

THE ECONOMIC TIMES

# POLYMERS

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## INTERVIEW

*India's growth story*  
**Adnan Ahmad,**  
*Clariant Chemicals*

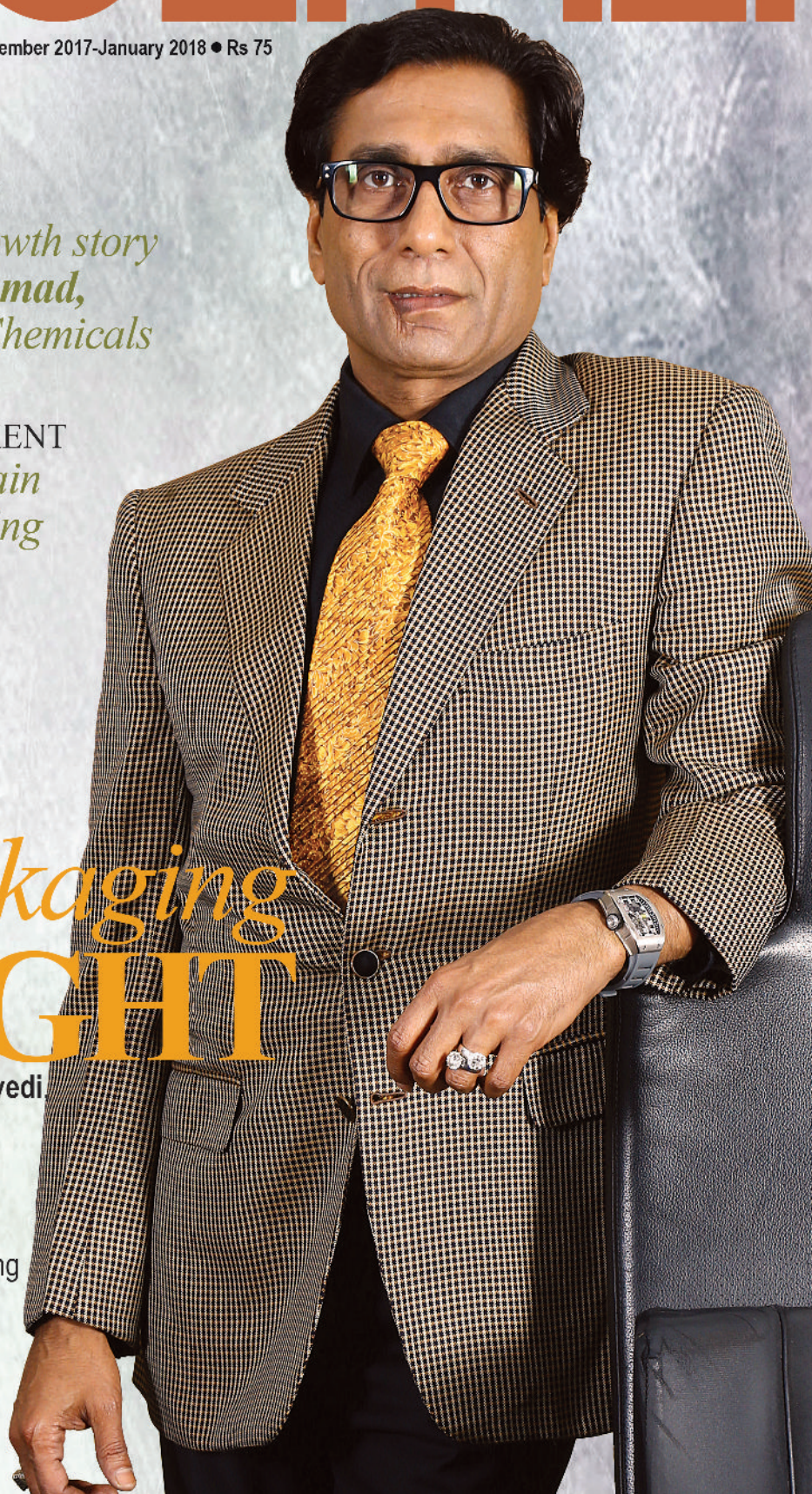
## PROCUREMENT

*Supply chain  
& Marketing*

## *Packaging* **RIGHT**

**Ashok Chaturvedi**

Founder, CMD,  
Uflex says  
that there is a  
long way to go  
for the packaging  
industry.





