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**Uflex Ltd.**

**Flagbearer  
of Packaging**

**Ashok Chaturvedi**  
**Chairman & MD**





# Flagbearer of Packaging

Size, quality, innovation, customer delight – the homegrown packaging multinational – Uflex – has all these qualities, and more, in spades. The list of its packaging solutions is mind-boggling – from films and laminates to pouches, adhesives, coatings and packaging machines. Its clients comprise a who's who of FMCG majors, while it prides itself on providing speedy solutions to customers across 140 countries.

Constant R&D is an article of faith at the company, while a huge new packaging plant at Sanand in Gujarat, with a capacity of 7 billion aseptic packs per annum, will further enhance its pole position at home as well as abroad.

**Ashok Chaturvedi**  
Chairman & MD

**Over** the last three decades, Uflex has earned an irreproachable reputation, in the process personifying the flexible packaging industry both at home and overseas. Since its inception in 1985, it has turned into a billion-dollar organization focusing on trust, value creation, quality innovation and customer satisfaction. The company has truly travelled a long way to become India's largest fully-integrated – end to end – multinational flexible packaging materials and solutions provider.

Today, the company has state-of-the-art flexible packaging material manufacturing facilities at multiple locations in India, with an installed capacity of around 100,000 tpa. Additionally, it has polymeric film manufacturing facilities in India, the UAE, Mexico, Egypt, Poland and the US, with a cumulative installed capacity in excess of 337,000 tpa. Integrated in its core business profile are allied businesses like engineering, cylinders, holography and chemicals, all of which combine to give Uflex a considerable edge over the competition.

As the domestic leader in its segment, Uflex can offer packaging films (BOPP, BOPET, CPP, metallised and other speciality films); packaging products like laminates (roll form), pre-formed pouches, flexi-tubes and big bags; packaging and converting machines; inks, adhesives, coatings and polyols; anti-counterfeiting and brand protection solutions; elastomers and sleeves, rotogravure printing cylinders, and flexo-polymer plates.

Echoing the government's 'Make in India' mission, Uflex has commissioned a first-of-its-kind aseptic liquid packaging material manufacturing plant in Sanand, Gujarat, with an initial capex of approximately Rs 580 crore in the first phase. This new facility has been designed for a maximum capacity of 7 billion aseptic packs per annum, offering packaging solutions for non-aerated drinks, liquid dairy products, juices, alcohol and other beverages. The liquid packaging material will be marketed under the brand name ASEPTO.

**“Sky is the limit for the flexible packaging industry. With the most advanced technology, incessant R&D and some of the sharpest brains by our side we are all geared to take Uflex and the industry as a whole to Level 2.0.”**

**Ashok Chaturvedi**  
**Founder, Chairman & MD, Uflex**



## GLOBAL REACH

Uflex has gone from strength to strength, with large manufacturing capacities of packaging film and other value-added packaging products providing end-to-end solutions to clients across 140 countries where it enjoys a formidable market presence. The company enjoys a global reach with unhindered speed of delivery, making it truly multinational. Headquartered in Noida (National Capital Region, New Delhi), it has state-of-the-art manufacturing facilities in India, the UAE, Mexico, Poland, Egypt and the US. It serves as a one-stop flexible packaging solutions provider, cutting across varied sectors spanning the US, Canada, South America, the UK, Europe, Russia, the CIS countries, South Africa and other African countries, the Middle East and South Asian Countries.

Says Ashok Chaturvedi, the visionary founder and CMD “Sky is the limit for the flexible packaging industry. With the most advanced technology, incessant R&D and some of the sharpest brains by our side we are all geared to take Uflex and the industry as a whole to Level 2.0. We shall do this with unwavering focus on Innovation to create avant-garde value added differentiation in the best interest of our clients globally.”

Uflex offers technologically end-to-end superior flexible packaging solutions for a wide variety of products such as snack foods, candy and confectionery, sugar, rice and other cereals, beverages, tea and coffee, dessert mixes, noodles, wheat flour, soaps and detergents, shampoos and conditioners, vegetable oil, spices, marinades and pastes, cheese and dairy products, frozen food, sea food, meat, anti-fog, pet food, pharmaceuticals, contraceptives, garden fertilizers and plant nutrients, motor oil and lubricants, and automotive and engi-





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**Anantshree Chaturvedi  
– VC & CEO, Flex Films  
International, an arm of  
Uflex.**

unit packs or sachets for shampoos, candies, mouth fresheners and tomato ketchup, that brought about a revolution in the FMCG sector back in the eighties, almost overnight bringing popular brands within the reach of the masses. This watershed moment, followed by strong and steadfast progress under the leadership of Mr. Chaturvedi, turned Uflex into a billion-dollar multinational from its very humble beginnings back in the mid-eighties.

