.44**	**11.76**
Depreciation	-	-	-	-
Interest	-	-	-	-
Profit / (Loss) before Tax	**14.30**	**10.96**	**1.44**	**11.76**
Provision for Tax	4.50	3.50	0.30	3.65
Profit / (Loss) after Tax	**9.80**	**7.46**	**1.14**	**8.11**

Balance Sheet Statement	March 31, 2010 (Audited)	March 31, 2011 (Audited)	March 31, 2012 (Audited)	November 30, 2012 (Unaudited)
Sources of Funds				
Paid up Equity share capital	9.38	9.38	9.38	288.88
Reserves & Surplus	198.10	205.56	206.71	214.82
Net Worth	207.48	214.94	216.09	503.70
Share Application Money Pending Allotment	-	-	80.85	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	55.00
Total	**207.48**	**214.94**	**296.94**	**558.70**
Uses of Funds				
Net Fixed Assets	-	-	-	-
Investments	39.07	1.00	196.82	383.07
Long Term Loans and Advances	158.00	138.50	171.00	40.00
Net Current Assets	10.40	75.44	(70.88)	135.63
Miscellaneous Expenditure not written off	0.01	-	-	-
Total	**207.48**	**214.94**	**296.94**	**558.70**
Other Financial Data				
Dividend (%)	-	-	-	-
Earning Per Share (In Rs)	10.45	7.95	1.22	8.65

(Source-Annual Reports for the financial year ended March 31, 2010, March 31, 2011, March 31, 2012 and certified unaudited accounts for the period ended November 30, 2012 by the statutory auditors of the company)

4.8. The Acquirer does not have any contingent liabilities as on date of this DLOF.

4.9. The Acquirer is regular in complying with the applicable provisions of SEBI (SAST) Regulations, 2011. However, disclosure required to be made under regulation 29 of SEBI (SAST) Regulations, 2011 on conversion of 4,00,000 warrants and 4,50,000 warrants into equity shares on August 27, 2012 and October 22, 2012, respectively, were submitted with delay.

4.10. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 (‘SEBI Act’) as amended or under any other regulation made under the SEBI Act.

5. BACKGROUND OF THE TARGET COMPANY – PRADEEP METALS LIMITED

(The disclosure mentioned under this section has been sourced from information published by the Target Company or publicly available sources)

5.1. Pradeep Metals Limited was incorporated as 'Pradeep Metals Private Limited' on January 22, 1982, under the provision of Companies Act, 1956 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 the Target Company is situated at R-205, TTC Indl Area, MIDC, Rabale, Navi Mumbai – 400 701; Tel. No.: 022 – 2769 1026; Fax No.: 022 – 2769 1123; Email id: info@pradeepmetals.com.The ISIN of equity share of the Target Company is INE770A01010.

5.2. The Target Company is engaged in manufacture of intricate closed die steel forgings mainly for automobile, petrochemical and engineering industries.

5.3. The Authorised Share Capital of the Target Company is Rs. 24,00,00,000/- (Rupees Twenty Four Crore Only) comprising of 1,85,00,000 equity shares of Rs. 10/- each and 5,50,000 preference shares of Rs. 100/- each. The issued and subscribed share capital of the Target Company is Rs. 17,27,00,000/- (Rupees Seventeen Crore Twenty Seven Lac Only) divided into 1,72,70,000 equity shares of the face value of Rs. 10/- each. 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. The partly paid-up equity shares do not carry any voting rights in the Target Company. The equity share capital structure of the Target Company is as follows:

Particulars	No. of Shares	Voting rights	% of Voting rights
Issued and Subscribed Capital			
Fully paid-up equity shares	1,72,55,200	1,72,55,200	100%
Partly paid-up equity shares	14,800	-	-
Total Issued and paid-up equity shares	1,72,70,000	1,72,55,200	100%

5.4. All the equity shares of the Target Company are presently listed on BSE Limited except 4,50,000 equity shares allotted on October 22, 2012 pursuant to conversion of warrants. The Target Company has applied to BSE for listing of the said equity shares vide its application dated November 5, 2012.

