

January 11, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	25.00	SMERA D (Downgraded from SMERA BBB-/Stable)
Term Loan	9.30	SMERA D (Downgraded from SMERA BBB-/Stable)
Letter of Credit	2.00	SMERA D (Downgraded from SMERA A3)

SMERA has downgraded the bank loan rating of Flex Art Foil Limited (FAFL) to '**SMERA D**' (read as **SMERA D**) from SMERA BBB-/Stable/SMERA A3. The rating reflects delays in servicing of debt obligation by the company.

For arriving at the ratings, SMERA has taken a consolidated view on the business and financial risk profile of the holding company — ESS DEE Aluminium Limited (ESS DEE) and its wholly-owned subsidiaries — Flex Art Foil Limited (FAFL). The consolidation is in view of the group's similar business model and common management. FAFL 100 per cent procure its raw material (aluminium foil) from ESS DEE. Further, ESS DEE has given corporate guarantee to FAFL's bank borrowings. Currently, ESS DEE is defaulting in servicing its debt obligations.

About the Company

FAFL, incorporated in 2005, is a Mumbai-based company promoted by Mr. Sudip Dutta. The company is engaged in manufacturing of packing products for pharmaceuticals and fast moving consumer goods industry. FAFL is a wholly-owned subsidiary of Ess Dee Aluminium Limited (ESS DEE).

About the Parent Company

Ess Dee Aluminium Limited (ESS DEE), incorporated in 2004, is engaged in the manufacturing of aluminium foils, high-end flexible packaging such as aluminium strip pack foil, lid foils, Poly Vinyledene Chloride, PVC blister films, coated PVC-based thermoforming solutions for pharmaceuticals and FMCG industry.

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