PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

MICRO INKS LIMITED

This Public Announcement ("PA") is being issued by Kotak Mahindra Capital Company Limited ("Manager to the Offer") for and on behalf of MHM Holding GmbH, a company incorporated under the laws of Germany pursuant to and in compliance with, among others, Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended ("Regulations").

The Offer

1. This open offer ("Offer") is being made by MHM Holding GmbH (also referred to as the "Acquirer") in compliance with Regulation 10 and 12 of the Regulations. This Offer is subject to the receipt of certain approvals as set forth in the section entitled "Statutory Approvals and Other Approvals Required for this Offer" (see section 19 below).

2. This Offer is to acquire up to 4,974,388 fully paid up equity shares ("Offer Size") of face value of Rs. 10 each ("Share") of Micro Inks Limited ("Target Company") representing 20% of the voting equity share capital of the Target Company ("Share Capital") at a price of Rs. 675 (Rupees Six Hundred Seventy Five Only) for each Share of the Target Company ("Offer Price"), to be paid in cash in accordance with the Regulations and in terms of the Offer.

3. The Acquirer has entered into a Share Purchase Agreement ("SPA") dated October 25, 2005 to acquire up to 14,688,361 Shares representing up to 59.06% of the Share Capital from the existing promoters of the Target Company viz. Bilakhia Holdings Private Limited ("BHPL"), Mr. Anjum Bilakhia, Mr. Yunus Bilakhiya and Mr. Jakirhusen Bilakhiya (jointly along with BHPL referred to as the "Promoters"), belonging to the Bilakhia group, in an all cash transaction, at a price of Rs. 675 per Share. As per the terms of the SPA, the Acquirer has agreed to purchase (i) a minimum of 12,560,330 Shares representing 50.5% of the Share Capital comprising 313,334 Shares representing 1.26% of the Share Capital from Mr. Anjum Bilakhia, 313,333 Shares representing 1.26% of the Share Capital from Mr. Yunus Bilakhiya, 313,333 Shares representing 1.26% of the Share Capital from Mr. Jakirhusen Bilakhiya and 11,620,330 Shares representing 46.72% of the Share Capital from BHPL and (ii) such additional number of Shares from BHPL as shall be required, up to a maximum of 2,128,031 Shares representing 8.56% of the Share Capital, to ensure that the Shares held by the Acquirer, including the Shares proposed to be acquired in the Offer would not exceed 70.50% of the Share Capital. The aforesaid purchase under the SPA is conditional upon the fulfillment of various conditions precedent as contained in the SPA, including the receipt of requisite regulatory approvals (including approvals from the Foreign Investment Promotion Board of India and the Reserve Bank of India) and completion of the Offer.

4. The Acquirer would acquire control over the Target Company and would become a promoter of the Target Company. Further, BHPL shall continue as a promoter of the Target Company and would retain 1,119,237 Shares representing 4.5% of the Share Capital ("Balance Shares"), which will be governed by a Shareholders' Agreement ("SHA") between the Acquirer and BHPL, wherein the Acquirer will have a Call Option and BHPL will have a Put Option for the Balance Shares. The composition of the Board of Directors will be as follows: (i) the Acquirer will have the right to nominate 3 directors; (ii) BHPL will retain the right to nominate 2 directors on the Board of Directors of the Target Company, of which one director shall be the non-executive chairman, for the next five years and three months or till they hold Balance Shares, whichever is later; (iii) there will be 3 independent directors; and (iv) the ninth director will be the Managing Director who, in the future, will be nominated by the Acquirer.

5. The Shares of the Target Company are listed on Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Shares are frequently traded on BSE and NSE in terms of the Regulations. (Source: www.bseindia.com, www.nseindia.com)

6. Other than as mentioned in section 3 above, the Acquirer has neither acquired nor has been allotted any Shares of the Target Company in the last 12 months. As on the date of the PA, the Acquirer does not hold any Shares.

