LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (LOO) is sent to you as an equity shareholder of **BIO WHITEGOLD INDUSTRIES LIMITED**. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or **SOBHAGYA CAPITAL OPTIONS LIMITED** (hereinafter referred to as "Manager to the Offer") or Integrated Enterprises (India) Ltd. (hereinafter referred to as "Registrar to the Offer"). In case you have recently sold your shares in the Company, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER

By

Mr. Ravindran Ramoji"
ACQUIRER"

Local Address: 14/13, Jains Vatika, Wason Street, T.Nagar, Chennai – 600 017.
Tel.: 044 – 28140560 / 28158470 Fax: 044 - 23741922

Permanent Address: 624, Angus Drive, Milpitas, CA 95035, U.S.A.
Tel: 001-408-945-1245 Fax: 001-408-934-2101

To acquire up to 10,20,320 fully paid up equity shares representing upto 20% of the total voting capital of

BIO WHITEGOLD INDUSTRIES LIMITED ("BWG" or "Target Company")

(Incorporated **as BIO WHITEGOLD FARMS LIMITED** on 9th June 1994 and name changed on 18th May 2004 with Registered Office at 29, Mettu Srinivasa Street, Salem – 636 001 and shifted on 1st August 2005 to 15-F, Sevaathal Nagar, Gugai, Salem-636006, Tamil Nadu and ROC has granted permission by its letter dated 1st May 2006 for transfer of registered office to 4-B, Skylark Apartments, 6, Rutland Gate V Street, Chennai – 600 006. Phone Nos. 044 – 2833 2599 / 2833 2373, Fax No. 044 – 2833 0433)

at Rs. 2/- per equity share

	MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	SOBHAGYA **CAPITAL OPTIONS LTD.** 7-1-32/4, P – 1, Leelanagar, Begumpet, Hyderabad – 500 016. Phone Nos.: 040 – 5552 8262 Fax No.: 040 – 2374 0419 Email: sobhagyacapital@yahoo.com Sebi Regn. No. INM000008571 Name of Contact person: Ms. Lavanya Chandra	**Integrated Enterprises (India) Ltd.** 2nd Floor, Kences Towers 1, Ramakrishna St., North Usman Road, T. Nagar,Chennai – 600 017 Tel: 044-28140801-03 Fax: 044-28142479 Email: sureshbabu@iepindia.com SEBI Regn. No.: INR000000544 Name of contact person: Mr. Suresh Babu

N O T E S:

(1) This offer is being made by **Mr. Ravindran Ramoji ("Acquirer")** pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 **("SEBI (SAST) Regulations")**.

(2) This offer is not subject to a minimum level of acceptance.

(3) The Acquirer is a non-resident Indian and therefore requires approval from the Government of India for acquiring the shares on a repatriable basis. The Acquirer is taking steps to obtain the required approvals and has filed an application dated: 22nd March, 2006 with FIPB and resubmitted on 7th. April, 2006 based on their inputs .

(4) Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer (i.e., Friday 26th May 2006.), in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations

(5) The Acquirer can revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer (i.e., Monday 22nd May 2006). If there is any upward revision in the Offer Price by the Acquirer till the last date for revising the Offer Price i.e. Monday 22nd May 2006, or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which the Public Announcement appeared. The Acquirer would pay such revised Offer Price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.

(6) There is no competitive bid:

(i) **As the offer price cannot be revised during seven working days prior to the closing date of the offer / bids, it would, therefore, be in the interest of shareholders to await till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

(7) A copy of the Public Announcement and Letter of Offer (including form of acceptance-cum-acknowledgement and form of withdrawal) is also available at the website of SEBI at www.sebi.gov.in

Schedule of the Major Activities of the Offer

No.	Activity	OriginalSchedule	RevisedSchedule
1.	Public Announcement	Friday,17th March 2006	Friday,17th March 2006
2.	Specified Date	Thursday,23rd March 2006	Thursday,23rd March 2006
3.	Last Date for a competitive bid	Thursday,6th April 2006	Thursday, 6th April 2006
4.	Date by which Letter of Offer will be dispatched to the shareholders	Thursday, 27th April 2006	Monday,8th May, 2006
5.	Offer Opening date	Wednesday,10th May 2006	Friday,12th May 2006
6.	Last Date for revising offer price / number of shares	Friday,19th May 2006	Monday,22nd May 2006
7.	Last Date for withdrawal of acceptance by shareholders	Thursday,25th May 2006	Friday,26th May 2006
8.	Offer Closing Date	Monday,29th May 2006	Wednesday,31st May 2006
9.	Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificates for the rejected shares will be dispatched	Monday,12th June 2006	Thursday,15th June 2006

RISK FACTORS

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or its subsidiaries or 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, if any, for analysing all the risks with respect to their participation in the Offer.

Given below are the risks related to the transaction, the proposed Offer and getting associated with the Acquirer:

(i) In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.

(ii) The Target company did not comply with Chapter II of SEBI (SAST) Regulations,1997 for which it received a notice No.CFD/DCR/RC/TO/23040/04 dated Nov,16,2004 from SEBI imposing a penalty of Rs.1.75 lakhs for the delay. The company has given its consent vide its letter dated 29.08.05 to SEBI to pay it and also complied with the compliances upto 30.04.2005.

(iii) The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer.

(iv) There is no assurance with respect to the continuation of the past trend in the financial performance of BWG.

(v) The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of BWG.

Note: Please refer to the “Definitions” section for the definition of various terms used above.

Table of Contents

Encl: (i) Form of Acceptance cum Acknowledgement
(ii) Form of Withdrawal

1. DEFINITIONS/ ABBREVIATIONS

The following definitions apply throughout this Letter of Offer unless the context requires otherwise:

Terms	Definitions
Acquirer	Mr. Ravindran Ramoji
BSE	Bombay Stock Exchange Limited
Closing Date	Date of closing of the Open Offer, Wednesday 31st May 2006
Companies Act	The Companies Act, 1956
CSX	Coimbatore Stock Exchange Limited
Date of Public Announcement	Friday 17th March 2006
Deemed PACs/ DPACs	Deemed Parties Acting in Concert
DP	Depository Participant
Eligible Shareholder(s)	All owners (registered or unregistered) of Equity Shares of Bio Whitegold Industries Limited, whose names appear in the Register of Members of Bio Whitegold Industries Limited at the close of business hours on the Specified Date and also the persons who own the Equity Shares at anytime before the Closure of the Offer, but may not be included in the Register of Members but does not include the Promoter Group of Bio Whitegold Industries Limited who are party to the Share Purchase Agreement dated: 13th March, 2006 with the Acquirer.
Escrow Account	Escrow account under the name and title of "Ravindran Ramoji - Escrow Account", established in accordance with Regulation 28 of the SEBI (SAST) Regulations by the Acquirer
Escrow Amount	Amount being not less than 25% of the maximum purchase consideration payable under the Offer in favour of the Manager to the Offer
Escrow Bank	UTI Bank Limited, 6-3-879/B, Greenlands, Begumpet Road, Hyderabad – 500 016.
Form of Acceptance	Form of Acceptance-cum-Acknowledgment enclosed with this Letter of Offer
INR or Rupees or Rs.	Indian National Rupees
Manager to the Offer/ Merchant Banker	**SOBHAGYA CAPITAL OPTIONS LIMITED**