To his customers, Mr. Chaturvedi promises 3 Q’s — quality, quantity and quickness — and he has led by example in making these values the corporate culture of the company. His principles and values are unmistakably reflected in the

neering components. With the new aseptic liquid packaging material manufacturing plant now operational at Sanand in Gujarat, Uflex has completed its entire product bouquet, which now spans end-to-end flexible packaging solutions for solids, semi-solids, non-aerated liquids, pastes, gels, viscous fluids, powders and granular material. This is a rare feat in its own right, giving a sense of completion to the product portfolio of the flexible packaging behemoth.

Some of Uflex’s clients on the global scene include P&G, PepsiCo, Tata Global, Mondelez, L’Oreal, Britannia, Haldiram, Amul, Kimberly Clark, Ferro Rocher, Perfetti, GSK, Nestle, Agrotech Foods, Coca-Cola, Wrigley, and Johnson & Johnson.

## GRAND HELMSMAN

The man behind the astounding success of Uflex is Ashok Chaturvedi, who is fondly referred to as the Father of the Indian flexible packaging industry. To his credit are the

DNA of the Uflex group, which lays a premium on trust and respect, customer value creation, innovation to create value-added differentiation, a global perspective, speed in all directions and socio-environmental responsiveness.

Maintaining that “Business as Usual, is not an option for any enterprise that wishes to see growth. This is the era of disruptive market inference!” Anantshree Chaturvedi Vice Chairman and CEO Flex Films International, the global film manufacturing arm of Uflex, adds, “Today’s Specialty is tomorrow’s Commodity therefore continual Path Breaking processes accompanied by Bespoke product development stemming from onerous research & development is the guiding vector at Uflex.”

## GREEN CHAMPION

Being India’s largest multinational flexible packaging materials and solutions company, Uflex has always led by example. The company’s promise of environmental

## STRATEGIC PILLARS

The business strategy and competitive edge of Uflex pivots around the following pillars:

- Unwavering focus on innovation to create value-added differentiation.
- Ability to service any quantum of order, ensuring just-in-time deliveries anytime, anywhere.
- World-class manufacturing facilities at the most strategic locations across the globe to maintain absolute proximity with customers.
- Technical competence and expertise, with some of the sharpest brains in the field of flexible packaging.
- A fully integrated flexible packaging solutions company serving as a one-stop shop, with its products enjoying a formidable market presence in over 140 countries owing to a robust sales and distribution network. ■

sustainability governs its business practices across verticals and locations.

In fact, reduction at source and down-gauging is a cult at Uflex. The company consciously makes R&D efforts to down-gauge the polymeric substrates that lead to light-weighting of laminates. Uflex has successfully developed plain/heat sealable BOPP films as thin as 8 micron, BOPET films with a 6.5 micron thickness, and heat sealable 12-micron metallised BOPP films that are suitable for printing and lamination. These films possess comparable machinability parameters to conventionally thicker films and provide a significant source reduction ranging from 33% to 47%. Moreover, these films have a much lower carbon footprint than the films they replace.

Uflex has engineered green PET films wherein PTA is manufactured from the oxidation of p-xylene, while green MEG is manufactured from ethanol obtained from agro-

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**Rajesh Bhatia**  
– Group President  
(Finance & Accounts)



based sources. This film does not contain any MEG which is conventionally made through the crude oil route. This green polyester product has won several national and international awards.