7. The Shares of the Target Company are most frequently traded on BSE. This Offer is being made at Rs. 675 (Rupees Six Hundred and Seventy Five only) per Share in terms of the Regulations. This Offer Price is greater than the highest of (a) the average of the weekly high and low of closing prices of the Shares of the Target Company on BSE for the last 26 weeks (Rs. 613.80 / Share) (b) the average of the daily high and low prices of the Shares of the Target Company on BSE for last two week period (Rs.636.06 / Share) (c) the highest price paid by the Acquirer for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the last 26 weeks (Not applicable) and (d) the negotiated price (Rs. 675 / Share).

8. The Manager to the Offer does not hold any Shares in the Target Company as on the date of the PA.

9. Subject to the provisions of the sections 2 and 3 above, receipt of approvals and the terms and conditions of the Offer, the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer.

Information about the Acquirer

10. The details of the Acquirer are as follows:

Name	MHM Holding GmbH
Address	MHM Holding GmbH, Feldkirchener Straße 15; 85551 Kirchheim/Germany Tel. No.: + 49 89 9003 481 ; Fax No.: + 49 89 9003 500
Listing Status	Unlisted
Group	Hubergroup
Person in control	Shareholding is spread amongst 30 individuals
Relationship	NA
Primary Business	Ultimate holding company for the Hubergroup; Hubergroup is engaged in manufacturing and marketing of various printing, publishing and packaging inks
Experience	Holding company incorporated on December 30, 1991; Hubergroup has been in existence for more than 230 years

11. The financial details of the Acquirer, based on the latest available audited financials, are as follows:

	MHM Holding GmbH (Year ending Dec 31, 2004)	
	Euro Mn	**Rs. in lacs**
Total Income	480	258,924
Profit After Tax	20	10,730
Equity Capital	12	6,473
Reserves & Surplus*	120	64,965
Return on Net-worth (%)*	16.0%	16.00%
Book Value per Share (Euro /Rs.)*	552	29,766
Earnings per Share (Euro /Rs.)	83	4,471

**Calculations excluding Minority Interest of Euro 2 mn*
Consolidated audited financial statements; All per share numbers are in unit currency i.e. Euro or Rs. Exchange rate as on October 24, 2005 – Rs.53.94 / Euro (Source: www.rbi.org.in)

Information about the Target Company (Source: Annual Report for FY05)

12. The details of the Target Company are as follows:

Name	Micro Inks Limited; the name was changed from the erstwhile name Hindustan Inks and Resins Limited on March 3, 2004
Address	Micro Inks Limited, Bilakhia House, Muktanand Marg, Chala, Vapi – 396191, Gujarat, India
Listed on	Shares listed on BSE and NSE; Global Depository Receipts ("GDRs") listed on Luxemburg Stock Exchange
Group	Bilakhia Group
Primary Business	Manufacturing and selling a wide range of printing, publishing and packaging inks, resins, wire enamels and adhesives
Experience	Incorporated on November 13, 1991 and commenced business on January 13, 1992

As of March 31, 2005, the total paid up capital of the Target Company was Rs. 6,837 lacs consisting of paid up equity capital of Rs 2,487 lacs (24,871,941 fully paid up equity shares of Rs. 10 each) and cumulative redeemable fully paid up preference shares of Rs. 100 each aggregating Rs 4,350 lacs.

During the fiscal year ending March 31, 2005, the Target Company issued 3,013,341 GDRs, underlying one equity share of Rs. 10/- each per GDR, at US $13.2743 per GDR.

There are no partly paid up Shares in the Target Company.

13. As per the stand-alone audited financial results for the financial year ending March 31, 2005, the Target Company had a total income of Rs. 85,839 lacs; profit before tax of Rs. 12,960 lacs; profit after tax of Rs. 10,757 lacs; paid up equity share capital of Rs. 6,837 lacs; reserves and surplus of Rs. 73,669 lacs; book value of Rs. 350 per Share and earnings per Share of Rs. 44.00.

Reasons for the Acquisition and Future plans about the Target Company

14. The Offer is being made in accordance with Regulations 10 and 12 of the Regulations for the purpose of substantial acquisition of Shares and voting rights of the Target Company accompanied with a change in control of the Target Company.