5.5. Trading of Target Company's equity shares has never been suspended from BSE. Further, no penal / punitive actions have been taken by the BSE. As on date there are no outstanding warrants or options or similar instruments, convertible into equity shares at a later stage.

5.6. The equity shares of the Target Company are listed on the BSE Limited. The shares are placed under Group 'B' having a Scrip Code of 513532 on the BSE Limited.

5.7. There has been no merger/de-merger, spin off during last 3 years involving the Target Company.

5.8. The Board of Directors of the Target Company as on the date of DLOF are as under:

Name	DIN	Designation	Date of Appointment
Mr. Pradeep Vedprakash Goyal	00008370	Chairman & Managing director	August 12, 1983
Mr. Raj Kumar Mittal	00020255	Director	January 29, 2008
Mr. Om Prakash Agarwal	00022796	Director	May 10, 2001
Mr. Kewal Krishan Nohria	00060015	Director	April 14, 2008
Mr. Jaidev Rajnikant Shroff	00191050	Director	August 12, 2011
Mr. Suresh Gopal Vaidya	00220956	Director	June 24, 2005
Mr. Rakesh Kumar Hariram Agarwal	00244328	Director	August 12, 2011
Mr. Rajeev Devi Prasad Mehrotra	01345096	Director	May 5, 2012

Ms. Neeru Pradeep Goyal	02471300	Director	January 29, 2009

Ms. Neeru Pradeep Goyal and Mr. Om Prakash Agarwal, Directors of the Acquirer are on the Board of Directors of the Target Company. They recluse themselves to participate e in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to this Open Offer.

5.9. The brief audited financial statements of the Target Company for the financial year ended March 31, 2010, March 31, 2011, March 31, 2012 and unaudited accounts for the half year ended September 30, 2012 are as follows

(Rs. in Lacs except EPS)

Particulars	March 31, 2010 (Audited)	March 31, 2011 (Audited)	March 31, 2012 (Audited)	September 30, 2012 (Unaudited)
Profit & Loss Statement				
Income from operations	4,331.40	7,126.47	9,621.40	5,646.92
Income from other operations (including sale of scrap generated)	571.01	1,149.96	1,570.24	907.75
Other Income	51.87	65.07	63.79	134.17
Total Income	4,954.28	8,341.50	11,255.43	6,688.84
Total Expenditure	4,823.71	7,717.61	10,519.74	6,125.34
Profit before Depreciation, Interest & Tax	583.09	1,132.07	1,357.43	893.01
Depreciation	144.01	166.60	181.44	98.95
Interest	308.51	341.58	440.30	230.55
Profit / (Loss) before Tax	130.57	623.89	735.69	563.51
Provision for Tax	22.20	124.39	227.81	181.13
Profit / (Loss) after Tax	**108.37**	**499.50**	**507.88**	**382.38**

Balance Sheet	March 31, 2010 (Audited)	March 31, 2011 (Audited)	March 31, 2012 (Audited)	September 30, 2012 (Unaudited)
Sources of Funds				
Paid up Equity share capital	1,831.20	1,791.06	1,641.26	1,681.26
Equity Warrant	-	57.00	43.75	24.75
Reserves & Surplus	486.89	410.43	962.78	1,387.05
Secured Loans	2,842.23	3,376.69	4,664.14	5,047.26
Unsecured Loans	276.00	226.00	225.00	200.00
Deferred Tax Liability	-	279.88	284.98	274.44
Total	**5,436.32**	**6,141.06**	**7,821.91**	**8,614.76**
Uses of Funds				
Net Fixed Assets	1,576.21	1,838.46	2,011.75	2,011.86
Investments	1.00	1.00	1.00	1.00
Net Current Assets	3,597.45	4,301.60	5,809.16	6,601.90
Deferred Tax Assets	260.92	-	-	-
Miscellaneous Expenditure not written off	0.74	-	-	-
Total	**5,436.32**	**6,141.06**	**7,821.91**	**8,614.76**

Other Financial Data				
Dividend %	-	10%	10%	-
Net worth	2,317.35	2,258.49	2,647.79	3,093.06
Earning Per Share (Rs.)				
- Basic	(0.22)	1.27	3.68	2.58
- Diluted	(0.22)	1.15	3.51	2.47
Return on Net Worth (%)	4.68%	22.12%	19.18%	12.36%
Book Value Per Share (Rs.)	18.22	17.76	16.13	18.39