MSE	Madras Stock Exchange, Chennai
Letter of Offer/ LOO	This Letter of Offer dated 5th May 2006
BWG/Company/Target Company	Bio Whitegold Industries Limited
NSDL	National Securities Depository Limited
Offer/Public Offer/Open Offer	This Offer by the Acquirer to acquire upto 10,20,320 fully paid up equity shares of face value Rs.10/- each at Rs.2/- per equity share for cash.
Offer Price	Rs. 2/- per Equity Share
Opening Date	Date of opening of the Open Offer, being Friday, 12th May 2006
Public Announcement or PA	The Public Announcement relating to the Offer as appeared in the newspapers on Friday 17th March 2006
RBI	Reserve Bank of India
Registrars to the Offer	Integrated Enterprises (India) Limited
Regulation(s) or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SPA	Share Purchase Agreement dated 13th March 2006 between the Acquirer and the Promoter Group Sellers of BWG for the sale of upto 36,54,700 shares of Rs. 10/- each of the Company at a price of Rs. 1.75 per share
Specified Date	Date specified in the Public Announcement for the purpose of determining the names of the shareholders to whom the Letter of Offer is to be sent being Thursday, 23rd March 2006
Stock Exchanges	BSE, MSE and CSX
Valuation Report	Valuation Report dated 13th March 2006 of M/s. R. Subramanian & Co., Chartered Accountants

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 BIO WHITEGOLD INDUSTRIES LTD., TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS 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 ACQUIRERS ARE 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 ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER M/s. SOBHAGYA CAPITAL OPTIONS LIMITED. HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 27/03/2006 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 Mr. Ravindran Ramoji ('Acquirer'), local address: 14/13, Jains Vatika, Wason Street, T.Nagar, Chennai – 600 017, Phone Numbers: 044 - 28140560 / 28158470 Fax: 044 - 23741922, permanent address: 624, Angus Drive, Milpitas, CA 95035, U.S.A. is making an offer pursuant to Regulation 10 & 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('Regulations') to acquire upto 10,20,320 equity shares of face value of Rs.10/- each representing upto 20% of the issued and paid up equity share capital of Bio Whitegold Industries Ltd. from the public equity shareholders (other than the promoter group), at a price of Rs. 2/- per share in cash. The offer is being made by the Acquirer for substantial acquisition of shares and voting rights accompanied with change in control and management of BWG.

3.1.2 (a) The acquirer does not hold any shares in the target company as on the date of LOO. The Acquirer has entered into a Share Purchase Agreement on 13th March, 2006 with the Promoter Group of BWG to acquire upto 36,54,700 equity shares of Rs.10/- each being 71.64% of the issued and paid up equity share capital of the company at a price of Rs.1.75 (Rupee One Paise Seventy five only) per fully paid-up equity share of the Target Company payable in cash ("**Negotiated Price**"). The promoter group of the company and their shareholding is as below

SL. No	Name of the Promoter Group Sellers	Shares agreed to be acquired under the SPA	% Of Holding
1.	P.V. Abdul Wahab, S/o. P.V. Alavi Kutty, Peevee House, Nilambur, Kerala-679329	6,33,200	12.41%
2.	B. Sriram, S/o. T.R. Balasubramaniam, Flat No. 3, GRN Apartments, 5/26, Padmanabha Street, T. Nagar, Chennai – 600017	6,01,000	11.78%
3.	M. Bharathy, S/o. L. Munusamy Chettiar, C-44, Kalaimagal School Street, Swarnapuri, Salem – 636004	6,00,000	11.76%
4.	P. Valsan, S/o. C. Parameswaran, 8/57, Nagarajapuram, Vasanthapuram P.O., Namakkal – 637001	2,11,400	4.14%
5.	A.P. Krishnakumar, S/o. A.P. Balakrishnapillai, New Bazaar, MP Road, Calicut-673001	59,700	1.17%
6.	C. Vipinachandran, S/o. P.K. Pankunair, Kamala Niketh, Pattancherry, Palakkad-678532	35,000	0.69%
7.	N. Alamelu, W/o. B. Sriram, Flat No. 3, GRN Apartments, 5/26, Padmanabha Street, T. Nagar, Chennai – 600017	1,59,300	3.12%
8.	A. Alamelu, W/o. N. Balasubramanian, 3/64, Luz, Avenue, Mylapore, Chennai – 600004	1,40,800	2.76%
9.	N. Balasubramanian, s/o. P.N. Narasimha Iyer, 3/64, Luz Avenue, Mylapore, Chennai-600004	11,500	0.23%
10.	S. Balaji, S/o. B. Sriram, Flat No. 3, GRN Apartments, 5/26, Padmanabha Street, T. Nagar, Chennai – 600017	1,63,600	3.21%
11.	Renuka Krishnakumar, W/o. A.P. Krishnakumar, Roshini, Kuthiravattam, Kozhikode-673016	500	0.01%
12.	M. Raja, S/o. L. Munusamy Chettiar, 4, EL EM Complex, Sathyanarayana Street, Swarnapuri, Salem – 636004	20,600	0.40%
13.	P.V. Muneer, S/o. P.V. Alavikutty, c/o. Al-Rayiqa Trading Co., Abudhabi, UAE	5,00,000	9.80%
14.	BHS Property Holdings Private Limited, 15-F, Sevaathal Nagar, Gugai, Salem – 636006	5,18,100	10.16%
	TOTAL	**36,54,700**	**71.64%**

b) The summary of the major terms of the SPA are:

i) The Acquirer shall comply with all the obligations of an acquirer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and also obtain the requisite permission from the Govt. Of India due to his non- resident Indian status. In case of non-compliance with the provisions of the SEBI guidelines or non-receipt of approval from the govt., this SPA shall not be acted upon by the parties as per regulation 22 (16).

ii) The Acquirer shall bear the stamp duty and other charges payable on the transfer of shares.

iii) Upon the Acquirer purchasing the shares, the current promoter group of BWG shall cooperate with the Acquirer in restructuring the Board of Directors of the Target Company.

iv) As per Regulation 21(2), where an Acquirer acquires more than fifty five percent (55%) shares or voting rights in the Target Company through an Agreement or Memorandum of Understanding and the public offer made under Regulation 10 or Sub-regulation (1) of Regulation 11 to acquire minimum percentage of voting capital as specified in Sub-regulation (1) of Regulation 21 results in public shareholding being reduced to a level below the limit specified in the Listing Agreement with the Stock Exchange for the purpose of listing on a continuous basis, the Acquirer shall acquire only such number of shares under the Agreement or the Memorandum of Understanding so as to maintain the minimum specified public shareholding in the Target Company.

3.1.2 Mr. Ravindran Ramoji is the Acquirer and there is no other person acting in concert with him. Due to the operation of Regulation 2(1)(e) of the Regulations, there could be persons who would be deemed to be acting in concert. However, they are not acting in concert for the purpose of this offer.

