

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF MICRO INKS LIMITED

Registered Office : Bilakhia House, Muktanand Marg, Chala, Vapi – 396 191, Gujarat, India.

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This public announcement ("Public Announcement") is being issued by MHM Holding GmbH ("Acquirer", earlier known as MHM) to the public shareholders of Micro Inks Limited ("Company"), in respect of the proposed acquisition and delisting of the fully paid-up equity shares of the Company in accordance with Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Regulations") (hereinafter, referred to as the "Offer"). The Acquirer is one of the promoters of the Company.

1. The Delisting Offer

1.1 The Company is a public limited company incorporated under the Companies Act, 1956, having its registered office at Bilakhia House, Muktanand Marg, Chala, Vapi – 396191, Gujarat, India. The Acquirer is a company incorporated under the German Laws and registered in the Trade Register of the Local Court of Munich under HRB 119307 and having its registered and corporate office at Feldkirchen-Strasse 15, 85551 Kirchheim/Germany, Tel: +49 89 9003 481 Fax: +49 89 9003 500

1.2 The equity share capital of the Company comprises of fully paid-up equity capital of Rs. 248,719,410 ("Equity Capital"), comprising 24,871,941 equity shares of Rs. 10/- each ("Shares"). The Acquirer currently holds 17,534,718 Shares of the Company, comprising 70.5% of the Company's Equity Capital. Bilakhia Holdings Private Limited holds 1,119,237 Equity Shares of the Company, comprising 4.5% of the Company's Equity Capital. Acquirer and Bilakhia Holdings Private Limited are disclosed as promoters in the Company's filings with stock exchanges (collectively referred to as "Promoters"). The Acquirer is making the Public Announcement to the public shareholders of the Company to acquire all outstanding Shares currently not held by the Promoters, being 6,217,986 Equity Shares ("Offer Shares") representing 25.0% of the Company's Equity Capital, in accordance with the provisions of the SEBI Regulations and on the terms and subject to the conditions set out herein below. Consequently to the Offer, and upon the Promoters' shareholding reaching a minimum of 90.0% of Company's Equity Capital, the Acquirer will seek to voluntarily delist the Shares from Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and, together with the BSE, "Stock Exchanges" where the Company is currently listed, in accordance with the Regulations.

1.4 On December 8, 2009, the Acquirer intimated its intention regarding the Offer to the Company and requested the Company to seek approval of shareholders of the Company for the proposed delisting by a special resolution through postal ballot in terms of regulation 8(1)(b) of the SEBI Regulations. A special resolution has been passed by the shareholders of the Company through postal ballot, the result of which was declared on January 16, 2010, approving the proposed delisting of the equity shares of the Company from the Stock Exchanges pursuant to the SEBI Regulations. The votes cast by the public shareholders in favour of the proposed delisting were more than two times the number of votes cast by public shareholders against it.

1.6 The Public Announcement is being issued in the following Newspapers as required under the SEBI Regulations:

Newspaper	Language	Editions
Business Standard	English	All
Homara Mahanagar	Hindi	All
Nayshakti	Marathi	Mumbai
Jalind	Gujarati	Ahmedabad

1.7 Modifications to the Public Announcement, if any, will be notified by issuing a corrigendum in all the aforementioned newspapers. The Acquirer reserves the right to withdraw the Offer in certain cases as more fully set out in paragraph 10 of this Public Announcement.

2. Information on the Acquirer

2.1 The Acquirer is incorporated under the German Laws and registered in the Trade Register of the Local Court of Munich under HRB 119307 and having its registered and corporate office at Feldkirchen-Strasse 15, 85551 Kirchheim/Germany, Tel: +49 89 9003 481 Fax: +49 89 9003 500. The company is an unlisted company whose shareholding is spread across 38 entities. Eck Gerda, Familien-gesellschaft GbR (12.08%), Reinkem Vermögensverwaltung GmbH & Co. KG (10.44%) and Traitteur Lieselotte (6.83%) are the three largest shareholders of the Acquirer.