# *Packaging it* **RIGHT**



**ASHOK CHATURVEDI**, FOUNDER, CHAIRMAN & MANAGING DIRECTOR, UFLEX LTD TALKS TO ET POLYMERS ABOUT THE COMPANY'S JOURNEY SO FAR AND LOOKS AHEAD WITH CONFIDENCE TO ACHIEVE MANY MORE MILESTONES.

By Swati Deshpande





he journey of Uflex Ltd began in 1985. “I am a first generation entrepreneur and had made humble beginnings back in 1985. Ever since, Uflex has grown from strength to strength to become India’s largest multinational flexible packaging materials and Solution Company.

In the Financial Year 2016-17, we registered total revenue of approximately 1 Billion USD,” says Ashok Chaturvedi, Founder, Chairman & Managing Director, Uflex Ltd.

Going down the memory lane, he says, “We started operations three decades ago. In our early days, we launched sachets/unit pouches for Mouth Fresheners, Shampoo, Candies, Tomato Ketchup, etc. that changed the way FMCG products were marketed. This also brought expensive brands within the reach of common people without pinching their pockets.”

Since those days he never looked back and went on establishing state-of-the-art flexible packaging material manufacturing facilities at multiple locations in India. “The company has installed capacity of around 100,000 TPA and has polymeric film manufacturing facilities in India, UAE, Mexico Egypt, Poland and USA with cumulative installed capacity in excess of 337,000 TPA. Talking particularly about India our polymeric film manufacturing capacity for Bi-axially oriented Polyethylene Terephthalate (BOPET); Bi-axially Oriented Polypropylene (BOPP) and Cast Polypropylene (CPP) Films and other metallised and speciality films in India is around 1,20,000 TPA,” informs Chaturvedi.

**“Our strength lies in our robust sales and distribution network all over. We are forever in contact with our customers across geographies to tap their pulse and understand their behavior. This is an inherent component of our market intelligence strategy.”**

Elaborating further he says, “Integrated within our core business profile are our allied activities like Engineering, Cylinders, Holography and Chemicals that further give Uflex a superior edge above competition besides qualifying it to be fully integrated end to end flexible packaging materials and solution company. Therefore, we have six strategic business units giving us the competitive edge and have helped earning an irreproachable reputation of being a fully integrated end to end flexible packaging material and solution company with our products enjoying a formidable market presence in over 140 countries across the globe.” These six businesses are Packaging Film, Packaging Products, Engineering, Cylinders, Holography and Chemicals.

“The capacity for holographic and associated brand protection solutions is approximately 8,600 TPA, while that for Inks, adhesives, coatings and Polyols is about 41,000 TPA. We manufacture around 89,000 rotogravure cylinders per annum. Being a fully integrated flexible packaging company we not just manufacture packaging material but also manufacture the converting machines for producing flexible packaging material and packaging machines for filling and sealing the flexi packs. We manufacture around 1,570 converting and packaging machines per annum in India,” he elaborates.

### Global footprint

Going beyond the boundaries, Uflex has also established factories at five locations abroad. “Proximity to customers for ensuring just in time deliveries is one of the most important pillars of our business strategy. To be able to cater to the diverse requirements of converters from across the globe we set up polymeric film manufacturing facilities outside India at strategic nodes across the globe,” he continues.

In other words, the company serves to the customers across the globe. When asked to name few prestigious customers, he says, “Considering the expanse of our business operations servicing the entire spectrum of flexible packaging requirements, it

would not be possible to list all the names, however some of our esteemed clients on the global turf include P&G, PepsiCo; Tata Global; Mondelez, L’Oreal, Britannia, Haldiram, Amul, Kimberly Clark, Ferro Rocher, Perfetti, GSK, Nestle, Agrotech Foods, Coca Cola, Wrigley, Johnson & Johnson among several others.”