Yet another sustainable product is rPET film which contains up to 30% post-consumer recycled PET resins obtained

Performance Indicators - Consolidated					(Rs. Crore)
	2012-13	2013-14	2014-15	2015-16	2016-17
Sales	5182	5897	6201	6145	6250
Operating profit	675	717	753	841	899
Interest	230	233	187	177	187
Gross profit	1958	2216	2382	2594	2715
Depreciation	236	267	279	286	318
Taxation	19	15	31	63	44
Net profit	190	202	255	313	348
Equity capital	72	72	72	72	72
Reserves	2426	2751	2935	3272	3557
In rupees per share					
Book value	346	391	417	464	505
EPS (Rs.)	26	28	35	43	48
Dividend (%)	24	25	27	32	35
Face value	10	10	10	10	10
Ratios (%)					
OPM	13.0%	12.2%	12.1%	13.7%	14.4%
GPM	37.8%	37.6%	38.4%	42.2%	43.4%
NPM	3.7%	3.4%	4.1%	5.1%	5.6%
RONW	9.7%	8.7%	9.2%	10.6%	10.7%

from re-processing post-consumer PET waste like used PET bottles, which otherwise would have been consigned to landfills. rPET films are USFDA- and EU-compliant for direct food contact, having the same properties as films made from virgin PET resins.

Uflex has recently engineered a 9.5 micron PET ALOx transparent film which is the thinnest coated film ever and has enhanced barrier properties, with WVTR and OTR both significantly less than 1.

Flexfresh™ film that the engineers at Uflex have developed for keeping the freshness of fresh produce intact is a biodegradable (by composting) film working on the Active Modified Atmospheric Packaging technology.

Pointing out that “the world has sat up and taken note of the merits of flexible packaging,” Rajesh Bhatia, Group President (Finance and Accounts) adds, “Uflex is treading steadfast to retain its leadership position by offering flexible packaging solutions with superior aesthetics; enhanced functionalities; optimized barrier properties; most advanced anti-counterfeiting features and utmost concern for sustainability.”

Upholding its commitment to a circular economy, the company has developed a technology for reprocessing the waste arising out of production of various flexible packaging products. This helps in reduction of material waste at landfills, underscoring the importance that the company ascribes to the environment and sustainability. These are just some of the very many ways in which Uflex supports environmental sustainability.

At Uflex, innovation and sustainability go hand in hand, keeping the green promise by using renewable resources, maximizing post-consumer recycle usage, reducing all-production waste, reusing all-production waste, using all non-recyclable waste to produce energy, and progressively optimising energy consumption.

As India's largest multinational flexible packaging materials and solutions company, Uflex accords a very high value to socio-environmental responsiveness. The company has been engaged in meaningful social sustainability initiatives well before corporate social responsibility (CSR) became mandatory following the enactment of the Companies Act, 2013.

## IMPECCABLE R&D

Innovation to create value-added differentiation, riding on the back of strong R&D interventions, is the *raison d'être* of Uflex. Product development is a collaborative process at the company, with its manufacturing plants/shop floors actually serving as laboratories for its clients globally. The product development/R&D teams at Uflex continually interface with the clients on the shop floor to engineer the most optimized and sustainable flexible packaging solutions. All quality parameters are assessed against top-notch national and

international standards.

Some of the disruptive, multifarious innovations and announcements by Uflex in the last one year, that are creating ripples in the industry, are:

- Uflex engineered the thinnest PET ALOx super barrier polyester film. This is a transparent film with Water Vapour Transmission and Oxygen Transmission Rates both less than 1. No player other than Uflex offers such a thin PET ALOx speciality film with such superior barrier properties.

- It launched the game-changer in pharmaceutical packaging. The nylon and PVC films in a typical Alu-Alucold formed blister substrate have been replaced by a special proprietary patented polyester film engineered by the company's films business.

- The company has developed a flexible packaging material with anti-microbial properties. In this packaging, the sealant layer is compounded with special anti-microbial properties. Thus, the shelf life of a sandwich has gone up from 3-4 days to 8-9 days at room temperature.

- The company launched a Super Barrier Polyester Film without any coating or co-extrusion of Polyvinylidene Chloride (PVDC) and Ethylene Vinyl Alcohol (EVOH) for enhancing barrier properties.

- Uflex launched an Extended Shelf Life Aseptic Flexi-Pouch Machine for packaging milk, that extends the shelf life of the product up to 90 days without refrigeration. This machine packs milk in a pouch formed of a five-layer extruded/blown polyethylene film with strong barrier properties, including a black layer for UV protection. As a fully integrated packaging solutions provider, Uflex also offers the especially extruded/blown film.

- The company developed a melamine-free, acrylic coated BOPET film with good printability and enhanced lamination bond. The new film is primer coated on one side, providing emphatic adhesion with inks and adhesives. The film possesses good mechanical, surface and thermal properties, ensuring excellent processability.