(Source-Annual Reports for the financial year ended March 31, 2010, March 31, 2011, March 31, 2012 and certified unaudited accounts for the half year ended September 30, 2012 by the statutory auditors of the Target Company and are subject to Limited Review by the Auditors)

5.10. Pre and Post Offer shareholding pattern of the Target Company as on the date of DLOF is as follows:

5.10.1 Based on the voting share capital of the Target Company:

Shareholders' Category	**Shareholding & Voting rights prior to the acquisition and Offer**		**Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations, 2011**		**Shares/Voting rights to be acquired in the Offer (assuming full acceptance)**		**Shareholding/voting rights after the acquisition and Offer.**	
	(A)		**(B)**		**(C)**		**(D) = (A) +(B) +(C)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1) Promoter Group								
a. Acquirer: Rabale Engineering India Private Limited	8,00,000	4.88%	9,05,500*	5.01%	44,90,200	26.02%	61,95,700	35.91%
b. Promoters other than (a) above	54,61,960	33.29%	-	-	-	-	54,61,960	31.65%
Total (1) (a+b)	**62,61,960**	**38.17%**	**9,05,500***	**5.01%**	**44,90,200**	**26.02%**	**1,16,57,660**	**67.56%**
(2) Public shareholding								
a. FIs/MFs/FIIs / Banks, SFIs	13,100	0.08%	-	-	(44,90,200)	(26.02%)	55,97,540	32.44%
b. Others	1,01,30,140	61.75%	(55,500)	(0.32%)				
Total no. of shareholders in public category, i.e. 6,757 Total (2) (a+b)	**1,01,43,240**	**61.83%**	**-**	**-**	**(44,90,200)**	**(26.02%)**	**55,97,540**	**32.44%**
Grand Total (1+2)	**1,64,05,200**	**100.00%**	**-**	**-**	**-**	**-**	**1,72,55,200**	**100.00%**

5.10.2 Based on issued and subscribed equity share capital of the Target Company:

Shareholders' Category	**Shareholding & Voting rights prior to the acquisition and Offer**		**Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations, 2011**		**Shares/Voting rights to be acquired in the Offer (assuming full acceptance)**		**Shareholding/voting rights after the acquisition and Offer.**	
	(A)		**(B)**		**(C)**		**(D) = (A) +(B) +(C)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1) Promoter Group								
a. Acquirer: Rabale Engineering India Private Limited	8,00,000	4.87%	9,05,500*	5.01%	44,90,200	26.00%	61,95,700	35.88%
b. Promoters other than (a)) above	54,61,960	33.26%	-	-	-	-	54,61,960	31.63%

Total (1) (a+b)	**62,61,960**	**38.14%**	**9,05,500***	**5.01%**	**44,90,200**	**26.00%**	**1,16,57,660**	**67.50%**
(2) Public shareholding								
a. FIs/MFs/FIIs / Banks, SFIs	13,100	0.08%	-		(44,90,200)	(26.00%)	56,12,340	32.50%
b. Others	1,01,44,940	61.78%	(55,500)	(0.32%)				
Total no. of shareholders in public category, i.e. 6,757 Total (2) (a+b)	**1,01,58,040**	**61.86%**	**-**	**-**	**(44,90,200)**	**(26.00%)**	**56,12,340**	**32.50%**
Grand Total (1+2)	**1,64,20,000**	**100.00%**	**-**	**-**	**-**	**-**	**1,72,70,000**	**100.00%**

- *9,05,500 equity shares acquired by the Acquirer includes 4,00,000 and 4,50,000 equity shares acquired pursuant to conversion of warrants into equity shares on August 27, 2012 and October 22, 2012 respectively, and 55,500 equity shares acquire through off market purchase on November 27, 2012 from the Seller.
- The Acquirer has not acquired equity shares after the date of PA till the date of this DLOF.
- There are 14,800 partly paid-up equity shares, the partly paid-up equity shares do not carry any voting rights in the Target Company.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1 The equity shares of the Target Company are listed on the BSE Limited. The equity shares are placed under Group 'B' having a Scrip Code of 513532 on the BSE Limited.