3.1.3 This offer is not as a result of a Global Acquisition resulting in indirect acquisition of Target Company.

3.1.4 The Acquirer, Sellers or the target company has not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act, or under any of the other regulations made under the SEBI Act.

3.1.5 The Acquirer shall change the composition of the Board of Directors of BWG on completion of the Open Offer and for such a change the current promoter group of BWG shall co-operate with him for the re-structuring as per the terms of the SPA.

3.2 Details of the proposed offer

3.2.1 As per Regulation 15(1) of the Regulations, the Public Announcement was made on 17th March, 2006 in the following newspapers. The Corrigendum to the Public Announcement was published on 5th May 2006 in the same newspapers as given below:

News Paper	Language	Editions
Financial Express	English	All
Makkal Kural	Tamil	All
Jansatta	Hindi	All

A copy of the Public Announcement and Corrigendum to P A is also available on the SEBI website at www.sebi.gov.in

Any decision for an upward revision in the Offer Price by the Acquirer till the last date of revision i.e. 22nd May 2006, or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.

3.2.1 The Acquirer hereby announces an offer under Regulation 10 & 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, to acquire on tender upto 10,20,320 fully paid up equity shares of Rs.10/- each of BWG representing upto 20% of its paid up equity share capital from the public equity shareholders of BWG (other than the Promoters and PAC) on the terms and subject to the conditions set out in this Letter of Offer ('**LOO**'), at a price of Rs.2/- (Rupees two only) per fully paid up equity share ('**offer price**') payable in cash ('**Offer**'). There are no partly paid shares of BWG.

3.2.3 The equity shares of BWG are listed on the Stock Exchange, Mumbai ('**BSE'**), the Madras Stock Exchange Ltd., Chennai ('**MSE**'), and the Coimbatore Stock Exchange Ltd., Coimbatore (**'CSX'**). The equity shares of the company are infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs.2/- per share has been determined as per Regulation 20(5) of the Regulations.

3.2.4 The equity shares of BWG to be acquired, pursuant to this Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.

3.3 Object of the Acquisition/Offer

3.3.1 The offer has been made pursuant to Regulation 10 & 12 and in compliance with other provisions of Chapter III of the Regulations. The acquisition is for substantial acquisition of shares and voting rights accompanied with change in control/ management.

3.3.2 The Acquirer entered into a Share Purchase Agreement dated 13th March 2006 with the Promoter Group of the Target Company for acquisition of 36,54,700 shares of Rs. 10/- each aggregating to 71.64% of the paid up capital of the Company on the condition that the shares offered by the public in this Open Offer does not exceed 1,71,500 shares. If more shares are offered under the Open Offer, then the shares to be purchased from the Promoter Group, would be proportionately reduced, so that the total purchase (under the SPA and under the Open Offer) is restricted to 75% of the total issued and paid up capital of the Company. The agreement triggered the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and as per the said Regulations they are required to make a Public Announcement for the acquisition of at least 20% of the total equity share capital of the Target Company and comply with all the relevant provisions of the aforesaid SEBI Regulations.

3.3.3 Accordingly the Acquirer pursuant to the SPA, is now making this offer to the Public Shareholder of the Target Company for acquisition of 10,20,320 equity shares representing 20% of the equity share capital and voting rights of the Company so as to comply with the Regulations.

3.3.4 BWG was established for commercial poultry farming, which was closed down due to adverse business conditions, subsequently, the Company decided to enter the computer services business in 2004. The Acquirer has vast experience in software services and therefore by virtue of the managerial and administrative expertise in the area of computer software services, intends to enter into this area by taking management control through acquisition of shares of BWG. Through this acquisition the acquirer will get substantial share holding entitling him to exercise control over the Target Company.

4. BACK GROUND OF THE ACQUIRER, MR. RAVINDRAN RAMOJI

4.1 The Acquirer is Mr. Ravindran Ramoji, aged about 43 years, who is a non-resident Indian (NRI). His local address is 14/13, Jains Vatika, Wason Street, T. Nagar, Chennai – 600 017 and his permanent address is 624, Angus Drive, Milpitas, CA 95035, U.S.A. Mr. Ravindran Ramoji's personal net worth as on 7th March 2006 is Rs.1,13,04,171.66, duly certified by Mr.N.R. Narasimhan (Membership No. 15241), Partner, Govind & Bala Associates, Chartered Accountants, having their office at A-1, Prabhat Apartments, 1, Kamalabai Street, T. Nagar, Chennai –600 017, Tel.:044-28152646 vide their Certificate dated March 13, 2006.

4.2 Mr. Ravindran Ramoji completed his bachelor's degree in Mechanical Engineering from Annamalai University and did his M.S. from the University of Southwestern Louisiana, USA.

4.3 He has spent over 20 years in the Information Technology field. He worked with Unify Corporation, Oracle and Sun Microsystems before starting Kay Software Inc., in California, USA in 1994. Eventually he sold the company to HCL Perot Systems Inc. in 2000.

4.4 Mr. Ravindran Ramoji founded TekEssence Inc. in 2001 focussing on software services and Tekhealth Services Inc. in 2003, which is into healthcare billing and administration services as given below:

SL. No	Name ofthe company	Tekessence Inc	Tekhealth Services Inc
1.	Date of Incorporation	02nd July 2001	7th May 2003
2.	Address & Telephone	576, Valley Way,Milpitas, CA 95035USATel.: 408-934-2103	576, Valley Way,Milpitas, CA 95035USATel.: 408-934-2102
3.	Nature of Business	Software consulting services	Healthcare BPO services
4.	Equity capital	$2000	$150
5.	Total revenue	$2,443,456.00	$569,000.00
6.	Profit under tax	$12390	($66629)

4.5 No person is acting in concert with the Acquirer.

4.6 Since the Acquirer does not hold any shares in the Target Company, the provisions of Chapter II of the regulations do not apply to him.

4.7 Details of Prior Acquisitions by the Acquirer
The Acquirer does not hold any shares in the Target Company and has never acquired any shares in the Target Company before (excepting for the SPA).

5. RATIONALE FOR THE OFFER

5.1 The Acquirer has entered into a SPA with the Promoter group of BWG to acquire upto 36,54,700 equity shares of Rs. 10/- each aggregating to 71.64% of the paid up capital and voting rights of BWG which has triggered the SEBI Takeover Regulations. This offer to the shareholders of BWG is being made under Regulation 10 & 12 of the Regulations to acquire 10,20,320 shares of Rs. 10/- each aggregating to 20% of the paid up capital of BWG from the public shareholders. The Acquirer plans to change the Management and take control of BWG on completion of this open offer and also restructure the Board of Directors.

