

TEMPTATION FOODS LTD

CODE OF CONDUCT

FOR

PREVENTION OF INSIDER TRADING

AND

CORPORATE DISCLOSURE PRACTICES

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TEMPTATION FOODS LTD

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

[Under Regulation 12(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992]

INTRODUCTION:

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 19th November 1992 and the same were made applicable to all companies whose shares were listed on Indian stock exchanges.

SEBI has subsequently amended the existing regulations. The amended regulations were notified in the Gazette and made effective from 20th February, 2002. These regulations are now called “*Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*” (hereinafter referred to as “the Regulations”). The amended Regulations not only regulate insider trading but also seek to prohibit insider trading.

Regulation 3 of the Regulations, which prohibits insider trading is reproduced below :

“No Insider shall –

- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information;*
or
- (ii) communicate, counsel or procure, directly or indirectly, any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities*

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or under any law.”

It is also mandatory in terms of the Regulations for every listed company/entity to formulate a Code of Conduct for Prevention of Insider Trading for its Directors, Officers and Employees as also a Code of Corporate Disclosure Practices.

In order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code of Conduct for Temptation Foods Ltd, (hereinafter referred to as ‘the Company’) for use by its Directors, Officers and Employees.

This document embodies the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices for Prevention of Insider Trading (“**the Code**”) to be adopted by the Company and followed by its Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers, and Employees of the Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal Securities transactions in a manner that does not create any conflict of interest situation. The Code is also intended to serve as a guiding charter for all concerned persons associated with the functioning of the Company and their dealings in its Securities. Further, the Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company’s Securities.

DEFINITIONS:

As used in this Code:

- (a) “**Board**” means the Board of Directors of the Company.
- (b) “**Code**” means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices for Prevention of Insider Trading, as applicable, including modifications made thereto from time-to-time.
- (c) “Company” means Temptation Foods Ltd.
- (d) “**Compliance Officer**” means an Employee appointed by the Board for the implementation of and overseeing compliance with the Regulations and the Code across the Company.
- (e) “**Dealing in Securities**” means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company either as principal or agent.
- (f) “**Designated Employee**” means: -
 - (i) every Employee in the top three layers of the management,
 - (ii) every Executive Secretary/ Executive Assistant to every Employee covered under (i) above,
 - (iii) every Employee in the Corporate Finance/Corporate Accounts/Taxation/Secretarial Departments; and
 - (iv) any other Employee as may be designated by the Compliance Officer in consultation with the Chairman/CEO of the Company considering the objectives of the Code.

- (g) “**Director**” means a member of the Board of Directors of the Company.
- (h) “**Dependent Family Member**” shall include spouse, minor son, unmarried daughter, dependent parent, dependent major son, dependent brother and dependent sister.
- (i) “**Employee**” means every employee of the Company including the Directors in the employment of the Company.
- (j) “**Insider**” means any person who, is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished Price Sensitive Information in respect of Securities of the Company, or who has received or has had access to such unpublished Price Sensitive Information.
- (k) “**Officer**” includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor.
- (l) “**Price Sensitive Information**” means any information, which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of Securities of the Company.

Explanation:

The following shall be deemed to be Price Sensitive Information:

- (i) periodical audited or unaudited financial results of the Company;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue of Securities or buy-back of Securities;
- (iv) any major expansion plans or initiation/execution of new projects;
- (v) amalgamation, mergers or takeovers;
- (vi) disposal of the whole or a substantial part of the undertaking;
- (vii) any significant changes in policies, plans or operations of the Company;
- (viii) considering the nature of business of the Company, any other information, which in the opinion of the Board of the Company, is likely to materially affect the price of Securities of the Company
- (m) “**Securities**” includes:
- (i) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature,
- (ii) put, call or any other option on the Company’s Securities even though they are not issued by the Company,
- (iii) futures, derivatives and hybrids, and
- (iv) such other instruments recognized as securities and issued by the Company from time-to-time

- (n) **“Specified Persons”** - the Directors, the Officers and the Designated Employees are collectively referred to as Specified Persons.

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations or the Companies Act, 1956.