2.2 MHM Holding GmbH is the ultimate parent company of hubergroup, the world's 4th largest printing ink manufacturer. MHM Holding GmbH is a private company and acts as the holding company for the entities that constitute hubergroup. MHM Holding GmbH provides various central core functions to all the group companies including research and development, purchasing, maintenance of an Ink Academy etc. In addition, MHM Holding GmbH provides similar services to third parties. With more than 240 years of experience, the hubergroup is focused on manufacturing and sale of printing inks, printing varnishes, dampening additives and printing auxiliaries.

2.3 The paid-up capital of the Acquirer as on December 31, 2009 is Euro 12 m consisting of 12,000,000 equity shares each with a face value of Euro 1 per equity share.

2.4 As of January 7, 2010 all the outstanding shares of MHM Holding GmbH common stock were held by 38 persons forming part of the promoter group. The shareholders holding more than 1% of the outstanding common stock of MHM Holding GmbH as on January 7, 2010 are as follows:

Sr.No.	Name	No. of shares	Ownership%
1	Eck Gerda, Familien-gesellschaft GbR	1,449,050	12.08
2	Reinkem Vermögens-gesellschaft GbR & Co. KG	1,252,550	10.44
3	Traitteur Lieselotte	820,100	6.83
4	Ringer Wolfgang	658,150	5.48
5	Brandl Vermögens-gesellschaft GbR & Co. KG	626,350	5.22
6	Traitteur Stefanie	626,450	4.69
7	Traitteur Hermann	550,450	4.59
8	Traitteur Dr. Heinz	532,750	4.44
9	Reich Dr. Erich	443,800	3.70
10	Schlunz Dagmar	416,000	3.47
11	Ringer Heiner	414,700	3.46
12	Breiting-Reinkem Wolf-Dieter Walter	375,800	3.13
13	Ley Otmar	357,000	2.98
14	Ringer Doris	288,750	2.41
15	Kronwitter Andrea	258,400	2.15
16	Fahrenholz Cornelia	258,400	2.15
17	Kreis Andrea	244,300	2.04
18	Duffner Marilene	213,000	1.78
19	Reich Dr. Anton	205,500	1.71
20	Deppa Julia	195,800	1.63
21	Hoffmann Gudrun	154,900	1.29
22	Ringer Iris	154,900	1.29
23	Ringer Ino	154,900	1.29
24	Ringer Ulrich	154,900	1.29
25	Reich Caroline	140,300	1.17
26	Reich Katharina	140,300	1.17
27	Reich Toni	140,300	1.17
28	Ringer Christiane	122,600	1.02
	Others	713,600	5.95
		12,000,000	100.00

2.5 Brief summary of the audited financials of the Acquirer for the years ended December 31, 2006, December 31, 2007 and December 31, 2008, being the last 3 financial years for which audited financials are available for the Acquirer, are provided below. The financials have been prepared in accordance with the Generally Accepted Accounting Principles of Germany. The Acquirer is not required under German law to prepare audited or reviewed interim financials.

Consolidated Financials of the Acquirer (Amounts in Euro mn)				
Profit & Loss summary	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	Dec 31, 2008
Income from Operations	718	743	689	717
Total Income	747	763	717	717
Earnings before Depreciation and Taxes	79	103	74	74
Profit before tax	23	43	21	21
Profit after tax	13	29	12	12

Balance Sheet summary (Amounts in Euro mn)				
Balance Sheet summary	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	Dec 31, 2008
Sources of Funds				
Paid up share capital	12	12	12	12
Reserves and Surplus	135	180	177	177
Shareholder's equity	147	192	189	189
Minority interest	58	31	27	27
Secured loans ¹	68	64	59	59
Unsecured loans	257	235	232	232
Total	530	522	507	507
Uses of funds				
Net fixed assets ²	345	330	298	298
Investments	4	4	3	3
Net current assets ³	175	184	202	202
Total miscellaneous expenditure not written off/prepaid expenses	6	4	4	4
Total	530	522	507	507

Summary of other financial data				
financial data	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	Dec 31, 2008
Earnings per share (in Euro)	99.3	120.7	50.9	50.9
Return on net worth (%)	8.6	15.0	6.5	6.5

¹ Secured loans in the portion of liabilities to banks, which is collateralized through mortgage.
² Net fixed assets calculated as net fixed assets as per balance sheet less shares in affiliated enterprises less participations.
³ Net current assets defined as total current assets less secured loans less total liabilities plus liabilities to banks.