5.1 Disclosure in terms of Regulation 16 (ix)

a. The Acquirer does not currently have any plans to dispose off or otherwise encumber any assets of BWG in the succeeding two years from the date of closure of this offer except in the ordinary course of business of BWG.

b. Further, the Acquirer shall not sell, dispose off or otherwise encumber any substantial asset of BWG, except with the prior approval of the shareholders. The Board of Directors of BWG would take appropriate decisions in these matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

6. DELISTING OPTION TO BWG

The offer by the Acquirer will not result in the public shareholding in the Target Company falling below the limit specified for the purpose of listing on a continuous basis in terms of the Listing Agreement (at least 25% shareholding to be with the public) with the Stock Exchanges as the shares to be purchased under SPA will be subject to Regulation 21(2) of the SEBI (SAST) Regulations, 1997, as mentioned above in para 3.1.2 (b) (iv)

7. BACKGROUND OF BWG

7.1 Bio Whitegold Industries Limited is a public limited company incorporated as Bio Whitegold Farms Limited on June 9, 1994 and name changed on 18th May 2004. The Registered Office was at 29, Mettu Srinivasa Street, Salem – 636 001 and was shifted on August 1, 2005 to 15-F, Sevaathal Nagar, Gugai, Salem – 636 006. and ROC has granted permission by its letter dated 1st May 2006 for transfer of the registered office to 4-B, Skylark Apartments, 6, Rutland Gate V Street, Chennai – 600 006. Phone Nos. 044 – 2833 2599 / 2833 2373, Fax No. 044 – 2833 0433

7.2 The Company was established in 1994 for the purpose of doing Poultry Business by setting up a Commercial Poultry Farm. The Company operated the business for three years but due to heavy competition and less than expected growth in the market, the operations ran into losses and hence, the poultry operations were closed down in 1998. However the Company continued to look at various strategies for revival and the main objects of Memorandum of Association was changed in January 2004 to include manufacturing and computer services. The name of the company was also changed to Bio Whitegold Industries Limited. The company does not have any manufacturing facilities.

7.3 The issued and paid up equity share capital of BWG is Rs.510.16 Lakhs comprising 51,01,600 fully paid up equity shares of Rs.10/- each. The equity shares of BWG are listed on BSE, MSE and CSX.

Paid up equity share capital of the company	No. of shares / voting rights	% of shares / voting rights
Fully paid up equity shares	51,01,600	100
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	51,01,600	100
Total voting rights in BWG –Target Company	51,01,600	100

7.4 The build-up of the current share capital structure of BWG since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992 and other statutory requirements as applicable, is given as under:

Allotment Date	**No Of EquityShares allotted**		**FaceValue**	**Cumulative paid upcapital (Rs.)**	**Mode of allotment**	**Identity ofAllottees**	**Status OfCompliance (SEBI (SAST) Regulations)**
	No.	**%**					
9-6-1994	70		10	700	Subscription to MOA	Promoter Group	Not Applicable
20-2-1995	1249930	24.50%	10	12500000	Additional Issue for cash	Promoter Group &private Placement	Not Applicable
19-10-1995	3851600	75.50%	10	51016000	Public Issue	Promoter Group / Public	Not Applicable

The promoter group from inception to date continues to be the same.

The Company has not issued any Preference Shares.

There are no partly paid up equity shares in BWG. There are no outstanding instruments in the natureof warrantsfully convertible debentures/partly convertible debentures etc., which are convertible into equit at any later date.There are no shares under lock-in period. The shares of the company are listed in the Stock Exchange, Mumbai(BSE), Madras Stock Exchange, Chennai (MSE) and Coimbatore Stock Exchange, Coimbatore (CSX).

7.5 BWG was incorporated as **BIO WHITEGOLD FARMS LIMITED** on 9th June 1994 and the name was changed to **BIO WHITEGOLD INDUSTRIES LIMITED** on 18th May 2004 with Registered Office at 29, Mettu Srinivasa Street, Salem – 636 001. The Registered Office was shifted on 1st August 2005 to 15-F, Sevaathal Nagar, Gugai, Salem-636006, Tamil Nadu. The Company has received approval from ROC on 1st May 2006 for transfer of registered office to 4-B, Skylark Apartments, 6, Rutland Gate V Street, Chennai – 600 006, as approved by the Shareholders through Postal Ballot in the EGM on 10th October 2005.

7.6 There has been no merger/de-merger or spin off in the company during the past 3 years.

7.7 The Target company did not comply with Chapter II of SEBI (SAST) Regulations, 1997 for which it received a notice No.CFD/DCR/RC/TO/23040/04 dated Nov16, 2004 from SEBI imposing a penalty of Rs.1.75 lakhs for the delay. The company has given its consent vide its letter dated 29/08/05 to SEBI to pay it and also complied with the compliances upto 30/04/2005.

7.8 The composition of the Board of Directors as on the date of issue of the Public Announcement (17th March 2006) is as follows:

Name	Designation / Date of appointment	Address	Qualifications /Experience
Mr. M. Bharathy, S/o. Munnusamy Chettiar DOB: 17/11/1947	Managing Director 30th July 2005	C-44, Kalaimagal School St., Swarnapuri, Salem – 636 004	**Experience :** Mr. M.Bharathy is from the business family dealing in dyes and chemicals for more than 60 years. He has experience in the dyes and chemicals line for more than 35 years.
Mr. B. Sriram S/o. T R Balasubramaniam, DOB: 30-05-1954	Director 30th July 2005	Flat No.3, GRN Apartments, 5/26, Padmanabha Street, T. Nagar, Chennai – 600 017	**Qualification :** Chartered Accountant **Experience :**Director, Reliable Stocks & Shares(Madras) Pvt. Ltd., Member, Madras Stock Exchange; Director, Reliable Stocks& Shares(India) Ltd., Member, National Stock Exchange. More than 25 years experience.
Mr. R. Hayagreeva Rao S/o R Annaji Rao, DOB: 25-05-1956	Director 30th July 2005	SF-8, Parsn Panorama Apartments, Nanjundapuram, Ramanathapuram Coimbatore	**Qualification :** M. Sc. in Textile Processing from UDCT, Mumbai **Experience:** He has worked in various companies including IDI and Clariant in senior positions. He is well experienced in the marketing of Dyes & Dyestuffs used in Textile Industries and is having technical experience about the products.
Mr.N. Sriram S/o. R.Narisimhan DOB: 10/12/1967	Director 30.12.2005	3, Parthasarathy Swamy Lane,Triplicane, Chennai – 600 005	**Qualification:** Chartered Accountant **Experience:** In Practice since 1996.

7.9 Mr. M. Bharathy, Managing Director, was last appointed to the Board of Directors of BWG on 30th July 2005. None of the above directors represent the Acquirer.

7.10 The shares of BWG were suspended for trading in BSE from 18th February 2002 due to non-compliance with the listing agreement because of non-dematerialisation of shares and non-adherence to some other clauses relating to submission of periodic information. The company has already made available demat provision to the shareholders and has furnished the required information that had to be provided as per the Listing Agreement and is taking steps for withdrawal of suspension. The Target Company's shares are listed at MSE and CSX but are not being traded.

7.11 No penal action has been instituted against BWG by any of the stock exchanges till the date of Public Announcement. However, there is penalty levied by SEBI in respect of violation of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 to the extent of Rs.175000/- (Rupees One Lakh Seventy Five Thousand only) for which the company has agreed to pay the penalty vide company's letter dated 29th August 2005.