COMPLIANCE OFFICER:

The Board of the Company shall appoint the Company Secretary as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and also this Code across the Company.

The Compliance Officer shall report to the Chairman of the Company.

The Compliance Officer shall hold the position so long as he/she is in the employment of the Company. Till such time a successor is appointed, the Head of Finance shall, in the interim period act as the Compliance Officer.

In order to discharge his/her functions effectively; the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

DUTIES OF THE COMPLIANCE OFFICER:

The Compliance Officer shall be responsible for:

- setting forth policies in consultation with the Chairman/CEO of the Company.
- prescribing procedures for various activities referred to in the Code.
- monitoring adherence to the rules for the preservation of "*Price Sensitive Information*".
- grant of pre-dealing approvals to the Specified Persons for dealings in the Company's Securities and monitoring of such dealings.
- implementation of this Code under the general supervision of the Vice Chairman/CEO.

The Compliance Officer shall maintain a record (either manual or in electronic form) of the Specified Persons and their Dependents (*see Annexure-1*) and changes thereto from time-to-time.

The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Regulations and this Code.

The Compliance Officer shall place status reports before the Board, detailing dealings in the Securities by the Specified Persons along with the documents that such persons had executed in accordance with the pre-dealing procedure prescribed under the Code on a monthly basis.

RESPONSIBILITIES OF DIRECTORS, OFFICERS ETC.:

Preservation of Price Sensitive Information:

All the Specified Persons shall maintain the confidentiality of all Price Sensitive Information (“PSI”) coming into their possession or control.

To comply with this confidentiality obligation; the Specified Persons shall not:

- (i) pass on PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company; or
- (ii) disclose PSI to their family members, friends, business associates or any other individual, or
- (iii) discuss PSI in public places, or
- (iv) disclose PSI to any Employee who does not *need to know* the information for discharging his or her duties, or
- (v) recommend to anyone that he/she may undertake dealing in Securities of the Company while being in possession, control or knowledge of PSI, or
- (vi) be seen or perceived to be dealing in Securities of the Company on the basis of unpublished PSI.

Need to know:

The Specified Persons who are privy to unpublished PSI, shall handle the same strictly on a “*Need to Know*” basis. This means the unpublished PSI shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their duty and whose possession of unpublished PSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

All non-public information directly received by any Employee shall be immediately reported to the head of the department.

Limited access to confidential information:

The Specified Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- files containing confidential information shall be kept secure.
- computer files must have adequate security of login through a password.
- follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time in consultation with the person in charge of the information technology function.

TRADING WINDOW:

Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for dealing in the Securities of the Company.

Unless otherwise specified by the Compliance Officer, the Trading Window for dealing in Securities of the Company shall be closed for the following purposes-

- (a) declaration of financial results (quarterly, half-yearly and annual)
- (b) declaration of dividends (interim and final),
- (c) issue of Securities by way of public/rights/bonus etc.,
- (d) any major expansion plans or execution of new projects,
- (e) amalgamation, mergers, takeovers and buy-back,
- (f) disposal of whole or substantially whole of the undertaking
- (g) any significant changes in policies, plans or operations of the Company.

In respect of declaration of financial results, the Trading Window shall remain closed from the end of the respective quarter, half-year or financial year, as the case may be.

As regards declaration of interim dividend and other matters referred to in (c) to (g) above, the Chairman/CEO shall, well before initiation of such activity/ project, form a core team of Designated Employees who would work on such assignment. The Chairman/CEO shall also designate a senior Employee who would be in-charge of the project. Such team members will execute an undertaking not to deal in the Securities of the Company till the Price Sensitive Information regarding the activity /project is made public or the activity/project is abandoned and the Trading Window would be regarded as closed for them.

The Trading Window shall be opened 24 (Twenty-four) hours after the information referred to above is made public.

All the Specified Persons shall strictly conduct all their dealings in the Securities of the Company only when the Trading Window is open and no Specified Person shall deal in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time-to-time.

The Directors/Designated Employees who participate in the Company's Employee Stock Option Plan (ESOP), if any, shall not sell the Securities of the Company allotted to them on exercise of ESOPs when the Trading Window is closed (however, the exercise of option shall be permitted when the Trading Window is closed).