2.6 The Acquirer is of the view that the acquisition and delisting of the Shares of the Company will facilitate formulation of suitable business plans for the Acquirer's various businesses and entities around the world including the Company. The Acquirer believes that the delisting proposal is in the interest of the shareholders of the Company and provides them with an exit opportunity from the Company.

3. Information on the Company

3.1 Micro Inks Limited is a listed public limited company incorporated under the Companies Act, 1956, having its registered office at Bilakhia House, Muktanand Marg, Chala, Vapi – 396191, Gujarat, India. The equity shares of the Company are listed on BSE and NSE.

3.2 Micro Inks Limited is a subsidiary of the Acquirer. The Company is manufacturer of a wide range of printing inks, including publishing and packaging inks, metal decorative inks and coatings and its intermediates like, resins, varnishes etc. and also wire enamels and adhesives. The Company operates 5 (five) manufacturing locations in India - two in Gujarat, one in the union territory of Jammu and Kashmir and two in the union territory of Andhra Pradesh.

3.3 The Company was incorporated on November 13, 1991 in the name of Hindustan Inks and Resins Limited and thereafter the name of the Company was changed to Micro Inks Limited effective March 03, 2004.

3.4 Company has not raised funds by way of issuance of securities during a period of five years preceding the date of this Public Announcement.

3.5 The Board of Directors of the Company has confirmed that all material information which is required to be disclosed under the provisions of the listing agreement has been disclosed to the Stock Exchanges. The Acquirer acquired a controlling stake of 50.5% in the Company pursuant to the share purchase agreement dated October 25, 2005 as amended by Supplemental Agreement dated November 27, 2005 with Bilakhia Holdings Private Limited, Mr. Yunus Bilakhia and Mr. Jakirhusan Bilakhia. Consequently, the Acquirer made an offer to acquire the shares of the Company from the shareholders of the Company pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended ("Takeover Regulations"). The offer closed on December 28, 2005, and pursuant to the same the Acquirer's stake in the Company increased by 20% from 50.5% to its current shareholding level of 70.5%.

3.6 Brief summary of the audited financials of the Company for the years ended December 31, 2006, December 31, 2007, December 31, 2008 and the unaudited financials subjected to limited review for the nine months period ended September 30, 2009 are provided below. The financials have been prepared in accordance with the Generally Accepted Accounting Principles in India.

Income Statement	(Amounts in Rupees lacs)			
	For the financial year ended December 31			For nine months period ended Sept. 30 2009
	2006 (Audited) (9month period)	2007 (Audited)	2008 (Audited)	(Limited Review)
Income from operations	71,043	1,14,880	1,33,828	99,820
Other income	449	386	452	288
Total income	71,492	1,15,266	1,34,280	1,00,108
Total Expenditure (excluding depreciation and interest)	69,854	1,01,671	1,12,361	83,772
Provisions, Write Offs and (Write Backs)	-	-	-	-
Profit before Depreciation and tax	1,638	13,595	21,919	16,336
Depreciation	2,163	3,102	3,195	2,507
Interest	2,301	2,043	7,617	1,432
Profit before tax before Exceptional Item	(2,826)	8,450	11,107	12,397
Exceptional Item	(1,550)	(209)	-	-
Profit before tax	(4,376)	8,241	11,107	12,397
Tax expense	(572)	1,429	2,078	3,238
Profit after tax	(3,804)	6,812	9,029	9,159