6.1.2 The Offer is made pursuant to the direct acquisition of equity shares under regulation 3(2) of the SEBI (SAST) Regulation, 2011.

6.1.3 The annualized trading turnover in the equity shares of the Target Company on BSE Limited based on trading volume during the twelve calendar months prior to the month of PA (November, 2011 to October, 2012) is as given below:

Stock Exchange	**Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA**	**Total No. of Listed Equity Shares**	**Annualised Trading Turnover (as % of Total equity shares Listed)**
BSE Limited	4,75,180	1,64,20,000*	2.89%

(Source: www.bseindia.com)

*4,00,000 equity shares of the Target Company was listed on the BSE Limited with effect from November 9, 2012 and 4,50,000 equity shares allotted on October 22, 2012 pursuant to conversion of warrants. The Target Company has applied to BSE Limited for listing of the said equity shares vide its application dated November 5, 2012. Therefore, the said shares are not considered for the computation of annualized trading turnover.

6.1.4 Based on the above, the equity shares of the Target Company are not frequently traded on the BSE Limited within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.

6.1.5 The Offer Price of Rs. 22/- per equity share is justified, in terms of regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following:

Sr. No.	**Particulars**	**Price (in Rs. Per share)**
1	Highest Negotiated Price per equity share for any acquisition	Not Applicable

	under the Agreement attracting the obligation to make the PA			
2	The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 weeks immediately preceding the date of PA		20.59	
3	The highest price paid or payable for any acquisition by the Acquirer during 26 weeks immediately preceding the date of the PA		22.00	
4	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of public announcement as traded on BSE Limited		Not Applicable	
5	Other Financial Parameters as at		March 31, 2012	September 30, 2012
	(i) Return on Networth (%)		19.18	12.36
	(ii) Book Value Per Share		16.13	18.39
	(iii) Earning Per Share	Basic	3.68	2.58
		Diluted	3.51	2.47

The Fair Value for each equity share of the Target Company is Rs. 16.50/- (Rupees Sixteen and Fifty Paise only) as certified by Mr. S. M. Patki (Membership No. 037690), partner of M/s. S. R. Rege & Company, Chartered Accountants, having its office situated at 125, Hiramani Super Market, Mumbai – 400 012; Tel. No.: 022 – 2471 0050; Fax No.: 022 – 2471 3450, vide its report dated November 27, 2012.

6.1.6 As on the date there are 14,800 partly paid-up equity shares in the Target Company. Shareholders who are holding partly paid-up equity shares will be eligible to participate in the Offer provided they pay allotment money due along with the interest as detailed below :

Particulars	**Amount in Rupees**
Amount due on Allotment (per partly paid-up equity share)	7.50
Add Interest @ 18% p.a. from the date of allotment i.e. April 8, 1994 till the date of PA i.e. November 27, 2012	25.18
Total Amount to be paid on each partly paid-up equity share by the shareholders holding partly paid-up equity shares to become eligible to participate in the Offer.	32.68

6.1.7 In view of the parameters considered and presented in para 6.1.5 above and the certificate issued by the Chartered Accountants, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 22/- (Rupee Twenty Two Only) per equity share is justified in terms of regulation 8 of the SEBI (SAST) Regulations, 2011.

6.1.8 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6.1.9 As on date there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer shall comply with regulation 18 of SEBI (SAST) Regulations, 2011 and all the provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Offer Price or Offer Size.

6.1.10 If the Acquirer acquire or agree to acquire any shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of regulation 8(8) of SEBI (SAST) Regulations, 2011. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

6.1.11 If the Acquirer acquire equity shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an Open Offer under the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2. **Financial Arrangement**

6.2.1 Total consideration payable by the Acquirer to acquire 44,90,200 fully paid-up equity shares at the Offer Price of Rs. 22/- (Rupees Twenty Two Only) per equity share, assuming full acceptance of the Offer would be Rs. 9,87,84,400/- (Rupees Nine Crore Eighty Seven Lac Eighty Four Thousand Four Hundred Only). In accordance with regulation 17 of the SEBI (SAST) Regulations, 2011, the Acquirer has opened an Escrow Account under the name and style of 'Pradeep Metals Ltd Open Offer Escrow Account' with Indusind Bank Limited, Shop No.2-4, Ground Floor, Atlanta Building, Nariman Point, Mumbai – 400 021 ('Escrow Banker') and made therein a cash deposit of Rs. 2,47,00,000/- (Rupees Two Crore Forty Seven Lac Only) in the account in accordance with the regulation 17(3)(a) of the SEBI (SAST) Regulations, 2011, being more than 25% of the total consideration payable to the shareholders under the Open Offer, assuming full acceptance.