PRE-CLEARANCE OF DEALS IN SECURITIES:

Applicability:

Every Specified Person who intends to deal in any Securities of the Company shall obtain a *pre-dealing* approval for the proposed transaction as per the procedure prescribed hereunder.

Pre-dealing Procedure:

For the purpose of obtaining a *pre-dealing* approval, the concerned Specified Person shall make an application in the prescribed form (*see Annexure 2*) to the Compliance Officer. (The Compliance Officer should submit his/her application for *pre-dealing* approval to the CEO.) Such application should be complete and correct in all respects and should be accompanied by such undertakings (*see Annexure 3*) declarations, indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for *pre-dealing* approval with enclosures must necessarily be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to the address specifically dedicated for this purpose i.e. insidertrading@temptationfoods.com.

Approval:

- (a) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same working day but not later than the next working day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection would be conveyed through electronic mail.
- (b) Every approval letter shall be issued in such format (*see Annexure 4*) as may be prescribed by the Company from time-to-time. Every approval shall be dated and shall be valid for a period of 1 (one) week from the date of approval.

- (c) In the absence of the Compliance Officer due to leave etc., the Officer designated by him/her from time-to-time shall discharge the function referred to in (a) above.

Completion of Pre-cleared Dealing:

- (a) All the Specified Persons shall ensure that they complete execution of every pre-cleared deal in the Company's Securities as prescribed above and not later than 1 (one) week from the date of the approval.

The Specified Person shall file within 4 (four) days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed (*see Annexure 5*).

- (b) If a deal is not executed by the concerned Specified Person pursuant to the approval granted by the Compliance Officer within 1 (one) week, the Specified Person shall apply once again to the Compliance Officer for *pre clearance* of the transaction covered under the said approval.

Holding Period:

All the Specified Persons shall hold their investments in Securities of the Company for a minimum period of 6 months in order to be considered as being held for investment purposes.

In case the sale of Securities of the Company is necessitated due to personal reasons or emergency situations, the holding period referred to above may be waived by the Compliance Officer after recording the reasons in this regard. It may however, be noted that in terms of the Regulations, no such sale will be permitted when the Trading Window is closed.

Advice regarding Pre-Clearance:

In case of doubt, the Specified Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to *pre-clearance* are applicable to any proposed transaction in the Company's Securities.

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:

In addition to complying with the reporting requirements as prescribed under this Code, all the Specified Persons shall file with the Compliance Officer, inter alia, the following details of their/their Dependents' holdings and/or dealings in the Securities of the Company within 15 (fifteen) days of the date of adoption of the Code or date of joining the Company, whichever is later, 30th September and 31st March every year.

(a) all holdings in Securities of the Company as on 10th August 2006 or as on the date of joining the Company, whichever is later with subsequent changes therein from such date till the date of adoption of the Code) (*see Annexure 6*);

(b) half-yearly statement of any transactions in the Company's Securities (**see Annexure 7**)

(c) annual statements of all holdings in Company's Securities as on 31st March every year in such form and manner (*see Annexure 8*) as may be prescribed by the Compliance Officer from time-to-time.

The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 3 (three) years from the date of the filing thereof.

PENALTY FOR CONTRAVENTION:

Every Specified Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Dependants).

The Specified Persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action including the termination of employment.

Action taken by the Company for violation of the Regulations and the Code against any Specified Person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.

Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty not exceeding Rs.5 lacs. Under Section 24 of the SEBI Act, any one who contravenes the Regulations is punishable with imprisonment for a maximum period of one year or with fine or with both.

Without prejudice to its rights under Section 24 of the SEBI Act, under Regulation 11 SEBI can also pass any or all of the following orders to an Insider found indulging in insider trading –

- directing him / her not to deal in the Company's Securities in any particular manner.
- prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.
- restraining him/her from communicating or counselling any other person to deal in Company's Securities.
- declaring the transactions in Securities as null and void.

- directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the Seller the price as provided.
- directing him/her to transfer specified amount to investor protection fund of a recognized Stock Exchange.

