

UFlex gears up to supply paper straws by Nov

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Packaging major UFlex Ltd is intensifying efforts to start supplying locally-produced paper straws by around October-November with the ban on plastic straws coming into effect from this month, according to a senior company official.

The company, which has earmarked an initial investment of around Rs 100 crore to produce U-shaped paper straws at its packaging plant at Sanand in Gujarat, has already ordered necessary equipment from its suppliers.

"We are assuming the packs which will require the straws should be about 6 billion. So we are gearing up to create that kind of capability. This will happen in about an overall six to 12 months of timeframe. That's our plan," UFlex Ltd Group CFO Rajesh Bhatia told PTI. Asked how soon can the company start supplying its paper straws to the FMCG and agro food companies selling packaged fruit juices and dairy products, which have been affected by the ban on single use plastics, including plastic straws from July 1, he said it will be "around October-November this year".

Stressing that the company is trying to see as to how early it can do this, Bhatia said, "That's the whole endeavour. We have already ordered the necessary equipment but the suppliers have their own time in terms of



their supplies." The company expects production to commence in the second quarter of FY23 with 100 million straws a month and achieve full capacity by the fourth quarter of the ongoing fiscal year. It is aiming to produce 6 billion straws annually. He admitted that it will be a challenge for the industry for the next six months to a year to meet demand as "everybody is trying to raise capacity" and "things will fall in place from the next six months to a year".

"But more or less I think we will hand-hold the customer during this period and find ways as to how we handle the customers during this stage," Bhatia said. Terming the challenge an opportunity, he said, "There is no survival without that (paper straw). It's not something that you can postpone it to another day because the survival of that business is important. If the regulations are not going to allow the use of

plastic straws, you have to use paper straws." In terms of revenue opportunities, he said, "I think at 6 billion straws we should be looking at anywhere between Rs 200 crore to 250 crore."

Companies like Parle Agro and Dabur have switched to paper straws for their fruit juice packs. On the other hand major dairy products player Amul is working on manufacturing biodegradable straws, while Mother Dairy is also banking on imported paper straws.

Commenting on the overall business of UFlex, Bhatia said the business in the last two years of the pandemic was good "both driven by the volume as well as value growth". "Overall, our volumes grew by close to about 22 per cent in FY21 and close to about 30 per cent in FY22, driven by our expanded capacities in Russia, Egypt, Poland, Hungary and Nigeria coming into play.