INDIA'S PACKAGING STORY is moving beyond bags, films and bottles to technologies that preserve products longer while reducing dependence on cold-chain infrastructure. Aseptic liquid packaging is emerging as one of the fastest-growing segments, giving Noida-based UFlex and its Aseptic Packaging Business housed under Asepto an opportunity to expand from a local manufacturing base into a global platform.

Driven by urbanisation, changing consumption habits and demand for safe, shelf-stable products, India's aseptic liquid packaging market is expanding at an estimated 17 per cent to 18 per cent annually. Industry forecasts indicate liquid packaging volumes could double over the next five years to over 20 billion packs a year or even more.



GLOBAL PACKAGING PUSH

UFlex's Asepto is expanding capacity in India and Egypt to turn rising demand for aseptic packaging into a technology-led global manufacturing network

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That growth is encouraging Indian packaging companies to move from cost-efficient supply towards technology-led manufacturing. Asepto is pursuing that transition through capacity expansion in Gujarat and a large overseas manufacturing investment.

At Sanand, Gujarat, Asepto has already expanded its annual capacity from 7 billion to 12 billion packs. UFlex has also secured a 20-year Indian patent for its proprietary high-speed twin aseptic packaging machine, strengthening its technology proposition as demand grows across dairy, juices and other shelf-stable products.

The Sanand facility has added printing and extrusion capacity progressively since 2017, while 35 per cent to 40 per cent of its production is already exported. Asepto serves more than 250 customers across 50 countries. The next step is international manufacturing.

Global ambitions

UFlex has already invested a large chunk of its earmarked $126 million in a greenfield Asepto plant at Ain Sokhna in Egypt's Suez Canal Economic Zone. Spread across 30 acres, the highly automated facility will add 12 billion aseptic packs annually, taking Asepto's global manufacturing capacity to 24 billion packs.

The location is central to the strategy. Ain Sokhna sits alongside the Suez Canal and provides access to Europe, the Commonwealth of Independent States, Africa, the Gulf Cooperation Council and the wider Middle East and North Africa region, as well as Latin and North America. The company expects these markets to be reachable within five to 30 days.

"Ain Sokhna gives us the ability to provide both, at global scale," says Ashwani K. Sharma, President &







"Egypt facility gives us reach to the markets of Europe, Africa, MENA and South America" **ASHWANI K. SHARMA,**
President & CEO, Asepto

CEO – Aseptic Packaging Business, UFlex, referring to reliable supply and faster response. The investment is intended to shift Asepto from an export-led model towards a manufacturing-led global network, placing production closer to international customers.

The Egypt investment changes the economics of Asepto's international expansion. Instead of shipping packs over long distances from India, the company can manufacture closer to consumption centres, helping reduce transit time and improve supply-chain resilience. That becomes particularly relevant in aseptic packaging, where beverage and dairy companies depend on deliveries to keep filling lines running without interruption.

The Egypt facility is undergoing customer validation trials and is expected to begin commercial manufacturing by the end of 2026. Management expects utilisation to rise from about 30 per cent in the first full year to 70 per cent in the second and 100 per cent in the third, driven by product qualifications, customer on-boarding and rising orders.

The plant brings together international technologies for printing, extrusion lamination, slitting, packaging, quality control and automated material handling. Its design also incorporates energy-efficient utilities, resource conservation and advanced water recycling systems.

For India, the overseas move does not mean a retreat from domestic opportunity. The company continues to deepen its Gujarat base even as Egypt develops into a second manufacturing engine. This two-market approach gives Asepto flexibility to allocate production according to geography, customer requirements and demand cycles, while reducing its dependence on a manufacturing location.

It also gives an Indian packaging company a platform from which to build relationships with food and beverage brands.

Financial performance

For UFlex, the investment forms part of a broader global capital expenditure cycle. The company reported consolidated revenue of Rs 15,513 crore in FY26, up 2.1 per cent year-on-year, while EBITDA rose 8.1 per cent to Rs 1,983.6 crore. Consolidated net profit increased 123 per cent to Rs 317.1 crore from Rs 142.3 crore in FY25.

In Q1 FY27, UFlex reported consolidated net profit of Rs 423.3 crore, up 629.7 per cent year-on-year, alongside a 37.6 per cent rise in revenue. The sharp increase reflects a low base as well as improving business conditions, while several capacity investments are now moving towards commercial utilisation.

"Growth and financial discipline have to move together," Sharma says, adding that the immediate priority is to scale capacities, improve utilisation and profitability, generate sustainable cash flows and strengthen the balance sheet.

The expansion comes as the broader Indian plastic and flexible packaging market is estimated to



exceed Rs 2.5 lakh crore by the end of the decade, with flexible materials accounting for roughly 65 per cent of the plastic packaging footprint. Aseptic liquid packaging is a specialised segment, but its demand drivers are distinctive: longer shelf life, product safety, wider distribution and lower dependence on refrigerated logistics.

The opportunity is being shaped by a shift in consumer behaviour. Longer distribution chains, rising demand for convenience and the need to preserve products without refrigeration are encouraging manufacturers to look at aseptic formats more closely. For packaging suppliers, this is moving the conversation beyond material costs towards technology, reliability, sustainability and the ability to support customers across markets.

The broader flexible packaging industry was already showing signs of recovery last year. A year-ago, Crisil Ratings had said flexible packaging companies were set for a 14 per cent to 16 per cent rebound in sales, supported by higher domestic realisations and capacity utilisation. It did come true. "The flexible packaging industry will see a rebound in revenues this fiscal, driven by two major factors," S. Chakravarty, Director, Crisil Ratings had said. Crisil had said it expected domestic demand, particularly from FMCG, to offset weaker exports and estimated industry volumes would grow 3 per cent to 5 per cent that fiscal.

R. Narkar, of Crisil Ratings added: "Strong profitability will drive a substantial increase in cash accruals this fiscal." Crisil also expected leverage to improve as higher utilisation and realisations strengthened cash generation. It cautioned, however, that the industry has historically moved through cycles in which strong profitability encourages capacity additions, eventually producing oversupply.

That cyclical risk matters to capacity-heavy businesses, even though aseptic liquid packaging has different demand dynamics from conventional flexible packaging.



The big test

The test for Asepto, experts say, will be whether new capacity is absorbed through sustained demand, customer conversion and product differentiation. The company is therefore competing on more than price. Its portfolio includes holography, foil stamping, customised colours, anti-counterfeiting solutions and Dynamic QR codes, while its filling machines can operate at 10,000 to 25,000 packs an hour. Through Asepto PRO, more than 100 engineers globally provide technical support.

"We therefore compete on the overall value we deliver," Sharma says, pointing to lead times, inventory, line performance, quality consistency and technical support alongside the pack price.

Sustainability is another component. UFlex has built recycling capabilities across PET, multilayer plastics and multilayer aseptic packaging, with global recycling capacity of about 114,000 tonnes a year. Its enzymatic delamination technology is designed to separate multilayer aseptic packaging waste so paper fibre, polymer and aluminium components can be recovered for further applications.

The strategic division of labour is increasingly visible: India provides scale, an established customer ecosystem and a strong manufacturing base, while Egypt adds geographic reach, resilience and proximity to international markets.

As India moves towards a projected 20 billion liquid packs a year, the next phase will test whether domestic engineering, technology and scale can translate into durable global manufacturing franchises. For UFlex and Asepto, the bet is that liquid packaging will increasingly shape how food and beverages are preserved, distributed and differentiated across domestic and international markets.

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