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any Specified Person/ an Employee, he/she shall forthwith inform the Board as the case may be about the violation. The penal action will be initiated on obtaining suitable directions from the Board, as the case may be. The Compliance Officer shall simultaneously inform SEBI about such violation. The Specified Person/the Employee against whom information has been furnished by the Company/Compliance Officer to SEBI for violations of the Regulations/Code, shall provide all information and render necessary co-operation as may be required by the Company/Compliance Officer or SEBI in this connection.

CLARIFICATIONS:

For all queries concerning this Code, the Directors, Officers and Employees may please contact the Compliance Officer.

--:O:--

ANNEXURE 2

SPECIMEN OF APPLICATION FOR PRE - DEALING APPROVAL

Date: _____

To,
The Compliance Officer
_____ Limited

Internal use
Recd date and time:
Sign :

Dear Sir/Madam,

APPLICATION FOR PRE-DEALING APPROVAL IN SECURITIES OF THE COMPANY

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading , I seek approval for purchase/sale/subscription of the _____Securities (give description) of the Company as per the details given below:

NAME

State whether
 Director Officer Designated Employee

EMPL NO. _____
DESIGNATION _____
DEPARTMENT _____
LOCATION _____

Nature of transaction (Buy/ sell/ subscribe)	*Name of Proposed Buyer/ Seller	No. Of Securities	**Date of purchase / allotment	***Previous approval no. and date for purchase/ allotment)	DP/BEN ID of the account / folio no. where the securities will be credited/ debited	No. of Securities held in such Account /Folio No.
					<i>DP ID</i> _____ <i>BEN ID</i> _____	

					FOLIO NO _____	
--	--	--	--	--	---------------------------	--

* applicable for off market transaction

** applicable only if the application is in respect of sale of Securities

*** applicable only if the application is in respect of sale of Securities for which an earlier purchase sanction was granted by the Compliance Officer

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

Note: This application has to be necessarily submitted through electronic mail at the dedicated e-mail id _____ and followed by a hard copy.

ANNEXURE 3

(On Stamp Paper of Rs.200/-)

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE
APPLICATION FOR PRE-DEALING**

UNDERTAKING

To,
_____ Ltd

I, _____, resident of _____, hereby declare that I am
Director/Employee of _____ Ltd (the Company)/ Director /Employee of
_____*

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information [as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code)] upto the time of signing this Undertaking.

In case I have access to or I receive any Price Sensitive Information after signing this Undertaking but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would completely refrain from Dealing in the Securities of the Company till the time such Price Sensitive Information becomes public.

I declare that I have not contravened the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction/a 'Nil' report if the transaction is not undertaken.

I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

I hereby agree to indemnify and keep the Company and its Directors indemnified from and against all and any penalties/fines that may be imposed on them by the Securities and Exchange Board of India and/or any other statutory authorities as a result of violation by me of the SEBI (Prohibition of Insider Trading) Regulations 1992 and the Code prescribed by the Company.

I declare that I have made full and true disclosure in the matter.

(Signature of the Employee)

Date :

* strike whichever is not applicable.

ANNEXURE 4
FORMAT FOR PRE-DEALING APPROVAL LETTER

Date: _____

Approval No: __ of ____

To,

Mr./Mrs. _____

Emp No. : _____

Designation: _____

PRE-DEALING APPROVAL/DISAPPROVAL -You application dt _____

Dear Mr/Mrs. _____

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you are hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till _____ (i.e. for {1} week) . If you do not execute the approved transaction /deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/deal in the Securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within four {4} days from the date of transaction/deal. In case the transaction is not undertaken a “Nil” report shall be necessary.

Yours truly,

Compliance Officer

Encl: Format for submission of details of transaction

ANNEXURE 5

FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS

(To be submitted within 4 days of transaction/Dealing in Securities of the Company)

Date: _____

To,
The Compliance Officer
_____ Limited

Dear Sir,

DETAILS OF PRE-APPROVED TRANSACTION

Ref: Your Approval letter No. _____ dated _____

I hereby inform you that I

- **have not bought/sold/subscribed any Securities of the Company**
- **have bought/sold/subscribed to the _____ Securities (give description) as mentioned below on _____ (insert date)**

Name of holder	** First or joint holder	No. of Securities dealt with	Bought / Sold/ Subscribe d	DP ID/CLIENT ID (electronic form) or Folio no. for physical where the Sec. will be debited or credited	Price (Rs)
-----------------------	---	---	---	---	-----------------------

** "F" first holder "J" joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 (Three) years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note
2. Proof of payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

I agree to hold the above Securities for a minimum period of six months. In case there is any urgent need to sell these Securities within the said period, I shall approach the Company (Compliance Officer) for necessary approval.

