



Infomerics Valuation and Rating Pvt Ltd

Press Release

INFOMERICS assigns Corporate Governance Rating of IVR CGR 3+ to Manaksia Industries Ltd.

Rating & Definition

Infomerics Valuation and Rating Pvt. Ltd. has assigned a rating of IVR CGR 3+ (pronounced IVR CGR three plus) to the Corporate Governance practices of Manaksia Industries Ltd. (MIL) The organisation with this rating represents adequate comfort to the stakeholders on the degree of corporate governance. This rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.

Rating Rationale

The rating factors in long & satisfactory track record of the key promoter, adequate governance practices, satisfactory MIS being in place, high level of disclosure & transparency standard and promptness in regulatory filings. The aforesaid rating is however, constrained by inadequate number of senior managerial personnel signifying thin line between ownership & management, highly fragmented public shareholding and moderate financials. Ability of the company to widen the senior management team, improve the financial planning and maintain high level of disclosure and transparency standards remain the key rating sensitivities.

Company Background

MIL, operating since October 01, 2013, is the demerged packaging division of Manaksia Ltd. MIL majorly manufactures ROPP caps for the premium liquor & pharmaceutical products, Crown Closures for beer & carbonated soft drinks, Plastic Closures for carbonated soft drinks & mineral water and Metal Containers for shoe polishes & cosmetics. Mr. Basant Kr. Agarwal & his family, based out of Kolkata, is the major stakeholder of the company.



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In 1972, Mr. Basant Kr. Agarwal, an entrepreneur, set up a proprietorship firm, Hindusthan Seals, for manufacture of ROPP caps. In December 1984, Hindusthan Seals Ltd. was incorporated as a public limited company with headquarter in Kolkata for taking over the assets of the proprietorship firm, Hindusthan Seals. In FY2002-03, the name of the company was changed to Manaksia Limited. Manaksia Ltd., under the stewardship of Mr. Agarwal, gradually diversified into manufacturing of various other products like crown closures & metal containers, steel, aluminium and mosquito coils. Under a scheme of demerger, four divisions of Manaksia Ltd., namely, Steel Division, Packaging Division, Coated Metal & Mosquito Coil Division and Aluminium Division were demerged into four separate companies with effect from October 1, 2013 vide an Order of the Hon'ble Kolkata High Court.

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