Serving numerous customers located on different continents having diverse mindset is a humongous task. And how does manage to undertake this task? Speaking on the same, he says, “Our products enjoy a formida-





**“In the times to come with the growth of organized retail, flexible packaging penetration which currently hovers at early double digits (in terms of percentage) is bound to rise. Brands and their packaging suppliers will play a very important role in further educating the customers about packaging after-all packaging forms the first tryst of a Brand with the customers at the Point-of-Sale (P-O-S).”**

ble market presence in over 140 countries across the globe. Our strength lies in our robust sales and distribution network all over. We are forever in contact with our customers across geographies to tap their pulse and understand their behaviour. This is an inherent component of our market intelligence strategy. The circuit between our sales / distribution team and the Research & Development team is strong and intact paving way for instantaneous exchange of information and quick execution. Our speed to market reach is benchmarked in the industry, making the most of which we reap the first mover advantage in the best interest of our clients globally.”

But which industries drive the company's business?

“Nearly 80 percent of the revenue for the flexible packaging industry in India without exception comes from the FMCG sector out of which majority is from food. Other industries that are also catching up rapidly thereby giving an impetus to the flexible packaging sector are dairy, pharmaceutical, beverages, snacks and confectionery among others,” reveals Chaturvedi.

### Indian mindset

Commenting on the Indian customers, he says, “There is a credible reason for everybody to believe why the flexible packaging sector in emerging countries like India is enjoying a growth of around 20 percent when the same in the matured economies is growing at around 4-5 percent. The consumers in India are evolving at a rapid pace. Indian Customers have started acknowledging the functional and sustainability merits of flexible packaging. They are analysing the pros of flexible packaging over the cons of rigid packaging in terms of much lesser energy consumption through-out the three phases of the life-cycle i.e. manufacturing, transportation and disposal. Amidst busy life-styles flexible packaging truly justifying its genre offers immense convenience and flexibility to the new age customers. Indian Customers are sitting up and taking notice of all of this. In the times to come with the growth of organised retail, flexible packaging penetration which currently hovers at early double digits (in terms of percentage) is bound to rise. Brands and their packaging suppliers will play a very important role in further educating the customers about packaging after-all packaging forms the first tryst of a Brand with the customers at the Point-of-Sale (P-O-S). One must understand and appreciate the fact that Packaging can never be alienated from the overall product experience.”