Yours truly,

Signature: _____

Name: _____

Emp No: _____

Dept/ Div.

- Strike out whichever is not applicable.

ANNEX URE 6

**FORMAT FOR DISCLOSURE OF PARTICULARS BY
DIRECTORS/ OFFICERS/ DESIGNATED EMPLOYEES**

Date: _____

To,
The Compliance Officer,
_____ Limited

Internal use

Recd date and time:

Sign :

Dear Sir,

My personal details are as under :

NAME OF DIRECTOR /OFFICER/ DESIGNATED EMPLOYEE _____		
EMPL NO. _____	GRADE _____	DEPARTMENT

LOCATION _____	DATE OF APPOINTMENT	

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare that I have the following Dependent(s):

Sr No.	Name of the dependent	Relationship with Director/Officer/ Designated Employee

I hereby declare that I / my dependents

- do not hold any Equity Shares of the Company as on date
- hold _____ Equity Shares of the Company as per the details given below :

Name of holder *	**Firs t or joint holder	Folio No. (physical form)	Holding	DP ID/CLIENT ID (electronic form)	Holding
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*Include holdings where Director/ Officer / Designated Employee / or dependent is a joint holder.

** Indicate “F” where the named holder is the first holder of the Securities and “J” where he/ she is the joint holder of the Securities.

All DP Ids and Client Ids to be furnished even if no Securities of the Company are held..

I hereby undertake to inform the changes in the above details from time-to-time .

I hereby declare that the above details are true, correct and complete in all respects.

Signature: _____

Name: _____

Note: Please do not submit through electronic mail.

Annexure 7

Date : _____

To
The Compliance Officer

I. HALF-YEARLY STATEMENT OF SHAREHOLDINGS OF DIRECTORS/OFFICERS/DESIGNATED EMPLOYEES:

Name of holder	No. of Shares held on 1 st April 2002	No. of shares bought during the half-year	No. of Shares sold during the half-year	No. of Shares held on 30 th September 2002	Folio No./ DP Id./Client ID

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS:

Name of holder and Relationship	No. of Shares held on 1 st April 2002	No. of shares bought during the half-year	No. of Shares sold during the half-year	No. of Shares held on 30 th September 2002	Folio No./ DP Id./Client ID

I/We declare that I/We have complied with the requirement of the minimum holding period of 180 days with respect to the shares sold.

Signature

Designation :

Department :

ANNEXURE 8

**FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY
DIRECTORS/OFFICERS/DESIGNATED EMPLOYEES/
AND THEIR DEPENDENTS**

Date:

To,
The Compliance Officer
_____ Limited

Dear Sir,

**STATEMENT OF SHAREHOLDINGS IN THE COMPANY (_____
_____ LTD.)**

As on _____, I along with my Dependents hold the Securities of the Company, details whereof are as under:

Description of Security:

<i>Name of Holder</i>	<i>Physical Holdings</i>			<i>Electronic Holdings</i>		
	<i>Folio No.</i>		<i>Total holdings</i>	<i>DP ID</i>	<i>Client ID</i>	<i>Total holdings</i>

Yours truly,

Signature: _____

Name: _____

Emp No: _____

Dep./Div. _____

**CODE OF
CORPORATE DISCLOSURE PRACTICES
FOR PREVENTION OF INSIDER TRADING**

[Under Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 1992]

Overseeing and co-ordinating disclosure:

The Board of Directors (the Board) of Temptation Foods Ltd (the Company) shall identify an Employee who would be responsible to ensure timely and adequate disclosure of Price Sensitive Information (Official Spokesperson) pursuant to this Code as required under SEBI (Prohibition of Insider Trading) Regulations, 1992 (the Regulations). In case there is no Official Spokesperson appointed by the Board, the Compliance Officer shall discharge the relevant functions.