15. The Acquirer believes that this transaction will enable the Acquirer to attain a significant presence in the Indian subcontinent as also achieve backward integration into pigments and resins. The Target Company benefits from the forward integration into the sales and service network of the Acquirer to grow both in India and abroad.

16. As of the date of this PA, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring (including by way of amalgamations, mergers, demergers, etc.) and / or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company. Notwithstanding the foregoing, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time.

17. Other than in the ordinary course of business, the Acquirer undertakes not to sell, dispose off or otherwise encumber any substantial asset of the Target Company except with prior approval of the shareholders of the Target Company.

18. BHPL has entered into a share purchase agreement dated October 25, 2005 with Stehlin & Hostag AG, a Swiss subsidiary of Michael Huber München GmbH, which in turn is a 100% subsidiary of the Acquirer, to invest in and acquire 46% of its equity share capital, in an all cash transaction for a total consideration of US$ 40 million in conformity with the extant regulations. The parties have an option to increase the level of this partnership to the level of the Acquirer, and in exchange for the aforementioned shareholding in Stehlin & Hostag AG, receive an option contract for 11% participation in the Acquirer during the period after the elapse of four years from the date of the completion of this Offer upto the seventh year, subject to confirmation of both parties and receipt of regulatory approvals.

Statutory Approvals and Other Approvals Required for this Offer

19. This Offer is subject to the Acquirer obtaining the approval of the Foreign Investment Promotion Board ("FIPB") and the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999, as amended, for acquisition and transfer of Shares tendered pursuant to this Offer. The Acquirer will shortly make the requisite application to FIPB and RBI in this regard. Since the Acquirer has business interests across the globe, the Offer is subject to obtaining various statutory and regulatory approvals in Europe / USA. The Acquirer shall make the requisite applications for such approvals. As on date, to the best of the knowledge of the Acquirer, there are no other statutory approvals required, other than those indicated above.

20. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a power to grant an extension of time to the Acquirer for payment of consideration to the shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under Regulation 22(12) of the Regulations.

21. There are no approvals required from financial institutions or banks for the Offer.

Option to the Acquirer in terms of Regulation 21 of the Regulations

22. As mentioned in section 3, the Acquirer has agreed to purchase Shares representing a minimum of 50.50% and up to a maximum of 59.06% of the Share Capital from the Promoters, based on the actual response in the Offer, with BHPL retaining 4.5% of the Share Capital. BHPL has undertaken to sell its additional residual shareholding in the Target Company (if any) to the public, which may be up to a maximum of 8.56% of the Share Capital, within a 12-month period following the completion of the Offer. Accordingly, the Acquirer and BHPL have agreed that pursuant to the Offer, the public shareholding in the Target Company will be in accordance with the guidelines relating to the limit specified for the purpose of listing on continuous basis in terms of the Listing Agreement with the stock exchanges.

Financial Arrangements

23. The total financial resources required for this Offer, assuming full acceptance, will be Rs. 3,357,711,900 (Rupees Three Billion, Three Hundred Fifty Seven Million, Seven Hundred Eleven Thousand, Nine Hundred only) ("Maximum Consideration"). The Acquirer, being a company incorporated outside India, would use foreign funds for the Offer. The Acquirer proposes to finance the Offer out of internal resources and a line of credit by Dresdner Bank (Address: Dresdner Bank AG, Promenadeplatz 7, Munich) (the "Bank") for EUR 65,000,000 (Euros Sixty Five Million only) from which the Acquirer can draw-down for the purpose of this Offer. Deloitte & Touche GmbH ("Accountants") (Address: Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 Munich, Germany, Phone No: + 49 89 29036-0) have confirmed vide their letter dated October 24, 2005 that the Acquirer has adequate financial resources available for fulfilling their obligations under the Offer for a value up to the Maximum Consideration.

