PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF TEMPTATION FOODS LIMITED

Regd. Office: 4 Unity House, 2nd Floor, 8 Mama Parmanand Marg, Opera House, Mumbai - 400 004 (India)

This Public Announcement is being issued by Keynote Corporate Services Limited (**"Manager to the Offer"**), on behalf of Venture Business Advisors Private Limited (**"Acquirer"**/**"VBAPL"**) to the equity shareholders of Temptation Foods Limited (**"TFL"**/**"Target Company"**) pursuant to Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 & subsequent amendments thereto (hereinafter referred to as the **"Regulations"**). This Public Announcement is issued pursuant to changes/amendments as advised by SEBI vide their letter no. CFD/DCR/MM/TO/7946/06 dated 08/11/2006 and should be read in conjunction with the original Public Announcement and the Letter of Offer sent to the equity shareholders of TFL.

Equity Shareholders are requested to note following changes in the original Public Announcement of the Open Offer made on 24/06/2006.

1. The revised activity schedule of the offer is as follows:

Activity	Revised	
	Date	Day
Specified Date	21/07/2006	Friday
Date by which the Letter of Offer will be dispatched to shareholders	25/11/2006	Saturday
Date of opening of the Offer	30/11/2006	Thursday
Last date for revising the offer price/ number of shares	08/12/2006	Friday
Last date for withdrawal of acceptance	14/12/2006	Thursday
Date of closing of the Offer	19/12/2006	Tuesday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	03/01/2007	Wednesday

2. Originally the Acquirer had announced an Open Offer under the Regulations, to acquire by tender offer upto 16,96,300 fully paid-up equity shares of Rs.10.00 each of TFL representing 20% of the paid up equity share capital as on 31/03/2003, from the remaining shareholders of TFL (other than "persons in the promoter group of the Target Company"). However as advised by SEBI, the acquirer has revised the Offer Size of the Open Offer to acquire by tender offer upto 33,83,420 fully paid-up equity shares of Rs.10.00 each of TFL representing 20% of the present paid up equity share capital, from the remaining shareholders of TFL.
3. Further, In view of the increased Offer size, the monetary value of the offer has been increased from Rs. 269.50 lacs to Rs. 456.76 lacs. The acquirer has further deposited an amount of Rs.47.13 lacs in the Escrow Account thereby enhancing the value in the Escrow Account to Rs. 114.51 lacs from Rs. 67.39 lacs which is in more than 25% of the size of the offer and in compliance with Regulation 28 (2).
4. TFL had issued and allotted 21,03,500 equity shares of Rs.10.00 each at par to the promoter group on 31/03/2003. The in-principle approval for listing of these shares on the BSE for this allotment has been received by TFL vide their letter dated 27/10/2006. BSE has issued prior In-principal approval for allotting the proposed 15,00,000 equity shares to IDBI vide its letter no. List/sg/sdm/pdk/24(a)/2006 dated 26/04/2006 and shares were allotted to IDBI on 27/04/2006. BSE vide its letter no. List/ns/pdk/2006 dated 31/10/2006 has given in-principle approval for issue and allotment of 46,00,000 equity shares to be issued to persons other than promoters and 41,00,000 warrants of Rs. 10/- each to be issued and allotted at par and 9,00,000 warrants to be issued and alloted at a premium of Rs. 25/- each. Out of the above the company has allotted 28,64,000 shares and 49,71,600 warrants on 11/11/2006. The warrant holders holding 40,71,600 warrants have exercised their option of conversion and the warrants have been converted into equity shares on 11/11/2006.
5. The present paid-up capital of TFL is Rs. 1691.71 lacs divided into 1,69,17,100 equity shares of Rs. 10/- each.
6. Acquisitions of equity shares made in TFL by VBAPL in the year 2000 and 2001 are as follows: (i) On 15/11/2000, VBAPL had acquired 20,91,759 equity shares of TFL representing 32.80 % of the then paid up capital of the Company by way of inter-se transfer of shares amongst the Companies controlled by Mr. Vinit Kumar and his family members. (ii) On 15/11/2000, VBAPL acquired 2,40,000 equity shares representing 3.76% of the then paid-up capital of TFL from Masitia Capital Services Limited. (iii) On 23/02/2001, VBAPL had acquired 5,41,403 equity shares of TFL representing 8.49 % of the then paid up capital of the Company by way of inter-se transfer of shares amongst the Companies controlled by Mr. Vinit Kumar and his family members. In regard to some of the above acquisitions, SEBI has initiated adjudication proceedings against VBAPL for alleged non compliance with Regulations 3(3) and 3(4) of the SEBI (SAST) Regulations, 1997.
7. As on the date of the public announcement the Acquirer held 43,23,162 equity shares representing 43.31% of the issued and paid up capital of TFL. Further, on 24/10/2006 VBAPL acquired 9,64,300 equity shares of TFL from the other entities of the promoter group of TFL by way of inter-se promoter transfer. On 11/11/2006 VBAPL has been allotted 40,00,000 warrants of Rs. 10/- each convertible into equity shares of Rs. 10/- each. These warrants have been converted into equity shares on 11/11/2006. Presently VBAPL holds 92,87,462 equity shares representing 54.90% of the present paid up capital of TFL.
8. **Justification of Offer Price:**