7.12 The audited financials of BWG for the last three years are as follows:

Profit & Loss Account

(Rs. In Lacs)

Particulars	Year ended March 31, 2003 (Audited)	Year ended March 31, 2004 (Audited	Year ended March 31, 2005 (Audited)	9 months ended Dec.31, 2005 (Audited)
Agricultural Income	4.94	19.57	5.13	0.43
Interest Income	0.00	3.35	0	0.00
Other Income	0.00	0.00	0.00	0.00
Total Income	**4.94**	**22.92**	**5.13**	**0.43**
Expenditure	1.45	10.42	4.61	6.90
Profit/(Loss) before interest, depreciation and tax	3.49	12.50	0.52	(6.47)
Financial charges	0.00	0	0	0.00
Depreciation	4.79	0.20	0.17	0.00
Provision for Diminution in Value of Investments/ Assets	0.00	3.50	0.00	122.81
Loss on Sale of Assets	0.00	20.76	0.00	0.00
Advances not recoverable written off	0.00	0.78	0.00	82.06
Profit/(Loss) before tax	(1.30)	(12.75)	0.35	(211.34)
Provision for taxation	0.00	0	0	0.00
Profit/(Loss) after tax	(1.30)	(12.75)	0.35	(211.34)

Balance Sheet

(Rs. In Lacs)

Particulars	Year ended March 31, 2003 (Audited)	Year ended March 31, 2004 (Audited	Year ended March 31, 2005 (Audited)	9 months ended Dec.31, 2005 (Audited)
Sources of Funds				
Paid up Share capital	510.16	510.16	510.16	510.16
Reserves & Surplus excluding revaluation reserve	0.00	0.00	0.00	0.00
Net Worth	510.16	510.16	510.16	510.16
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00
Total	**510.16**	**510.16**	**510.16**	**510.16**
Use of Funds				
Net Fixed Assets	259.72	259.72	259.72	259.72
Investments	3.50	3.50	3.50	3.50
Net Current Assets	219.47	219.47	219.47	219.47
Profit & Loss Account	26.48	26.48	26.48	26.48
Miscellaneous Expenditure	0.99	0.99	0.99	0.99
Total	**510.16**	**510.16**	**510.16**	**510.16**

Balance Sheet

(Rs. In Lacs)

Other Financial Data	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	9 months ended Dec.31, 2005
Dividend (%)	0.00	0.00	0.00	0.00
Earning per Share (Rs.)	–0.025	-0.25	0.006	-4.14
Return on Net worth (%)	-0.25	-2.5	0.06	-41.4
Book Value per Share (Rs.)	9.46	9.22	9.23	5.09

Reasons for the fall/ rise in the total income and profit after tax:

9 months period ended December 31, 2005 (Audited)

The income of the company was steeply down to Rs.0.43 lakhs resulting in a Loss before Interest, Depreciation and Tax of Rs. 6.47 lakhs.
During October 2005 the company, through an independent approved valuer, assessed the present value of the land and building in the books. Based on the valuation report and the physical verification done by the Board of Directors, it was decided to dispose off all the fixed assets and loans and advances. The Company obtained approval from the shareholders through an EGM under postal ballot for the same on October 10, 2005. Subsequently, the Board disposed off the fixed assets and loans and advances resulting in write off in the value of fixed assets by Rs.122.81 lakhs and advances not recoverable written off by Rs. 82.06 lakhs for the period ending December 31, 2005.

The diminution in the value of buildings is due to the fact that the poultry sheds were demolished as they had deterioriated and were beyond repair. The sentiments in the last few months have not been favourable to the poultry business due to the bird flu scare and therefore land prices in the Salem-Namakkal belt in Tamil Nadu, where the lands were situated, have come down. Hence the diminution in the value of fixed assets.

The company from time to time advanced monies. The total amount of advances outstanding as on 31st March 2005 is Rs. 2,23,53,020/-. The company had been taking necessary steps for recovery and the efforts went in vain. Therefore the advances not recoverable were written off in the books of account for the period ending 31-12-2005:

Year ended March 31, 2005 compared to Year ended March 31, 2004

The total income of the company fell steeply. It was Rs.22.91lakhs in 2003-04 and decreased by 77.60% to Rs.5.13 lakhs in 2004-05. This was due to a drastic drop in agricultural income resulting from a bad crop as also non-receipt of interest from the borrowers.
The PBIDT (Profit Before Interest Depreciation and Tax) has also shown a steep drop in tandem from
2003-04 to 2004-05, but the PAT (Profit After Tax) showed very good improvement from a loss of Rs. 12.74 Lacs in 2003-04 to a profit of Rs. 0.35 lakhs in 2004-05 due to the various provisions made in 2003-04.

Year ended March 31, 2004 compared to Year ended March 31, 2003

The Income grew by 463% to Rs.22.91 lakhs in 2003-04. The PBIDT also increased from Rs.3.49 lakhs to Rs.12.50 lakhs. But the loss after tax increased from Rs. 1.30 lakhs to Rs. 12.75 lakhs due to increased provisions for diminution in the value of investments, Loss on Sale of Assets as also write offs.

7.13 Pre & Post Offer Equity Shareholding pattern of the Target Company is as follows:

Shareholder Category	Shareholding and Voting rights prior to the agreement / acquisition and offer (A)		Shares/voting rights agreed to be acquired which triggered off the Regulations (B)		Shares/voting rights to be acquired in open offer (assuming full acceptances) (C)		Shareholding / votingrights after the acquisition and offer. (D)	
	No.	%	No.	%	No	%	No	%
1. Promoter Group								
a) Parties to agreement, if any	-	-	-	-	-	-	-	-
b) Promoters other than (a) above	3654700	71.64	-	-	-	-	-	-
Total 1 (a+b)	3654700	71.64	-	-	-	-	-	-
2. <u>Acquirers</u> a) Main Acquirers	-	-	2805880*	55.00*	1020320	20.00	3826200	75.00
b) PACs	-	-	-	-	-	-	-	-
Total 2(a+b)								
3. Parties to agreement other than 1(a) & 2 above	-	-	-	-	-	-	-	-
4. Public (other than parties to agreement, acquirers& PACs) a) FI's/ MFs/ FIIs/ Banks/ SFIs	-	-	-	-	-	-	-	-
b) Others	1446900	28.36	-	-	-	-	1275400	25.00
Total 4 (a + b)	**1446900**	**28.36**	**-**	**-**	**-**	**-**	**1275400**	**25.00**
Grand Total (1+2+3+4)	**5101600**	**100.00**	**2805880**	**55.00**	**1020320**	**20.00**	**5101600**	**100.00**

* Total shares agreed to be acquired is a minimum of 2805880 shares being 55% of the paid up equity capital and a maximum of 3654700 shares being 71.64% of the paid up equity capital depending upon the response to the open offer from the public shareholders so that the shareholding of the acquirer post open offer does not exceed 3826200 shares being 75% of the paid up equity capital.