Balance Sheet Statement	As at December 31			As at September 30 2009
	2006 (Audited)	2007 (Audited)	2008 (Audited)	(Limited Review)
	Paid up share capital	2,487	2,487	2,487
Reserves and surplus (excluding resolution reserves)	69,394	74,700	43,769	52,928
Net worth	71,881	77,187	46,256	55,415
Revaluation Reserve	-	-	-	-
Secured loans	12,484	16,321	26,381	12,829
Unsecured loans	5,841	7,077	7,898	1,442
Total	90,206	1,00,585	80,535	69,686
Uses of funds				
Net fixed assets	34,214	35,719	35,418	33,665
Investments	37,103	38,893	4,935	6,870
Deferred tax asset (net)	-	-	-	-
Net current assets	18,889	25,973	40,182	29,151
Miscellaneous Expenditure	90,206	1,00,585	80,535	69,686

Other Financial Data	December 31, 2006	December 31, 2007	December 31, 2008	September 30, 2009
	(Audited)	(Audited)	(Audited)	(Limited Review)
	Dividend (%)	45%*	60%	60%
Earning per share – Basic & Diluted Before Exceptional Item (in Rupees)	(9.07)**	28.23	36.30	36.83**
Earning per share – Basic & Diluted After Exceptional Item (in Rupees)	(15.30)**	27.39	36.30	36.83**
Return on net worth (%)	(5.29%)*	8.83%	19.52%	16.53%**
Book value per share (in Rupees)	289.01	310.34	185.98	222.81

* Relates to 9 month period ended December 31, 2006.
** Relates to 9 month period ended September 30, 2009.
* Not audited.

Note: 1. All negative figures in the tables above are shown with brackets.
2. Figures have been clubbed, regrouped and reclassified wherever necessary.

4. Stock Exchanges from which the Shares of the Company are sought to be Delisted

4.1 The Shares are currently listed on BSE and NSE. The Shares are frequently traded on the BSE and NSE within the meaning of explanation to regulation 15 (2) of the SEBI Regulations. The Acquirer is seeking to delist the Company's Shares from the Stock Exchanges on which the Shares are currently listed.

5. Stock Market Data regarding the Company

5.1 The high, low and average market price of the Shares of the Company (in Rs. per share) during the preceding three years on BSE were as follows:

Calendar Year	BSE		
	High*	Low*	Average*
2007	490.0	298.5	388.6
2008	419.8	89.8	230.7
2009	629.6	94.9	261.3

(Source: BSE)
* Closing high/low during the period
* Average of daily closing prices during the period

5.2 The monthly high and low closing prices (in Rs. per share) of the Shares of the Company and the traded volumes (number of equity shares) on BSE for the six calendar months preceding the date of the Public Announcement were as follows:

Month	BSE		
	High*	Low*	Volume*
August 2009	285.3	212.9	171,045
September 2009	394.9	275.0	467,665
October 2009	427.4	371.2	203,214
November 2009	497.2	380.1	195,578
December 2009	629.6	580.8	833,578
January 2010	614.6	591.0	174,822

(Source: BSE)
* Closing high/low during the period
* Cumulative trading volume during the period

5.3 The high, low and average market price of the Shares of the Company (in Rs. per share) during the preceding three years on NSE were as follows:

Calendar Year	NSE		
	High*	Low*	Average*
2007	490.4	300.0	388.7
2008	419.1	89.9	230.6
2009	629.0	95.0	261.7

(Source: NSE)
* Closing high/low during the period
* Average of daily closing prices during the period

5.4 The monthly high and low closing prices (in Rs. per share) of the Shares of the Company and the traded volumes (number of equity shares) on NSE for the six calendar months preceding the date of the Public Announcement were as follows:

Month	NSE		
	High*	Low*	Volume*
August 2009	285.1	211.9	251,394
September 2009	393.9	275.1	527,964
October 2009	427.4	373.7	201,812
November 2009	497.5	389.4	301,320
December 2009	629.0	464.8	746,589
January 2010	616.0	598.0	252,703

(Source: NSE)
* Closing high/low during the period
* Cumulative trading volume during the period

6. Present Capital Structure and Shareholding Pattern

6.1 The authorized share capital of the Company comprises 30,000,000 Shares of Rs. 10/- each and 5,500,000 Preference Shares of Rs. 100/- each. The issued and subscribed equity share capital comprises 24,871,941 Equity Shares of Rs. 10/- each fully paid up.