- Under a technology transfer agreement with Comiflex of Italy, Uflex is in the advanced stage of manufacturing its first central impression, eight-colour, 1,300 mm web width CI flexo-printing press at its engineering plant in Noida. The printing speed of the machine is 400m/min. The machine will be installed at the converting business of Uflex in November 2017. Once the flexo-press is tried and tested, more special bespoke machines will be manufactured and marketed.

- Uflex launched a reflective colour communications system for the converting industry. This system can offer a metallic effect on non-metallic substrates without using expensive metallic inks.

- Flex Films, the global film manufacturing arm of Uflex, developed a specialty polymeric film that replaces BOPA, commonly known as nylon.

# Accolades galore

**The** flexible packaging behemoth is regularly acknowledged for its innovative, ahead-of-the-curve and efficient packaging solutions, both at national as well as international platforms. Some of the recent accolades conferred upon Uflex are:

- Five India Star Packaging Excellence Awards by Indian Institute of Packaging (September 2017).
- CII National Award for Excellence in Water Management 2017 to Chemicals Business (September 2017).
- Asia's Most Promising Brand in Packaging Sector 2017 by World Consulting & Research Corporation (August 2017).
- Bureaucracy Today CSR Excellence Award 2017 for Conservation of Natural Resources and Optimization of Ecosystem (August 2017).
- Best L&D Team of the Year; TISS Leapvault CLO Award 2017 (August 2017).
- AIMCAL Marketing Excellence Award for 3D STC Zipper Bag with a Side Gusset Handle (manufactured for Samaa Basmati Rice) (April 2017).
- Asia's Most Trusted Flexible Packaging Solution Company Award 2016 by International Brand Consulting Corporation, USA (April 2017).
- 2 Gold and 2 Silver Flexible Packaging Achievement Awards for Waterless Internet Flower Packaging by Flexible Packaging Association (FPA) (March 2017).
- Best Environment Friendly Project to Uflex Limited's intervention 'Natural Resource Conservation & Optimization of Ecosystem Services' - ABP News CSR Leadership Awards 2017 (February 2017).
- Best Corporate Social Responsibility Initiative in Sports to Uflex Limited's social sustainability initiative 'Sports for Growth' - ABP News CSR Leadership Awards 2017 (February 2017).
- 4th Rank in Dream Companies to Work For by World HRD Congress 2017 (February 2017).

Best in Employee Empowerment Award by World HRD Congress 2017 under the HR Technical Awards Category (February 2017). ■

- Uflex successfully optimized laser-engraved cell structures for rotogravure cylinders to reduce ink GSM at the convertors' end, significantly bringing down the recurring printing costs.

- The company launched a profile pouch for liquids with a sonically sealed spout. The major differentiator in this pack lies in its dispensing mechanism. Conventionally, spouts are heat-seal welded to the pouches, often resulting in leakage and degeneration, but in this case at Uflex, sound waves at a very high frequency are generated and passed between the spout surface and the laminate. These high frequency waves vibrate the molecules of both the PE layer of the laminate and that of the spout surface, enabling a strong leak-proof seal.

- Uflex witnessed a major breakthrough in the shelf life test for its special polymeric patented liner bags Flexfresh™, conducted by a prominent European retail chain that shipped blueberries from South America to Europe via the sea route. While the loose blueberries resulted in an average weight loss of 19.96%, those packed in Flexfresh™ shed merely 0.76% weight after a period of 7 weeks, as checked upon arrival. These award-winning liner bags, working on the Active Modified Atmospheric Packaging (AMAP) prin-

ciple, have been tested time and again for significant shelf-life enhancement of fresh fruits, vegetables and flowers.

## Growing from strength to strength

The excellent quality of its products and the rising demand for them at home as well as abroad are well reflected in the company's financial performance. During the last five years, its sales turnover has expanded from Rs. 5182 crore to Rs. 6250 crore in the fiscal 2017 with the profit at gross level inching up from Rs. 190 crore to Rs. 348 crore during this period. The company's financial position is very strong with reserves at the end of March 31, 2017 amounting to Rs. 3557 crore – around 50 times its equity capital of Rs. 72 crore. Though it has not made any bonus issue so far, the company has been regularly paying dividends, the rate for the last year being 35 per cent.

The company is doing all the more better in the current year, if the actual performance in the Q1 fiscal 2018 is any indication.