7.14 Details of change in promoter group shareholding pattern in the company

Date	Shares Acquired (No.)	Shares Sold (No.) Date	Mode	Cumulative Shares (No.)	Price per share (Rs.)
09/06/1994	70		Subscription to MOA	70	10.00
20/02/1995	1224830		Further Issue	1224900	10.00
19/10/1995	2060000		Promoter Allotment-Public Issue	3284900	10.00
21/05/1996	200		Market	3285100	10.00
29/07/1996		49800	Market	3235300	10.00
28/01/1997	38800		Off market	3274100	2.50
24/03/2000	217000		Off market	3491100	2.00
25/03/2003	163600		Off market	3654700	1.22

7.15 Status of Chapter II Compliance of the promoters:

The Promoter Group who are also major shareholders have complied with Chapter II of SEBI (SAST) Regulations,1997

7.16 Details of Pending Litigation by/against the Company:
There is no pending Litigation by or against the Company.

7.17 Status of Corporate Governance
Clause 49 of the Listing Agreement relating to Corporate Governance is applicable to Bio Whitegold Industries Limited since the paid up capital & net worth since inception is more than Rs. 3 crores, which is the minimum requirement for complying with the Corporate Governance clause.

The Company has a total of four Directors on the Board of which two Directors, Mr. R. Hayagreeva Rao and Mr. N. Sriram are independent Directors and Mr. M. Bharathy and Mr. B. Sriram are Promoter Group Directors. Thus 50% of the Board comprises independent Directors. The Company has also constituted the Audit Committee and Investor Service Committee as below:

Audit Committee:
Chairman – N. Sriram (Independent Director)
Member – R. Hayagreeva Rao (Independent Director)
Member - B. Sriram (Promoter Director)

Investor Service Committee
Chairman – R. Hayagreeva Rao (Independent Director)
Member – M. Bharathy (Promoter Director)
Member - N. Sriram (Independent Director)

The Company has complied with the requirements of Clause 49 of the Listing Agreement.

7.18 Details of the compliance officer
Mr. B. Sriram
Director
Bio Whitegold Industries Ltd.
4-B, Skylark Apartments,
6, Rutland Gate V Street, Chennai – 600 006.
Tel:044-28332599 Fax:044-28330433

8 OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

8.1.1 The equity shares of BWG are listed on BSE, MSE and CSX. The annualised trading turnover of the equity shares of BWG on the stock exchanges is as shown below:

Name of Stock Exchanges	Total No. of shares traded during the 6 calendar months prior to the month in which PA was made*	Total No. of listed shares	Annualised Trading Turnover (in terms of % to total listed shares)
BSE	Nil	51,01,600	0.00
MSE	Nil	51,01,600	0.00
CSX	Nil	51,01,600	0.00

*Source: BSE, MSE, CSX.

The equity shares of BWG are deemed to be infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations.

8.1.2 The Offer Price of Rs.2/- per share is justified in terms of Regulation 20(5) of the Regulations as it is the highest in view of the following:

8.1.2.1 The negotiated price under the agreement	Rs. 1.75 per Share
8.1.2.2 Highest price paid by the Acquirer/DPAC for any acquisition of equity shares including through a public or rights issue or preferential issue during the 26 week period prior to the date of Public Announcement	Not Applicable
8.1.2.3 Other parameters (as on 31.03.2005)	
i) Return on Networth (%)	0.06%
ii) Earning per share (Rs.)	0.006
iii) P/E multiple (at offer price)	291.66
iv) Book Value per share (Rs.)	9.23

Since the shares of the company are infrequently traded on the above mentioned stock exchanges, the fair value of the share has been arrived at based on the decision of the Supreme Court judgement in the case of **Hindustan Lever Employees Union vs. Hindustan Lever Ltd., 1995 (83 com case 30)** and has been calculated taking weighted average of three methods Net Asset Value, Profit Earning Capacity Value and Market Value and the Fair Value thus derived is Rs.1.02 per equity share.

The above working is certified by Mr. M. Vishwanathan, Partner, R. Subramanian & Co. (Membership No.209258), Chartered Accountants having their office at old No. 36, New No.6, Krishna Swamy Avenue, Luz, Chennai – 600 004, Tel.: 044 -24992261 vide their Certificate dated 13th March 2006.

Based on the above information, in the opinion of the Manager to the Offer, SOBHAGYA **CAPITAL OPTIONS LIMITED**, the offer price of Rs.2/- is justified in terms of Regulation 20 (5) of the Regulations.

8.1.3 The Acquirer shall not acquire any shares during the Offer period in BWG.

8.2 Financial Arrangements

8.2.1 The Acquirer has adequate and firm financial resources to fulfil the obligations under this offer. The sources of funds shall be through internal resources of the Acquirer. No borrowings from bank/ financial institution is being made for the purpose.

8.2.2 The maximum purchase consideration payable by the Acquirer in case of full acceptance of the offer i.e. 10,20,320 shares is Rs.20,40,640/- (Rupees Twenty Lakhs Forty Thousand Six Hundred and Forty only).

8.2.3 In accordance with Regulation 28 of the Regulations, Acquirer has opened an Escrow Account in favour of the Manager to the Offer **SOBHAGYA CAPITAL OPTIONS LIMITED,** with UTI Bank, 6-3-879/B, Greenlands, Begumpet Road, Hyderabad – 500 016, and deposited Rs.5, 10,500/- (Rupees Five Lakhs Ten Thousand and Five Hundred only) being 25% of the total consideration payable under the offer.

8.2.4 The Manager to the Offer has been duly authorized by the Acquirer to operate and realize the value of the Escrow Account in terms of the Regulations.

8.2.5 Mr. N.R. Narasimhan (Membership No.15241), Partner, Govind and Bala Associates, Chartered Accountants having their office at A-1, Prabhat Apts. Kamalabai St., T.Nagar, Chennai-600017, Tel: 044-28152646 vide their certificate dated 13th. March 2006 have certified the adequacy of financial resources of Acquirer for fulfilling all the obligations under the Offer.

8.2.6 The Manager to the Offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the offer obligations.

9 TERMS & CONDITIONS OF THE OFFER

9.1. Eligibility for accepting the Offer:

The Offer is being made to all the remaining shareholders of BWG (other than the Promoter Group) whose names appear on the Register of Members of BWG as on Thursday, 23rd. March, 2006 (the '**Specified Date**') and also to those persons who own the equity shares at any time prior to the closure of the Offer, but are not registered equity shareholders.

9.2. Statutory Approvals:

9.2.1 The acquirer is a Non-Resident Indian and therefore requires approval from the Government of India for acquiring the shares on a repatriable basis. The acquirer is taking steps to obtain the required approvals, and has filed an application dated 22nd March, 2006 with FIPB and resubmitted on 7th. April,2006 based on their inputs .

9.2.2 The shareholders of the Target Company have approved up to 100% foreign shareholding in the Company at the extra-ordinary general meeting held on 31/1/2004.

9.2.3 No approval from any bank / financial institution is required for the purpose of this offer, to the best of the knowledge of the acquirer.

9.2.4 No statutory approvals, other than as stated above are required to the best of the knowledge of the acquirer to acquire the shares that may be tendered pursuant to the offer, as on date of the PA. If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. Subject to the receipt of statutory approval, the acquirer can 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 who have tendered their shares and their documents are found valid and in order and are approved for acquisition by the acquirer. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the acquirer for the payment of consideration to the shareholders subject to the acquirer agreeing to pay interest as directed by SEBI under Regulation 22 (12). If the delay occurs due to willful default of the acquirer in obtaining the requisite approval, if any, Regulation 22 (13) will become applicable.