6.2.2 The Acquirer has authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

6.2.3 The Acquirer has adequate financial resources and has made firm financial arrangements for implementation of the Open Offer, in terms of regulation 25(1) of the SEBI (SAST) Regulations, 2011. The Open Offer obligation shall be met by the Acquirer through internal accruals and no borrowings from any bank and /or financial institution are envisaged.

6.2.4 Mr. S. M. Patki (Membership No. 037690) partner of M/s. S. R. Rege & Company, Chartered Accountants, having their office situated at 125, Hiramani Super Market, Mumbai – 400 012; Tel. No.: 022 – 2471 0050; Fax No.: 022 – 2471 3450, vide his certificate dated November 27, 2012 has certified that the Acquirer has adequate resources to meet the financial requirement of the Open Offer.

6.2.5 Based on the aforesaid financial arrangements and on the confirmation received from the Escrow Banker and Chartered Accountants, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations, 2011. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligation.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Offer is not subject to any minimum level of acceptance from the shareholders of the Target Company. The Acquirer will acquire all the fully paid up equity shares of the Target Company that are validly tendered and accepted in terms of this Offer upto 44,90,200 fully paid up equity shares of face value of Rs. 10/- each representing 26% of the issued & subscribed capital and 26.02% of the voting capital of the Target Company.

7.2 The Letter of Offer and Form of Acceptance will be mailed to all those equity shareholders of the Target Company (except the Acquirer including persons deemed to be acting in concert in terms of regulation 7(6) of SEBI (SAST) Regulations, 2011), whose names appear on the Register of Members of the Target Company and to the owner of the equity shares whose names appear as beneficiaries on the records of the respective Depositories at the close of business hours on January 3, 2013 ('Identified Date'). Accidental omission to dispatch the LOF to any member entitled to this Open Offer or non-receipt of the LOF by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

7.3 The Offer is subject to the terms and conditions set out in this LOF, PA, DPS and any other public announcements that may be issued with respect to the Offer. A copy of the Letter of Offer (including Form of Acceptance) is available on SEBI's website (http://www.sebi.gov.in) the equity shareholders may also be downloaded from the website.

7.4 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in such cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.5 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.6 Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected.

7.7 In terms of the regulation 18(9) of the SEBI (SAST) Regulations, 2011, equity shareholders who tender their equity shares in the Offer shall not be entitled to withdraw such acceptance.

7.8 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.9 The instructions and provisions contained in the Form of Acceptance constitute an integral part of the terms of this Offer.

7.10 Locked in shares: The locked-in shares, if any acquired pursuant to the offer can be transferred to the Acquirer, subject to the continuation of the residual lock-in period in the hands of the Acquirer. The Manger to the offer ensures that there shall be no discrimination in the acceptance of locked-in and non locked-in shares.

7.11 **Eligibility for accepting the Offer**

All owners of equity shares demat/physical, registered/unregistered (except the Acquirer including persons deemed to be acting in concert in terms of regulation 7(6) of SEBI (SAST) Regulations, 2011) are eligible to participate in the Offer anytime before closure of the Offer. Shareholders who are holding partly paid-up equity shares will be eligible to participate in the Offer provided they pay the allotment money along with the interest as stated in para 6.1.6 of this DLOF. All registered owners can send duly completed Form of Acceptance, filled and signed in accordance with the instructions contained in the Letter of Offer and Form of Acceptance, to the Registrar to the Offer at the collection centre mentioned in para 8.1 before the closure of the Offer i.e. not later than January 30, 2013. Eligible Shareholders can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should be absolute and unqualified. No indemnity shall be required from the unregistered shareholders. Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected.