During the quarter ended 30 June 2017, The company has clocked an 8% bottomline growth (Y-O-Y). In absolute terms, the consolidated net profit stood at Rs. 93 crore as compared to Rs. 86 crore during the first quarter of FY 2016-



# In support of Social sustainability intervention

**Uflex** for the past several years has been supporting social sustainability intervention 'Sports for Growth' for upholding the right of children to play freely irrespective of caste, creed, religion, gender, socio-economic status, ethnicity, cognitive abilities, geographic affiliation, etc., as enshrined in the United Nations Convention on the Rights of the Child (UNCRC). By supporting this intervention in alliance with the implementation agency STAIRS, Uflex is working towards institutionalisation of sports in the best interest of underprivileged children and youth, with a particular emphasis on the inclusion of the girl child and the differently abled.

The company also stands committed to support many such interventions in the future. It has undertaken a focused intervention, 'Natural Resource Conservation and Optimization of Ecosystem' — initiatives at three villages in Gautam Buddha Nagar district of Uttar Pradesh and one village in Bhind district of Madhya Pradesh.

The overall goal of the environmental sustainability intervention is capacity building of the community to conserve and optimise the natural resource base in the selected villages through rainwater harvesting and tree plantation.

17. At the operating level, consolidated EBITDA rose by 4% to stand at Rs. 236 crore as against Rs. 228 crore during the same period in the previous fiscal. The total revenue for the quarter of was Rs.1,624 crore as against Rs. 1,516 crore in the same quarter last year, thereby registering a 7% topline growth (Y-O-Y). The total sales volume also grew by 5% as compared to the first quarter of FY 2016-17.

During the full fiscal year 2018, taking into consideration the year-round launches of value-added flexible packaging products, specialty films and the recently commissioned aseptic liquid packaging material plant, Uflex expects a 15 per cent rise in the turnover and a 20 per cent spurt in earnings.

Globally, the flexible packaging industry is currently growing anywhere between 5-6% on an average. In India, in value terms this sector is pegged at \$12-15 billion (out of the total packaging industry which stands at \$30-35 billion). The packaging sector as a whole in India is growing at around 15-16% while the flexible packaging segment is growing in excess of 20%.

## DOMESTIC POTENTIAL

The penetration of packaging in our country is very low, with almost 90% of consumer goods, particularly food products, sold unpackaged or loose. The per capita packaging consumption in India is as low as 4.5 kg currently, while that in Taiwan, Germany and the US is around 19, 50 and 71 kg respectively. But as the economy grows, consumerism is boosted and retail prospers, this gap will shrink. For the myriad benefits that are derived by flexible packaging in terms of light-weighting/ down-gauging, sustainability, reduction at source, high product to package ratio, less energy utilization at all the three stages of the product lifecycle; i.e. manufacturing, transportation and disposal, there is no stopping the flexible packaging industry, so to speak.

Considering the recent commissioning of Uflex's aseptic liquid packaging material manufacturing plant at Sanand,

Gujarat, current investments already made towards enhancing manufacturing processes and capacity utilization, and the ongoing R&D initiatives that are underway towards offering newer, fully-integrated, innovative end-to-end flexible packaging solutions, Uflex is looking at a consolidated topline of around Rs. 9,000 crore by FY 2020. Any additional investments made towards the aforesaid activities will further give a boost to the topline over and above what has been projected and estimated currently. All businesses of the company, i.e., films (at all locations — India, UAE, Poland, Egypt, Mexico and the US), packaging material manufacturing, engineering, holography, chemicals and cylinders are heading towards optimal capacity utilization.

Uflex serves all top-of-the-line brands and clients globally and this relationship is only improving by the day, further brightening the company's business prospects in the years to come. The company is planning to gain a strong toehold for its value-added flexible packaging products overseas, which will further strengthen its export position and thereby positively impact sectoral leadership and growth.

## THE WAY AHEAD

The road map is very clear. Uflex is looking to expand with a product-specific approach and will consider expansion in terms of unique specialized products hereafter. The company is doing everything that is required to further rev up its product innovation quotient by launching bespoke and specialized packaging solutions. The company is working with the mandate of creating innovative and value added top-of-the line flexible packaging solutions. And it plans to unrelentingly continue to adopt cutting-edge technology that will help it achieve its objectives. That will be a win-win solution all around: not only will it progressively add value to its clients' business globally, it will take the company, and in its wake the flexible packaging industry as a whole, to the next level of packaging sophistication and penetration. ■