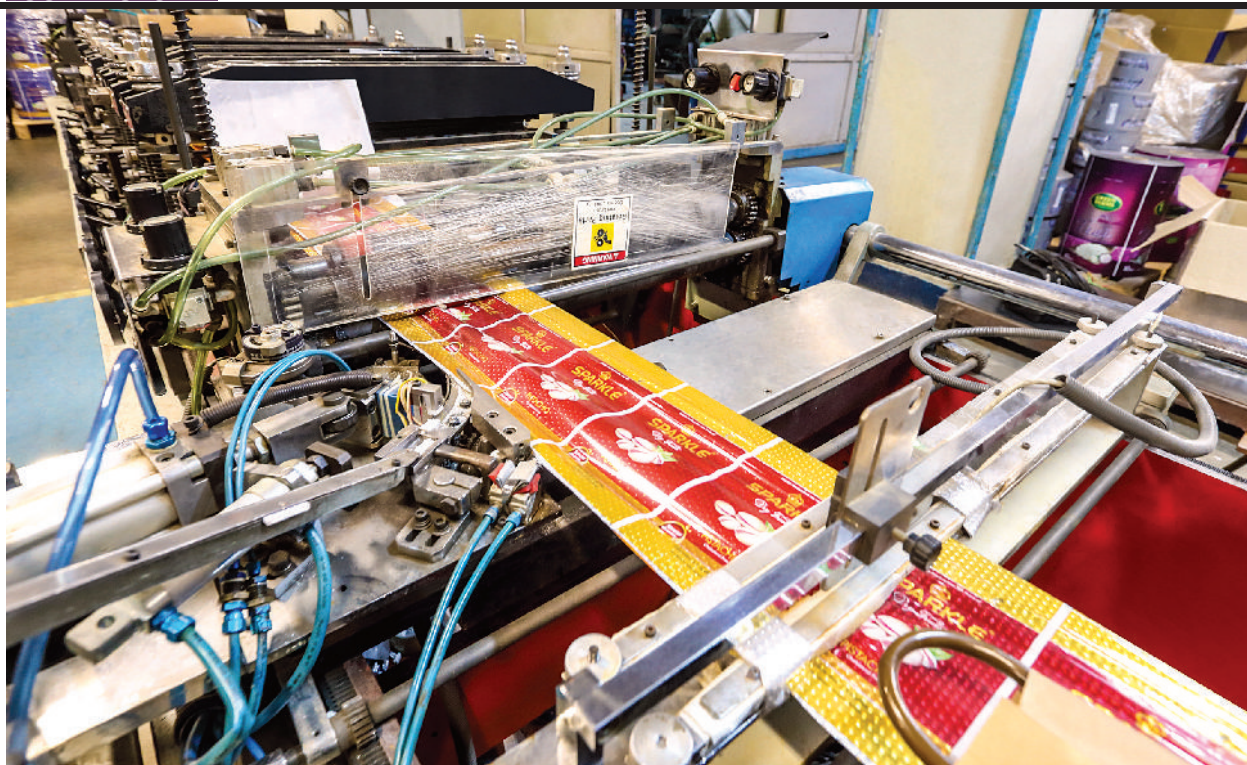
Of course while serving numerous customers, the company has innovated and reinvented packaging ideas. Speaking on the same, he says “Innovation to create value added differentiation is a way of life at Uflex and the foremost guiding business principle. The flexible packaging industry in India is growing at around 20

### Uflex's global footprint

- (a) Flex Middle East FZE (UAE)
- (b) Flex Américas S.A. de C.V. (Mexico)
- (c) Flex P. Films (Egypt) S.A.E.
- (d) Flex Films Europa Sp. Z.o.o. (Poland)
- (e) Flex Films (USA) Inc.







percent per annum and has been dynamically evolving in terms of value addition. Keeping pace with requirements from our global clientele, we have covered substantial ground towards innovation and continue to do so. Innovation is inalienable to Research and Development which we stand strongly committed to.”

“All Businesses at Uflex have their Research and Development wings. I am pleased to let you know that we have an extremely collaborative approach with our clients and they actually make the most of our R&D Labs and Production shop floor to come up with absolutely bespoke flexible packaging solutions. All employees across the organization are encouraged to ideate for improving our products and processes. The Heads of Business at Uflex play a very important role in collating thoughts and suggestions shared by their respective teams and putting them to good use. This is huge wealth after all!” he adds.

### Innovations

Giving some examples of the innovation from the company, Chaturvedi says, “Uflex has launched Active Modified Atmospheric Packaging solution Flexfresh liner bags for packing fresh fruits, vegetables and flowers. This specially patented proprietary polymeric film by Uflex is the first ever to be biodegradable by composting. It attains a holy grail of oxygen and water barrier for packaging fresh produce. Flexfresh while maintaining humidity inside the bag at 98 percent, keeps the product absolutely dry without allowing condensation of the humidity. This results in very low weight loss of the fresh produce as it continues to breathe in hydrated oxygen available inside the bag. In several experiments on various fresh products, it has been observed that the ratio of oxygen and carbon dioxide has always been maintained at equilibrium inside the liner bag. The film provides good release characteristics of CO<sub>2</sub> emitted by the produce. This ensures that

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the produce is protected naturally from diseases such as Botrytis, Gray Mold etc. using high CO<sub>2</sub> content. The icing on the cake is that while offering all the benefits, Flexfresh Film is biodegradable by composting. Thus, Flexfresh complies with all international regulations for overall migration (EC 1935/2004), reach compliance (EC 1907/2006) and qualifies for biodegradation under DIN EN 13432 (2000-12). This film has successfully been tested as a reliable shelf life extension solution for several types of Fruits, Vegetables and Flowers. There is a growing demand for this packaging solution from exporters from across the globe who are gradually switching from expensive air freight to sea freight for supplying their fresh produce.”