   a) The equity shares of the company are currently listed only on Bombay Stock Exchange Limited (BSE). The shares of TFL were also listed at Pune Stock Exchange (PSE) at the time of relevant date i.e 03/04/2003, for the instant Offer, hence the same has also been taken into consideration while determining the Offer price.

Name of stock exchange	Total Shares traded during the 6 calendar months prior to the month in which the public announcement was required to be made (from September 2002 to February 2003)	Total no. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	NIL	63,78,000	NIL
PSE	NIL	63,78,000	NIL

Offer price in terms of Regulation 20(5) for infrequently traded shares:

   b) The equity shares of TFL are listed on The Bombay Stock Exchange Ltd. (BSE). The equity shares of TFL were infrequently traded on BSE & PSE in terms of explanation (i) to Regulation 20(5) of the Regulations for the period of six months, prior to the month in which the public announcement was required to be made i.e; from September 2002 to February 2003. The trading in shares of TFL has been suspended since 05/02/2001 due to non compliance of the provisions of listing agreement. The offer price of Rs. 13.50 per share, has been determined as per Regulation 20(5) of the Regulations taking inter-alia into account the following factors:

Negotiated price as per Agreement	:	Not Applicable
Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights issue or preferential issue, if any, during the twenty-six weeks.	:	Rs. 10/- (The price at which preferential allotment was made)
Other Parameters	:	Based on audited accounts ended 31/03/2002
Return on Networth (%)	:	(0.55)
Book Value(Rs.) – Face Value of Rs 10.00	:	(35.17)
Earning Per Share (EPS)(Rs.)	:	(0.18)

The Offer Price of Rs 13.50 per fully paid up share has been calculated taking into account the offer price of 10.00 per share ("Base Price") and Rs 3.50 per share being interest thereon @ 10 % p.a. from the date of payment of consideration to the shareholders of TFL in case the Offer had been made within stipulated time till the actual date of payment of consideration as per schedule of this Open Offer. The preferential allotment was made on 31/03/2003 and accordingly the relevant date has been taken to be 03/04/2003.

9. In case of non-receipt of the form of withdrawal, the withdrawal option can be exercised by maling an application on plain paper along with the following details :
   i. In case of physical shares: Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn,
   ii. In case of dematerialised shares: Name, Address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Escrow Depository Account.

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

This announcement is being made with a view to apprise the shareholders of TFL of the aforesaid changes. A copy of this Public announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Form of Acceptance cum Acknowledgement, letter of offer, form of withdrawal which will also be made available on SEBI's website from the offer opening date i.e; 30/11/2006 and apply in the same.

Issued by Manager to the Offer on behalf of the Acquirer

KEYNOTE
CORPORATE SERVICES LIMITED

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Place : Mumbai
Date : 28/11/2006