7.12 **Statutory and other Approvals:**

7.12.1 To the best of the knowledge and belief of the Acquirer, as on the date of this DLOF, there are no statutory or other approvals required to implement the Offer. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event that such other statutory approvals becoming applicable prior to completion of the Offer are refused in terms of regulation 23 of SEBI (SAST) Regulations, 2011. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which DPS had appeared.

7.12.2 In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 18(11) of the SEBI (SAST) Regulations, 2011. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, 2011 will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 The Eligible Shareholders of the Target Company, who wish to avail of and accept the Offer, can deliver the Form of Acceptance along with all the relevant documents at the collection centre mentioned below in accordance with the procedure as set out in the Letter of Offer on or before the closure of the Offer, January 30, 2013.

Name and Address of the Collection Centre	Working days and timings	Mode of delivery
Universal Capital Securities Private Limited (Formerly known as Mondkar Computers Private Limited) Address: 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Contact Person: Mr. Ravindra Utekar Tel. No.: 022 - 2820 7203 / 022 – 2820 7205 Fax No.: 022 - 2820 7207 Email: info@unisec.in	Monday to Friday 10 am to 3 pm and Saturday 10 am to 1 pm.	Registered Post/ Hand Delivery

The centre will be closed on Sundays and Public Holidays.

8.2 In case of non-receipt of the Letter of Offer and unregistered shareholder may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer.

8.3 Share Certificate(s), Transfer Deed(s), Form of Acceptance should not be sent to the Acquirer, the Target Company and the Manager to the Offer.

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

8.4.1 For Equity Shares held in physical form:

1. 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 certificates.
- 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 the Target Company and duly witnessed at the appropriate place.
- In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

2. 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 the market. The details of the 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.
- All other requirements for valid transfer will be precondition for acceptance.

8.4.2 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 depositories.
- Photocopy of the delivery instruction slip 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 (please see below) before the close of the business hours on January 30, 2013.
- 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 have been accepted.

8.5 For the shareholders holding shares in demeterialised form, the Registrar to the Offer has opened a special depository account with Central Depository Services (India) Limited ('CDSL') called, 'Pradeep Metals Limited – Open Offer Operated by Universal Capital Securities Pvt. Ltd.'. Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their equity shares in the special depository account:

DP Name	Sushil Financial Services Private Limited
DP ID	12028900
Client ID	01174911
ISIN No.	INE770A01010
Depository	Central Depository Services (India) Limited

Shareholders having their beneficiary account with National Securities Depository Limited ('NSDL') have to use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account opened with Central Depository Services (India) Limited.

Form of Acceptance of dematerialised 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. For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance.

8.6 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of 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 (for 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).

8.7 In case of unregistered owners or shareholders who have not received the Letter of Offer, may send their consent, to the Registrar to the Offer, on a plain paper stating their name, address, number of shares held, distinctive numbers, folio number, 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. No indemnity is required from the unregistered owners or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their 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 'Off-market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer.

The application should be signed by all the shareholders as per the registration details available with the Target Company and should be sent to the Registrar to the Offer in an envelope clearly marked 'Pradeep Metals Limited – Open Offer'.

Shareholders of the Target Company who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to the Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer deed.

8.8 If the shares tendered in this Offer by the shareholders of the Target Company are more than the equity shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis 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. The minimum marketable lot for the purposes of acceptance of equity share of the Target Company would be 1(One) equity share.

8.9 Unaccepted shares, share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder. Unaccepted Shares held in dematerialized form 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.

8.10 The Registrar to the Offer will hold in trust the share certificate(s), Form of Acceptance, transfer deed(s) and equity shares lying in credit of the special depository account on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques/ drafts or payment made through electronic mode for the consideration and/ or the unaccepted equity shares/ share certificates are dispatched/ returned/credited.

8.11 While tendering the equity shares under the Offer, NRIs/OCBs/foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI Approvals are not submitted, the Acquirer reserves the right to reject such equity shares tendered. While tendering the shares under the Offer, NRIs/OCBs/foreign shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

8.12 As per the provisions of Section 196D(2) of the Income-tax Act, 1961 no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income-tax Act, 1961.