6.2 The Company has no outstanding preference shares, partly paid-up shares or other convertible instruments. None of the Shares are subject to any lock-in requirements. The category-wise shareholding pattern of the Company as on December 31, 2009 is as follows:

Category	Number of Shares	% of Equity Capital
Promoters		
MHM Holding GmbH	17,534,718	70.50
Bilakhia Holdings Pvt. Ltd.	1,119,237	4.50
Sub-total (a)	18,653,955	75.00
Non Promoters		
Institutional Investors		
- Mutual Funds/UTI	2,963,956	11.92
- Financial Institutions/ Banks	1,500	0.01
- Foreign Institutions Investors	82,346	0.33
Non-Institutional Investors		
- Bodies Corporate	814,522	3.27
- Individuals	2,256,771	9.07
Others		
i. Clearing Member	64,542	0.26
ii. Directors & Relative of Directors	2,200	0.01
iii. NRI	25,183	0.10
iv. NRN	3,010	0.01
v. Just	3,956	0.02
Sub-total (b)	6,217,986	25.00
Total (a)+(b)	24,871,941	100.00

6.3 Other than the shareholding mentioned herein, neither the Acquirer nor any of its Directors hold any Shares, as of the date of the Public Announcement.

7. Likely Post Delisting Capital Structure

7.1 The likely post-delisting capital structure of the Company, assuming all the Shares are acquired pursuant to the Offer will be as follows:

Shareholder	Number of Shares	% of Equity Capital
Promoters		
MHM Holding GmbH	23,752,704	95.5%
Bilakhia Holdings Pvt. Ltd.	1,119,237	4.5%
Total	24,871,941	100.0%

8. Determination of the Floor Price

8.1 The Shares of the Company are listed on BSE and NSE and are frequently traded on both stock exchanges within the meaning of explanation to regulation 15 (2) of the SEBI Regulations. The annualized trading turnover based on the trading volume in the Shares of the Company on BSE & NSE during June 2009 to November 2009 (Six (6) calendar months preceding the date on which the Stock Exchanges were notified of the Board meeting in which the delisting proposal was considered) is as under:

Name of Stock Exchange(s)	Total No. of Shares traded during the 6 (six) calendar months prior to the month in which PA is made	Total No. of listed Shares	Annualized Trading turnover (as a % to total listed Shares)
BSE	1,749,199	24,871,941	14.1%
NSE	1,358,328	24,871,941	10.9%

8.2 The Shares of the Company are most frequently traded on NSE in terms of explanation to Regulation 15 (2) of the SEBI Regulations.

8.

(Contd. from previous page)

4. All Shareholders are advised to consult their tax advisers for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income."

20. Compliance Officer

The Compliance Officer of the Company is:
Hitesh Parikh, Vice-President & Company Secretary
MICRO INKS LIMITED
Bilakhio House, Muktanand Marg, Chala, Vapi - 396 191.
Tel: +91-260-2462811 • Fax: +91-260-2463733
Email: hitesh.parikh@microinks.com

21. Disclaimer Clause of BSE

It is to be distinctly understood that the permission given by BSE to use their electronic automated facilities and infrastructure for "Online reverse book building facility for delisting of securities" should not in any way be deemed or construed that the compliance with various statutory and other requirements by Micro Inks Limited and the Manager to the Offer etc. are cleared or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements; nor does BSE have any financial responsibility or liability nor does BSE take responsibility in any way for the financial or other soundness of the Company, its promoters or its management.

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That every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE or against the Investor Protection Fund set up by BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Manager to the Offer



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Contact Person: Mr. Chandrakant Bhole

Registrar to the Offer



LINK INTIME INDIA PVT LTD

(Formerly INTIME SPECTRUM REGISTRY LTD)

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Email: micro.delisting@linkintime.co.in
Contact Person: Mr. Nilesh Chalke

Signed on behalf of the Acquirer

MHM Holding GmbH

Heinrich Ringer
Managing Director

Dr. Wolfgang Bassermann
Chairman

Date : February 2, 2010