24. By way of security for performance of its obligations under the Regulations, the Acquirer has made an escrow arrangement for the Offer comprising a bank guarantee, issued by Deutsche Bank (Address: Deutsche Bank, Mumbai Branch, Kodak House, 222, D. N. Road, Mumbai – 400 001), (the "Guarantor Bank") in favour of the Manager to the Offer for Rs. 485,771,190 (Rupees Four Hundred Eighty Five Million, Seven Hundred Seventy One Thousand, One Hundred Ninety only) valid till October 14, 2006 in accordance with the Regulations. In addition, the Acquirer has deposited in an account with Dresdner Bank (Address: Dresdner Bank AG, Promenadeplatz 7, Munich) ("Deposit Bank"), an amount of Rs. 36,000,000 (Rupees Thirty Six Million only) in cash (the "Cash Deposit"). The Cash Deposit represents more than 1% of the Maximum Consideration in accordance with the Regulations, based on the exchange rate of Rs. 53.94 / Euro as of October 24, 2005 (Source: www.rbi.org.in). The Acquirer has undertaken that the Cash Deposit shall be more than 1% of the Maximum Consideration at all times, irrespective of the foreign exchange fluctuations and has undertaken to move the Cash Deposit to a bank in India, after receipt of requisite regulatory approvals. The Manager to the Offer has been empowered by the Acquirer to instruct the Guarantor Bank and Deposit Bank to issue bankers cheques or demand drafts for amounts as provided in the Regulations.

25. On the basis of the aforesaid financial arrangements and based on the confirmation from the Bank and the certificate from the Accountants, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer in full.

Other terms of this Offer

26. A letter of offer (the "Letter of Offer") specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (the "Form of Acceptance") and Form of Withdrawal will be mailed to all the shareholders of the Target Company (except the Acquirer and the Promoters) whose names appear on the register of members of the Target Company at the close of business hours on November 18, 2005 (the "Specified Date"). A copy of the Letter of Offer (including Form of Acceptance and Form of Withdrawal) is expected to also be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded for applying in the Offer.

27. The Offer Schedule is as under:

Activity	Date	Day
Specified Date[1]	18-Nov-05	Friday
Last date for a competitive bid, if any	16-Nov-05	Wednesday
Last date for dispatch of Letter of Offer to the shareholders of the Target Company	2-Dec-05	Friday
Offer Opens on	9-Dec-05	Friday
Last date for revising the Offer Price / Offer Size	19-Dec-05	Monday
Last date for withdrawing acceptance of the Offer	24-Dec-05	Saturday
Offer Closes on	28-Dec-05	Wednesday
Last date for communicating acceptance (in full or part) and rejection of application by registered post and payment of consideration for application accepted	12-Jan-06	Thursday

[1] Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the Shares of the Target Company (except the Promoters) are eligible to participate in the Offer anytime before the closure of the Offer.

28. All shareholders (except the Acquirer and the Promoters) who own and tender Shares of the Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

29. The shareholders of the Target Company who wish to tender their Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer together with their share certificate(s), transfer deed and or such other documents as may be specified in the Letter of Offer and the Form of Acceptance to Intime Spectrum Registry Limited, acting as the Registrar to the Offer (the "Registrar to the Offer") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. In case of non-receipt of the Letter of Offer, a shareholder may obtain a copy of the same from the Manager to the Offer on providing suitable documentary evidence of acquisition of the said Shares.

30. In case the shareholders of the Target Company hold the Shares in dematerialized form, those desirous of participating in the Offer may send their application to the Registrar to the Offer, such that the applications are received by the Registrar to the Offer, on or before the closing date of the Offer, stating the name, address, number of Shares held, number of Shares offered, Depository Participant ("DP") name, DP ID number, beneficiary account number along with a photocopy of the Delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of "MHM-Micro Inks Open Offer" filled in as per instructions given under :

Depository Name	National Securities Depository Limited (NSDL)
DP Name	Kotak Securities Limited
DP ID Number	IN300214
Beneficiary Account Name	Intime Spectrum Registry Ltd – MHM-Micro Inks Open Offer
Beneficiary Account Number	11705946
ISIN	INE056A01014
Market	Off market
Execution Date*	Up to December 28, 2005