8.13 Securities transaction tax will not be applicable to the equity shares accepted in the Offer.

8.14 The payment of consideration for equity shares accepted under the Offer may be made through a crossed Demand Draft / Pay Order in the name of the first folder or through any other electronic mode including but not limited to Direct Credit (‘DC’), National Electronic Funds Transfer (‘NEFT’), Real Time Gross Settlement (‘RTGS’), National Electronic Clearing Services (‘NECS’), at specified centers where clearing houses are managed by the Reserve Bank of India within 10 working days from the date of closure of Offer. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance and also provide MICR and Indian Financial System Code (‘IFSC’) Code.

8.15 The crossed Demand Draft / Pay order in excess of Rs.1500/- 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. All dispatches involving payment of a value upto Rs.1500/- will be made under First Class Mail at the shareholders sole risk.

8.16 The bank account details for DC/NEFT/RTGS/NECS will be directly taken from the depositories’ database or from the details as mentioned by the shareholders in the Form of Acceptance.

8.17 It is advised that shareholders provide bank details in the Form of Acceptance so that same can be incorporated in the Demand Draft/ Pay Order.

9. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by shareholders of the Target Company at the office of the Manager to the Offer, Inga Capital Private Limited, A – 404, Neelam Centre, Hind Cycle Road, Worli, Mumbai – 400 030 on any working day between 10.30 am to 1.00 pm during the tendering period i.e. January 17, 2013 to January 30, 2013.

9.1 Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.

9.2 Certificate dated November 27, 2012 issued by Mr. S. M. Patki (Membership No. 037690) partner of M/s. S. R. Rege & Company, Chartered Accountants, certifying that the Acquirer has adequate resources to meet the financial requirement of the Open Offer.

9.3 Audited Annual Reports of the Acquirer for the financial year ended March 31, 2010, March 31, 2011, March 31, 2012 and certified unaudited accounts for the period ended November 30, 2012 by the statutory auditors of the company.

9.4 Annual Reports of the Target Company for the financial year ended March 31, 2010, March 31, 2011, March 31, 2012 and certified unaudited accounts for the half year ended September 30, 2012 by the statutory auditors of the Target Company.

9.5 Copy of Escrow Agreement between the Acquirer, Indusind Bank Limited and the Manager to the Offer.

9.6 Copy of the letter dated November 30, 2012 issued by Indusind Bank, confirming deposit of Rs. 2,47,00,000/- (Rupees Two Crores Forty Seven Lacs only) in Escrow Account.

9.7 Copy of Public Announcement dated November 27, 2012, and Detailed Public Statement published in the newspapers on December 4, 2012. Copy of agreement into with Depository participant for opening of special depository account for the purpose of the Offer.

9.8 A copy of the recommendation made by the Committee of Independent Directors of the Target Company published in the newspapers on [•].

9.9 A copy of SEBI Observation letter no. [•] dated [•].

10. DECLARATION BY THE ACQUIRER

The Acquirer and its directors accept full responsibility for the information contained in this DLOF and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereto. The Acquirer would be responsible for ensuring compliance with the concerned SEBI (SAST) Regulations, 2011.

For and on behalf of
Rabale Engineering India Private Limited

Sd/-
Authorised Signatory

Place: Mumbai
Date: December 10, 2012

Encl:
1. Form of Acceptance-cum-Acknowledgement
2. Transfer Deed

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Universal Capital Securities Private Limited (Formerly, Mondkar Computers Private Limited) at the collection center as mentioned in the Letter of Offer. All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER	
OFFER OPENS ON	**January 17, 2013 (Thursday)**
OFFER CLOSES ON	**January 30, 2013 (Wednesday)**

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

Name:
Address:

Tel. No.: **Fax No.:** **E-mail:**

To
Rabale Engineering India Private Limited,
Universal Capital Securities Private Limited
(Formerly, Mondkar Computers Private Limited)
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400 093
Contact Person : Mr. Ravindra Utekar
Tel No.: 022-2820 7203 / 28207205.
Fax No.: 022- 2820 7207
Email: info@unisec.in

Dear Sir,

Sub.: Open Offer to acquire up to 44,90,200 fully Paid-up equity shares of Rs. 10/- each representing 26% of the issued & subscribed capital and 26.02% of the voting capital of Pradeep Metals Limited ('Target Company'), at a price of Rs. 22/- (Rupees Twenty Two Only) per fully paid up equity share ('Offer Price') payable in cash by Rabale Engineering India Private Limited.