9.2.5 If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

9.2.6 In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the Acquirer for the payment of consideration to the tendering shareholders subject to the Acquirer agreeing to pay interest as directed by SEBI under Regulation 22 (12) of the Regulations. If the delay occurs due to wilful default of the Acquirer in obtaining the requisite approvals, if any, Regulation 22 (13) of the Regulations will become applicable.

9.3 Other Conditions:

9.3.1 All owners of fully paid up equity shares, registered or unregistered and beneficial owners of the shares (except the Promoter Group) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer as per procedure set out in Section 10. Unregistered owners /shareholders who have not received the LOO can send their application in accordance with procedure for acceptance and settlement as given below, so as to reach the Registrar on or before Wednesday, 31st. May 2006. No indemnity is required from the unregistered owners.

9.3.2 Accidental omission to dispatch this LOO or the non-receipt or delayed receipt of this LOO will not invalidate this offer in any way.

9.3.3 Shares, if any, that are subject matter of litigation wherein, the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions / orders regarding these shares are not received together with the shares tendered under the offer. The LOO in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

9.3.4 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 share certificates and offer acceptance documents during transit and the shareholders of the target company are advised to adequately safeguard their interest in this regard.

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

9.3.6 Shares that are subject to any lien, charge or encumbrance are liable to be rejected.

9.3.7 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.

9.3.8 Shareholders should note that after 4.00 P.M. on the last date of withdrawal i.e. Friday, 26th. May 2006, shareholders who have lodged their acceptance would not be able to withdraw them even if the acceptance of shares under the offer and dispatch of consideration gets delayed. The validly tendered shares and documents would be held by the Registrars to the Offer in trust, till such time as the process of acceptance of tenders and the payment of consideration is completed.

9.3.9 In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept all valid applications received from the shareholders on a proportional 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. The marketable lot of the equity shares of the company is one share.

9.3.10 The Acquirer is confident of completing all the formalities pertaining to the acquisition of the said shares, within 15 days from the date of closure of this offer including payment of consideration to the shareholders who have accepted the offer and for the purpose open a Special Account as provided under Regulation 29.

Provided where the Acquirer is unable to make payment to the shareholders before the said period of 15 days due to non-receipt of the requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approval was not due to any wilful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for such approval, grant extension of time for the purpose subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days as may be specified by SEBI from time to time.

9.3.11 Subject to the conditions governing this offer, as mentioned in this LOO, the acceptance of this offer by the shareholders must be absolute and unqualified. Any acceptance to the offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

9.3.12 The Acquirer can revise the price upwards up to 7 working days prior to closure of the offer and revision, if any, in the offer price, would appear in the same newspapers in which the PA has appeared. The same price would be paid to all shareholders who tendered their shares in the offer.

9.3.13 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 7 working days prior to the closing date of the offers /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 bid and tender their acceptance accordingly. For queries regarding the offer, the shareholders / applicants may contact the Registrar at the address mentioned in this LOO.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 Procedure for accepting the Offer by eligible persons:

The equity shareholders of BWG who qualify and who wish to avail of this Offer will have to deliver the relevant documents mentioned hereinafter as applicable, to the Registrar as follows

Name and Address of the Registrar to whom the shares should be sent	Working days and timings	Mode of Delivery
Integrated Enterprises (India) Ltd., 2nd. Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Tel.: 044-28140801 - 03 Fax:044-28142479 E-mail: sureshbabu@iepindia.com	Monday to Friday, 11.00 A.M. to 4.00 P.M. (excluding Saturdays, Sundays and Bank Holidays)	Hand Delivery / Courier / Registered Post on or before the close of the offer, i.e. by Wednesday, 31st May 2006.

Business Hours : Monday to Friday, 11.00 A.M. to 4.00 P.M.
Holidays : Saturdays, Sundays and Bank Holidays.

10.2 For equity shares held in physical form

Registered equity shareholders should send the following documents:

10.2.1 Form of Acceptance – cum - Acknowledgement duly completed and signed in accordance with the instructions contained therein by all equity shareholders whose names appear on the share certificate.

10.2.2 Original share certificate(s).

10.2.3 Valid share transfer deed(s) duly signed by all registered equity shareholders (in case of joint holdings) in the same order and as per the specimen signatures registered with BWG and duly witnessed at the appropriate place. The details of the buyer should be left blank in the share transfer deed(s). Acquirer's name will be subsequently filled in upon verifying the validity of the share transfer deed.

10.3 For unregistered holders of equity shares

10.3.1 Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.

10.3.2 Original share certificate(s).

10.3.3 Valid share transfer deed(s) as received from the market. The details of the buyer should be left blank. If the details of the buyer are filled in, the tender will not be valid under the Offer. Acquirer's name will be subsequently filled in upon verifying the validity of the share transfer deed.

10.3.4 No indemnity is needed from unregistered equity shareholders.

10.3.5 Persons who have sent their shares for transfer should enclose the Form of Acceptance-cum-Acknowledgement duly completed and signed along with the copy of letter sent to BWG for transfer of shares and valid share transfer deed(s) as mentioned in 10.2.3

10.4 For shares held in demat form

10.4.1 Beneficial owners should send 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 respective Depository.

10.4.2 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 (as defined herein below) should be attached.

10.4.3 The Registrar has opened a Special Depository Account as under:

DP Name	Integrated Enterprises (India) Ltd.
DP ID	IN301313
Client ID	21051160
Account Name	Integrated Enterprises (India) Ltd - Escrow A/c - BWG Open Offer
Depository	NSDL

For each delivery instruction, the beneficial owner should submit separate Form of Acceptance-cum-Acknowledgement. The shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, not later than 4.00 P.M. at the close of business hours on Wednesday, 31st May 2006.

10.4.4 The Forms of Acceptance of such demat shares not credited in favour of the Special Depository Account on Wednesday, 31st May 2006 will be rejected.

10.4.5 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 application would been considered invalid and would be liable as rejected.

10.4.6 The minimum marketable lot for the purpose of acceptance, for both physical and demat share would be one share.

10.4.7 In case of non-receipt of LOO, the eligible person may obtain the copy of the same from the Registrar on providing suitable documentary evidence of acquisition of shares. The LOO and Form of Acceptance – cum – Acknowledgement will be available on SEBI website i.e., www.sebi.gov.in from the offer opening date i.e. Friday, 12th May, 2006. The eligible persons desirous of participating in the offer can download the documents from the SEBI website. Alternatively they may send by delivery or registered post their acceptance to the Registrar on plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered, along with documents as mentioned above, so as to reach the Registrar on or before the closure of the offer i.e., Wednesday, 31st May, 2006.

Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer.

Beneficial owners may send their name, address, number of shares held, number of shares offered, DP name, DP ID, Beneficial Account number and the photo copy 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 not later than 4.00 P.M. on Wednesday, 31st May, 2006. The application should be signed by all the shareholders as per the registration details available with the company and should be sent to the Registrar in an envelope clearly marked 'Bio Whitegold Industries Limited-Offer for acquisition of shares'.

NO DOCUMENTS SHOULD BE SENT TO THE ACQUIRER OR TO TARGET COMPANY OR TO THE MANAGER TO THE OFFER.

