

From Chairman's Desk



During the second quarter we introduced several value-added flexible packaging solutions across geographies servicing our vast clientele with diverse requirements. Our engineers have an eye for detail to ensure that our packaging solutions are a perfect fit in response to the need-gap statement of our clients. I am humbled to share with you that the demand for our flexible packaging solutions is on the rise with more and more clients globally preferring us owing to our fully backward integration capabilities across the realm of flexible packaging requirements.

Progressive Engineering is what we have always believed in and have never shied away from replacing our own products with newer and enhanced variants that our teams keep developing in order to add value to our clients' businesses globally. **We do this with the**

help of best-in-class cutting edge technology coupled up with immaculate R&D by some of the sharpest brains of the industry by our side.

I am pleased to apprise you that **Asepto** our liquid packaging material brand has created a lot of excitement in the market and is all geared to help the **Indian non-aerated liquid brands stand on two feet with a stable supplier base.** Brand Asepto recently made its grand debut at **Gulfood Manufacturing, Dubai** with an overwhelming response. I am extremely thankful to our clients for posing same faith and confidence in Asepto as they have been extending to our other flexible packaging solutions over the last three decades. **These are exciting times and we will continue to delight our stakeholders with the most optimized, efficient, innovative and value-added packaging solutions as we grow from strength to strength!**

Ashok Chaturvedi
Chairman & Managing Director


Financial Summary


(Consolidated)

(in INR Million)

	2 nd Quarter (1 st July - 30 th September)			Up to 2 nd Quarter (1 st April - 30 th September)		
	Total Revenue	EBITDA	Net Profit	Total Revenue	EBITDA	Net Profit
FY 2017-18	16000	2365	943	32245	4730	1873
FY 2016-17	15407	2331	904	30570	4615	1765
% Change	(+)3.84%	(+) 1.46%	(+) 4.31%	(+) 5.47%	(+) 2.49%	(+) 6.12%

Product Development During the Quarter

 We developed a speciality polymeric film which replaces Bi-axially Polyamide substrate commonly known as Nylon. Our new speciality film is a replacement for BOPA in its truest sense and can be used for manufacturing packaging material for all products that currently use the nylon substrate. There is an encouraging demand for this film for manufacturing packaging material for various pharmaceutical products, distilled goods, fatty and oily food and agricultural products among others.

 After a rigorous application-oriented R&D of almost two years we developed flexible packaging material with anti-microbial properties. In this flexible packaging material the sealant layer is specially compounded with anti-microbial properties. In a trial that we conducted at room temperature (without refrigeration or any temperature control), the sandwich packed in normal pouch was spoiled after 3-4 days as opposed to the one that was packed in the new flexible packaging material that could keep it protected from microbial growth for almost 8-9 days.

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Convertors catering to candy /confectionery brands had been asking for a **white glossy substrate with low opacity for imparting superior aesthetics to their packaging!** The daunting challenge however was that, if you make a white opaque film the gloss quotient goes down. Owing to **our special proprietary resin formulation** we have been **able to engineer a white background film** which is **translucent (less opaque) and offers high gloss too**. It is for **our special FDA approved food compliant antistatic coating recipe** that the **film exhibits excellent machinability on printing and twist wrap machines**.

Assuming a bigger role in the fight against counterfeiting we are now extending brand protection features to the convertors of secondary packaging in the best interest of our clients. What we effectively do is to **pre-apply the anti-counterfeiting feature on to the unprinted board/ raw material of the secondary packaging** which in turn is processed by the board convertors. The **anti-counterfeiting features** on the board are exactly identical in size, shape and character as those on the primary packaging to complete the brand protection loop making it absolutely impregnable. We are getting very good response for this **360 degree approach to combat counterfeiting**.

ASEPTO™ Smart 78

The First Indian Aseptic Liquid Filling Machine Launched by Uflex!

During PackEx 2017 at Pragati Maidan in New Delhi we unveiled Asepto™ Smart 78, the first ever Indian Aseptic Liquid Filling Machine. This machine manufactured by our Engineering Business at Noida (India) perfectly complements the aseptic liquid packaging material that we manufacture under the brand name Asepto™ at our recently commissioned plant in Sanand, Gujarat. Asepto™ Smart 78 is a technically sophisticated aseptic liquid filling line with a capacity of 7,800 packs per hour for pack sizes ranging from 100, 125, 160 and 200 ml. The fully Made in India machine comes equipped with special tools for superior and optimized operations. It has a multitude of significant features such as **advanced integration with PLC, lesser electronic parts and better human interfacing** making it operator friendly in addition to delivering highest production speed than any other comparable machine.



Our robust and forever on toes aftersales services will further ensure optimized performance of the machine at our clients' premises. **We received overwhelming response from prospective clients from the food and beverage industry with all the bigwigs visiting our stand at the exhibition to understand more about Asepto™ Smart 78.** The machine is getting encouraging response from packers and brands.

Accolades

During the quarter ended 30 September 2017 several awards were conferred upon Uflex in recognition of Brand Equity; Socio-environmental responsiveness, Occupational and Health Safety Initiatives, Learning & Development and HR Excellence.

Some of these awards are:

1. Best Learning & Development Team of the Year; **TISS LEAPVAULT CLO Award 2017**



2. **Asia's Most Promising Brand in Packaging Sector** by World Consulting & Research Corporation at Bangkok



3. **CII National Award for Excellence in Water Management 2017** to Chemicals Business of Uflex

4. **Bureaucracy Today CSR Excellence Award 2017** for Conservation of Natural Resources and Optimization of Ecosystem Initiative



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Sustainability

Social Sustainability

Uflex stands committed to bring about a meaningful difference in the lives of under-privileged children and youth by upholding their right to play freely irrespective of caste, creed, gender, religion, socio-economic conditions, physical & cognitive abilities as enshrined in the **United Nations Convention on the Rights of the Child (UNCRC)**. During the second quarter of this fiscal, league and knock-out matches of Delhi and Gujarat Chapters of **UFLEX - STAIRS SCHOOL FOOTBALL LEAGUE (SSFL)** made substantive headway witnessing encouraging participation. Through **SSFL, UFLEX and STAIRS** endeavor to create future football champions who will be trained and skilled to excel both in India and overseas.



The programme has created a platform to identify football talent right at early adolescence and subsequently provide the best possible support to nurture this talent further.

Started from Delhi and having extended ties in Gujarat and Uttar Pradesh, **UFLEX SSFL** shall engage over 100,000 budding footballers across India in a phased manner till 2020 in line with **Prime Minister Shri. Narendra Modi's vision to promote the game of football!**



Environmental Sustainability

During the second quarter the construction work for three new ex-situ rain water harvesting structures in **Gautam Buddha Nagar District** and one in **Bhind District** was completed rendering the percolation tanks ready for tapping the monsoon rains. The local community was mobilized for maintaining upkeep of these structures. Maintenance of the rain water harvesting structures constructed last year continued with the help of social volunteers from the village. **Special emphasis** was made towards sensitization of village stakeholders particularly school children and women for conservation of water.

This was done with the help of the social activists from the implementation agencies and the members of Village Panchayat. Focused plantation drives at school and community levels were also carried out in the villages for optimization of ecosystem.

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