Another example of recent innovation that he illustrated was of a packaging solution. “We launched the game-changer in pharmaceutical packaging. The Nylon and PVC films in a typical/ conventional Alu-Alu substrate have been replaced by special proprietary patented polyester film that our films business has engineered.” Uflex has also launched profile pouch for liquids with 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 degen-



eration, 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 PE layer of the laminate and that of the spout surface enabling a strong leak-proof seal," he shares.

When asked about one of the innovations that is very close to his heart, Chaturvedi mentions, "This is a tough one. We are an innovation oriented company. I personally oversee Research and Development wings of all our business verticals. All innovations done at Uflex across geographies are very close to my heart. I am particularly happy about the unparalleled value addition that we have been able to bring around by introducing innovative brand protection and anti-counterfeiting solutions for our global clientele."

At the same time he also highlighted the current issues faced by the industry. "The burgeoning menace of counterfeiting is a very serious issue. According to a recent research report by a leading brand management consultancy, counterfeiting now costs more than 2 percent of the global economic output that works out to around \$1.8 trillion a year. The dark underbelly of counterfeiting is expanding by over 15 percent every year, which is alarming. Consumer goods account for over 46 percent of the counterfeiting trade."

Going ahead, the Chaturvedi feels that the future of packaging is bright. "Globally the flexible packaging industry is currently growing anywhere between 5-6 percent 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 percent while the flexible packaging segment is growing clearly at around 20 percent."

"The penetration of packaging in our country is very low with almost 90 percent of consumer goods particularly food products being sold unpackaged or in loose form. 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 our economy grows, consumerism is boosted,

retail prospers; this gap will decrease. For the myriad benefits that are derived by flexible packaging in terms of lightweighting/ down-gauging, sustainability, reduction at source, high product to package ratio, lesser energy utilization at all the three stages of the product life-cycle i.e. manufacturing, transportation and disposal, there is no stopping for the flexible packaging industry hereon so to speak," he adds.

### Making it in India

Amidst this scenario, Make in India has also created conducive environment for growth. "Make in India is a shot in the arm for the manufacturing sector of our country. I see it as a perfect formula for

**“ Make in India is a shot in the arm for the manufacturing sector of our country. I see it as a perfect formula for taking the contribution of the manufacturing sector to India's GDP, from the current 16-25 percent by 2022. Make in India has clearly started yielding the benefits for which it was conceived. ”**

taking the contribution of the manufacturing sector to India's GDP, from the current 16-25 percent by 2022. If you look at the three key litmus macro-economic indicators; i.e. (a) Number of Industrial Projects being set up in the country, (b) Foreign Direct Investment and (c) Merchandise exports over the years, they all show an encouraging uptrend. Make in India has clearly started yielding the benefits for which it was conceived. We are an Indian Multinational and take pride to be a part of India's Growth Story over the years. I am humbled to state that our products enjoy a formidable market presence in over 140 countries across the globe showcasing the prowess and capabilities of Indian Flexible Packaging."

"Our recently commissioned Aseptic Liquid Packaging Material Manufacturing Plant at Sanand in the Industrial hub of Gujarat re-affirms my organisation's commitment towards Make in India initiative," he continues.

On a concluding note, Chaturvedi says that the company has set a target to achieve the goal of Rs. 9,000 crore turn-over. "Uflex as you would know thrives on innovation to create value added differentiation for its global clientele. This holds true for all our businesses. Considering the encouragingly growing demand for our value added end to end flexible packaging solutions we are looking at achieving Rs. 9,000 crore turn-over on a consolidated basis by FY 2019-20," he reveals. 