The Registrar will hold in trust the Share Certificate(s), Form of Acceptance cum Acknowledgement and the Transfer Deed(s) on behalf of the shareholders of BWG who have accepted the offer till the Draft/Pay Orders for the consideration and/or the unaccepted Share Certificate(s) are dispatched or returned at their own risk by Registered Post latest by Thursday, 15th.June, 2006.

10.5 Procedure for withdrawal of application/ acceptance

In accordance with Regulation 22 (5) (A) of the Regulations, shareholders who have tendered requisite documents in terms of PA and LOO shall have option to withdraw acceptance tendered up to 3 working days prior to the offer closing date i.e. Friday, 26th.May, 2006:

10.5.1 The withdrawal option can be exercised, as per the instruction in 2 & 3 below, so as to reach the Registrar not later than 4.00 P.M. on 26th.May, 2006.

10.5.2 The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this LOO duly completed together with Acknowledgement Slip in original / copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered Post.

10.5.3 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. The Form of Withdrawal shall be delivered to the Registrar either by Hand Delivery or by Registered Post:

10.5.4 **In case of physical shares:** Name, Address, Distinctive Number, Folio Number, Number of shares tendered/ withdrawn

10.5.5 **In case of dematerialised shares:** Name, Address, Number of shares tendered/withdrawn, DP Name, DP ID, Beneficiary Account Number, photo copy for 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.

10.5.6 Shareholders who have tendered shares in physical form and wish to partially withdraw their tender, should also enclose valid share transfer forms for the remaining equity shares i.e. (shares not withdrawn) duly signed as Transferors by all registered shareholders in the same order and as per specimen signature registered with the company and duly witnessed at the appropriate places.

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

10.5.8 The intimation of returned shares to the shareholders will be at the address as per the records of the company or the DP as the case may be.

10.5.9 The Form of Withdrawal should be sent to the Registrar only.

10.5.10 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 certificate from the company.

10.5.11 Partial withdrawal of shares tendered 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.

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

10.5.13 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholder's/unregistered owner's sole risk to the sole/first shareholder.

10.5.14 Shares held in demat form to the extent not accepted will be credited back to the beneficial owner's depository account, with their respective DP as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement. Shareholders holding shares in the dematerialised form are requested to issue the necessary standing instruction for receipt of credit, if any, in the DP account. It will be the responsibility of the shareholders to ensure that unaccepted shares are accepted by their respective DP when transferred by the Registrar. Shareholders should ensure that their Depository Account is maintained till the offer formalities are completed.

10.5.15 In case any person has lodged shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instruction contained in 10.3 together with the Acknowledgement for the lodgement of shares for transfer. Such person should also instruct the company and its Registrar and Transfer Agent to send the transferred share certificates directly to the Registrar to the Offer. The applicant should ensure that the certificates reach the Registrar to the Offer not later than Wednesday, 31st.May, 2006.

10.5.16 In case any person has tendered physical shares for dematerialization and such dematerialization has not yet been effected, the concerned shareholder may apply in the offer as per the instruction mentioned in Section 10.3 above together with a photocopy of the completed dematerialization request form acknowledged by the shareholders DP. Such shareholders should ensure the credit of the shares to the Special Depository Account on or before the offer closing date i.e. Wednesday, 31st.May, 2006. A copy of delivery instruction acknowledged by the DP in favour of the Special Depository Account should be forwarded to the Registrar not later than 4.00 P.M. on Wednesday, 31st.May, 2006.

10.6 Payment of consideration

10.6.1 The payment of consideration shall be made to those shareholders whose share certificates and / or other documents are found valid and in order by the Acquirer, and the same shall be through a crossed Account Payee Cheque/Demand Draft/Pay Order. The intimation regarding the acquisition (in part or full) or rejection of the shares tendered by the shareholders in acceptance of this offer and the corresponding payment for the acquired shares and/ or share certificates for the rejected shares will be dispatched to the shareholders for value over Rs.1, 500/- by Registered Post and for value up to Rs.1, 500/- by Ordinary Post under Certificate of Posting, as the case may be, at the shareholder's/unregistered owner's sole risk within 15 days from the date of the closure of the offer i.e. Thursday, 15th.June, 2006.

10.6.2 All Cheques/Demand Drafts will be drawn in the name of the first holder, in case of joint holders. In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement in the Cheque/Demand Draft.

10.6.3 If the Acquirer is unable to make the payment to the shareholders within 15 days due to non-receipt of any statutory approval to which the offer may be subject, SEBI may, if it is satisfied that non-receipt of requisite statutory approval was not due to any wilful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to payment of interest to the shareholders at such rate for delay beyond 15 days, as may be specified by the Board.

11. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office the Manager to the Offer i.e. **SOBHAGYA CAPITAL OPTIONS LIMITED,** between 11.00 A.M. to 3.00 P.M. on any working day except Saturdays, Sundays and Public / Bank holidays until the closure of the offer:

1. Copy of MOU dated 14/03/2006 between **SOBHAGYA CAPITAL OPTIONS LIMITED**, Manager to the Offer and the Acquirer.
2. Memorandum and Articles of Association of BWG the Target Company.
3. Copies of Annual Report of BWG for the financial years 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005 and audited financials for the 9 months period ended December 31, 2005.
4. Certificate from Mr. N R Narasimhan (Membership No. 15241), Partner, Govind & Bala Associates, Chartered Accountants having their office at A – 1, Prabhat Apartments, 1, Kamalabai Street,

   T. Nagar, Chennai – 600 017, Tel.: 044 – 2815 2646 vide their Certificate dated March 13, 2006 confirming the Networth of the Acquirer.
5. Certificate of the fair value of the shares of BWG as certified by Mr. M. Vishwanathan, Partner, R. Subramanian & Co. (Membership No.209258), Chartered Accountants having their office at Old No. 36, New No.6, Krishna Swamy Avenue, Luz, Chennai – 600 004, Tel.: 044 – 2499 2261 vide their Certificate dated 13th March 2006.
6. Copy of Public Announcement of offer dated 15/03/2006.
7. Letter dated: 16-03-2006, from UTI Bank, 6-3-879/B, Greenlands, Begumpet Road, Hyderabad – 500 016, confirming deposit of Rs. 4, 47,000/- (Rupees Four Lakhs Forty Seven Thousand only) being 25% of the total consideration, in the Escrow Account and lien marked in favour of the Merchant Banker to the Offer which has been raised to Rs.5,10,500/- as per letter dated 3rd May 2006:.
8. Due diligence certificate dated: 27-03-2006
9. Observation letter Ref.CFD/DCR/NM/TO/65872/06 dated April 28th, 2006 issued by SEBI.

12. DECLARATION BY THE ACQUIRER

The Acquirer Mr. Ravindran Ramoji accepts full responsibility for the information contained in this Letter of Offer and would be responsible for ensuring compliance with the obligations of the Acquirer as laid down in the Regulations and subsequent amendments thereto.

Sd/-
(Ravindran Ramoji)

Place: Chennai

Date: 05/05/2006

Attached: Form of Acceptance – cum - Acknowledgement.
Form of Withdrawal
Transfer deed for Shareholders holding shares in physical form.