In case the Official Spokesperson is not the Compliance Officer, he/she shall report to the Chairman/CEO as the case may be and shall also co-ordinate with the Compliance Officer.

The Official Spokesperson /Compliance Officer as the case may be, shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of Price Sensitive Information to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedures.

All disclosure/dissemination whatsoever of any information (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Official Spokesperson/Compliance Officer as the case may be, for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Official Spokesperson/Compliance Officer as the case may be. In case of doubt, the Official Spokesperson/ Compliance Officer as the case may be, shall consult and seek approval of the Chairman/CEO before dissemination of such information.

Should any dissemination of information on behalf of the Company take place without prior approval referred to above, out of accidental omission, by any Employee or Director of the Company, such Employee/Director shall forthwith inform the Official Spokesperson/Compliance Officer as the case may be, about such disclosure irrespective of the fact whether such information is Price Sensitive Information or not.

Responding to market rumours:

The Employees/Directors of the Company shall promptly direct any queries or requests for verification of market rumours received from stock exchanges or from the press or media or from any other source to the Official Spokesperson/Compliance Officer as the case may be.

The Official Spokesperson/Compliance Officer as the case may be, shall on receipt of requests as aforesaid, consult the Chairman/CEO as the case may be and respond to the same without any delay.

The Official Spokesperson/Compliance Officer as the case may be, shall be also responsible for deciding in consultation with the Chairman/CEO of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All the requests/queries received shall be documented and as far as practicable, the Official Spokesperson/Compliance Officer as the case may be, shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Official Spokesperson/Compliance Officer as the case may be unless the Chairman/CEO approves the same.

Timely reporting of shareholdings/ownership and changes in ownership:

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ownership of major shareholders and disclosure of changes in ownership as required under the Stock Exchange Listing Agreements and/or any rules/regulations made under the Securities & Exchange Board of India Act, 1992 are made in a timely and adequate manner.

Any such shareholding/ownership reporting by the Compliance Officer shall also be reported to the Chairman/CEO from time-to-time.

Disclosure/ dissemination of price sensitive information with special reference to analysts, institutional investors:

No person, except those authorised by the Official Spokesperson/Compliance Officer as the case may be, shall disclose any information relating to the Company's Securities to analysts and institutional investors. The Official Spokesperson/Compliance Officer as the case may be, shall be invited to meetings/ conferences organised by the Company with the analysts/institutional investors.

All Directors, Officers and Employees of the Company should follow the guidelines given hereunder while dealing with analysts and institutional investors: -

Sharing of non public information:

The Directors, Officers and Employees shall provide only public information to the analysts/ research persons/ large investors like institutions. In case non-public information is proposed to be provided, the person proposing to so provide information shall consult the Official Spokesperson/Compliance Officer as the case may be, in advance. The Official Spokesperson/Compliance Officer as the case may be, in such cases, shall ensure that that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.

The Company shall take extreme care and caution when dealing with analysts' questions that raise issues outside the intended scope of discussion.

The Official Spokesperson/Compliance Officer as the case may be, should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Chairman/CEO. If the answer to any question requires dissemination of Price Sensitive Information, the Official

Spokesperson/Compliance Officer as the case may be, shall report the same to the Chairman/CEO and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press. The Official Spokesperson/Compliance Officer as the case may be, shall, after dissemination of such Price Sensitive Information aforesaid, respond to such unanticipated questions.

Recording of discussion:

All the analyst, broker or Institutional Investor meetings shall be attended by the Official Spokesperson/Compliance Officer as the case may be, and another senior Employee(s) of the Company. The Official Spokesperson/Compliance Officer as the case may be, in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting.

Simultaneous release of information:

Whenever the Company proposes to organise meetings with investment analysts/institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

The Official Spokesperson/Compliance Officer as the case may be, shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site, in consultation with the Vice Chairman/CEO.

Medium of disclosure/ dissemination:

The Company shall disseminate all Price Sensitive Information on a continuous and in a timely manner to stock exchanges where its Securities are listed and thereafter to the press.

As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's web-site. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

The information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.