**Shareholders should ensure that the Shares are credited in the aforementioned account not later than 5 p.m. on December 28, 2005.*

31. Persons who have acquired Shares of the Target Company (irrespective of the date of purchase) or who have not received the Letter of Offer may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in the Offer as per the terms and conditions of the Offer. This is to be sent to Registrar to the Offer together with the relevant share certificate(s) and transfer deeds if the Shares are held in physical form, photocopy of the DP Instruction slip duly acknowledged by the DP in case of Shares held in dematerialized form, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified. No indemnity would be required from unregistered shareholders.

32. If the Shares tendered in the Offer by the shareholders of the Target Company are more than the Offer Size, the acquisition of Shares from each shareholder will be on a proportionate basis as per provisions of the Regulation 21(6) of the Regulations such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

33. The payment of consideration for accepted applications will be made by the Acquirer in cash through account payee cheques, drafts, warrants, etc. sent by registered post for amount exceeding Rs.1,500 and otherwise by under certificate of posting (UCP) in accordance with the Regulations.

34. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders' sole risk. Unaccepted Shares (to the extent unaccepted) held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details received electronically during the deposit of Shares for the shareholders' depository participant.

General

35. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of the closure of the Offer (i.e. December 24, 2005).

36. As per the Regulations, the Acquirer can make upward revisions in respect of the price and the number of Shares to be acquired in the Offer, up to 7 working days prior to the closure of this Offer (i.e. up to December 19, 2005) and such revision, if any, would be announced in the same newspapers where this PA has appeared and the revised price would be paid to all shareholders who tender their Shares in this Offer.

37. **If there is a competitive bid:**
    (i) **The public offers under all the subsisting bids shall close on the same date.**
    (ii) **As the Offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.**

38. The Acquirer and the Promoters have not been prohibited by SEBI from dealing in securities in terms of direction issued under Section 11B of the SEBI Act.

39. The PA is expected to be also available on the SEBI web-site at http://www.sebi.gov.in.

40. Pursuant to Regulation 13 of the Regulations, the Acquirer has appointed Kotak Mahindra Capital Company Limited as the Manager to the Offer. The Acquirer has appointed Intime Spectrum Registry Limited, as the Registrar to the Offer (Address: C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup - West, Mumbai - 400 078; Tel. No. : +91 22 55555391-94; Fax No.: +91 22 55555499; email: mhm-microinks@intimespectrum.com; Contact Person; Vishwas A). The shareholders who wish to avail of the offer may either send the Form or Acceptance along with all the relevant documents by registered post to the above address or deposit the same by hand-delivery at the following collection centers in Mumbai, no later than 5 p.m. on December 28, 2005, in accordance with the procedure as set out in the letter of offer.

S. No.	Contact Person	Address	Tel. No.	Fax No.	E-mail ID
1	Vishwas A	Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup - West, Mumbai - 400 078	022-55555391-94	022-55555499	vishwasa@intimespectrum.com
2	Vivek Limaye	Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai – 400 001	022-22694127	N.A.	vivek.limaye@intimespectrum.com

Working hours for the above collection centres: 10 a.m. to 5 p.m. from Monday to Friday and 10 a.m. to 2 p.m. on Saturday

41. The Boards of Directors of the Acquirer accepts full responsibility for the information (except that which pertains to the Target Company and has been compiled from publicly available sources) contained in this PA and also accepts responsibility for the obligations of Acquirer laid down in the Regulations.

Issued by the Manager to the Offer for and on behalf of the Acquirer

kotak Investment Banking

Kotak Mahindra Capital Company Limited
Bakhtawar 3rd Floor
229 Nariman Point
Mumbai – 400 021
Tel. No.: +91 22 56341100
Fax No.: +91 22 22840492
Email: mhm-microinks.offer@kotak.com
Contact Person: Mr. Ajay Vaidya (Vice President and Company Secretary)

Dated: October 26, 2005 **Place**: Mumbai