I/We, refer to the Letter of Offer dated December 10, 2012 for acquiring the equity shares held by me/us in the Target Company. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD 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	No. of shares

I/We have executed an off-market transaction for crediting the shares to the special depository account viz. 'Pradeep Metals Limited – Open Offer Operated by Universal Capital Securities Pvt. Ltd.' via

☐ A delivery instruction from my account with Central Depository Services (India) Limited ('CDSL')
☐ An inter-depository delivery instruction from my account with National Securities Depository Limited ('NSDL')

DP Name	Sushil Financial Services Private Limited
DP ID	12028900
Client ID	01174911
ISIN No.	INE770A01010
Depository	Central Depository Services (India) Limited

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

FOR EQUITY SHARES HELD 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.)

In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

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.
- ☐ Copy of Permanent Account Number / PAN Card.

I/We, confirm that the tax deduction on account of equity shares of Pradeep Metals Limited held by me/us is to be deducted on (tick whichever is applicable):

- ☐ Long-term capital Gains
- ☐ Short-term capital gains
- ☐ Trade Account

In order to avail the benefit of lower rate of tax deduction under the applicable Double Taxation Avoidance Agreement (‘DTAA’), if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of resident.

For FII Shareholders:

I/We, Confirm that the equity shares of Pradeep Metals Limited are held by me/us on (select whichever is applicable):

- ☐ Investment / Capital Account
- ☐ Trade Account

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of resident/ incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence. Where the tax is to be deducted on account of long-term capital gains, the shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the Shares have been held for more than one year. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the appropriate income tax authorities certifying the net income chargeable to capital gains tax. In the absence of the above tax would be deducted at the maximum marginal rate on the entire consideration paid to the shareholders.

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 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.

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:

1. To acquire 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.
2. 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/ Speed Post / First Class Mail 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.

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.

Shareholders have an option to receive the consideration through NECS/DC/NEFT/ RTGS.
I / we [Put tick (✓) mark]

- ☐ Opt for NECS/DC/NEFT/RTGS
- ☐ Not opt for NECS/DC/ NEFT/RTGS

Shareholders those who opt to receive the consideration through DC/NECS/RTGS/NEFT of Reserve Bank of India are requested to provide Photo Copy of cheque along with following Bank Account Details:

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	
9 digit MICR code		IFSC Code**	

**only incase of RTGS and NEFT

Yours faithfully,
Signed and Delivered

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

Address of First/Sole Shareholder____
Place:
Date:

--**Tear along this line** ------------------------------------

ACKNOWLEDGEMENT SLIP

Received from Mr./ Ms./ M/s. ____ Address ____ Form of Acceptance-cum-Acknowledgement for ___________ shares along with:

☐ **Demat shares:** Copy of delivery instruction slip from DP ID ___________ Client ID ____________

☐ **Physical shares:** ____________ Share certificate(s) _______________ transfer deed(s) under Folio Number(s) _____________ for accepting the Offer made by the Acquirer.

(Tick whichever is applicable)

Signature of Official _________________________

Date of Receipt ____________________________

Stamp of Collection Centre

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) **Shareholders of Target Company having their beneficiary account in NSDL has to use inter depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with CDSL.**

(4) **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**.

(5) **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

(6) Shareholders have an option to receive the consideration through National Electric Clearing System (NECS). Payment of consideration shall be made through NECS, where NECS clearing are managed by Reserve Bank of India.

(7) **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 08 TITLED PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS LETTER OF OFFER.

--**Tear along this line** --

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:

Universal Capital Securities Private Limited
(Formerly, Mondkar Computers Private Limited)
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400 093
Contact Person : Mr. Ravindra Utekar
Tel No.: 022-2820 7203 / 28207205.
Fax No.: 022- 2820 7207
Email: info@unisec.in