



The Seal of Genuineness

**HOLOSTIK**<sup>TM</sup>

YOUR AUTHENTICATION SOLUTIONS PARTNER

# The Holostik Times

Creating A More Secure World Digitally

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04 ISSUE 01 VOLUME

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**R**ight from the beginning of this financial year, we have been following our vision with full vigour to achieve new milestones in the anti-counterfeiting industry.

With great pleasure, I'd like to share with our readers that, just like the previous years, we have successfully organized the Annual Holostik Group Conclave in the month of April at Hotel Radisson in Greater Noida.

The four-day event witnessed the participation of different members of Team Holostik from across the country. The event comprised of planning Holostik's vision for the entire year, message from the management, felicitation ceremony and much more on the strategic front.

Besides this, Holostik participated in Rice Pro-Tech Expo which took place in the month of May in Ludhiana, Punjab. We showcased our cutting-edge anti-counterfeiting products and solutions for the rice and pulses industry and witnessed a record number of visitors at our stall.

We regularly participate in leading events of diverse industries to extend our reach to the prospective clients and fulfil the changing requirements of current clients.

We hope to reach out to maximum number of people and contribute to create a world free from counterfeiting.

Thank You for reading!

Umendra Kumar Gupta  
Chairman and Managing Director  
Holostik Group

## Counterfeiting in E-Commerce

There has been an upscale growth in the number of consumers on e-commerce sites and the figures are increasing. This growing trend is due to high internet penetration and a large number of choices available on e-commerce sites. In addition, they also provide tempting offers and discounts along with wide variety of choices, at the click of a button. How convenient? Isn't it? However, in the recent past there have been incidents of fake and sub-standard products being delivered to the consumers. The bitter truth is that counterfeiting, or duplication has crept in the e-commerce industry. This has negatively impacted the credibility and profits of different e-commerce websites.



## Facts & Figures

Most consumers are able to identify duplicate products by either recognising that the product is different from what they had ordered, or through the packaging or colour  
**Source Velocity MR**

According to a statistic by market research firm **RedSeer**, the e-commerce industry in India lost \$3.4 billion in GMV (Gross Merchandise Value) due to product returns in 2017

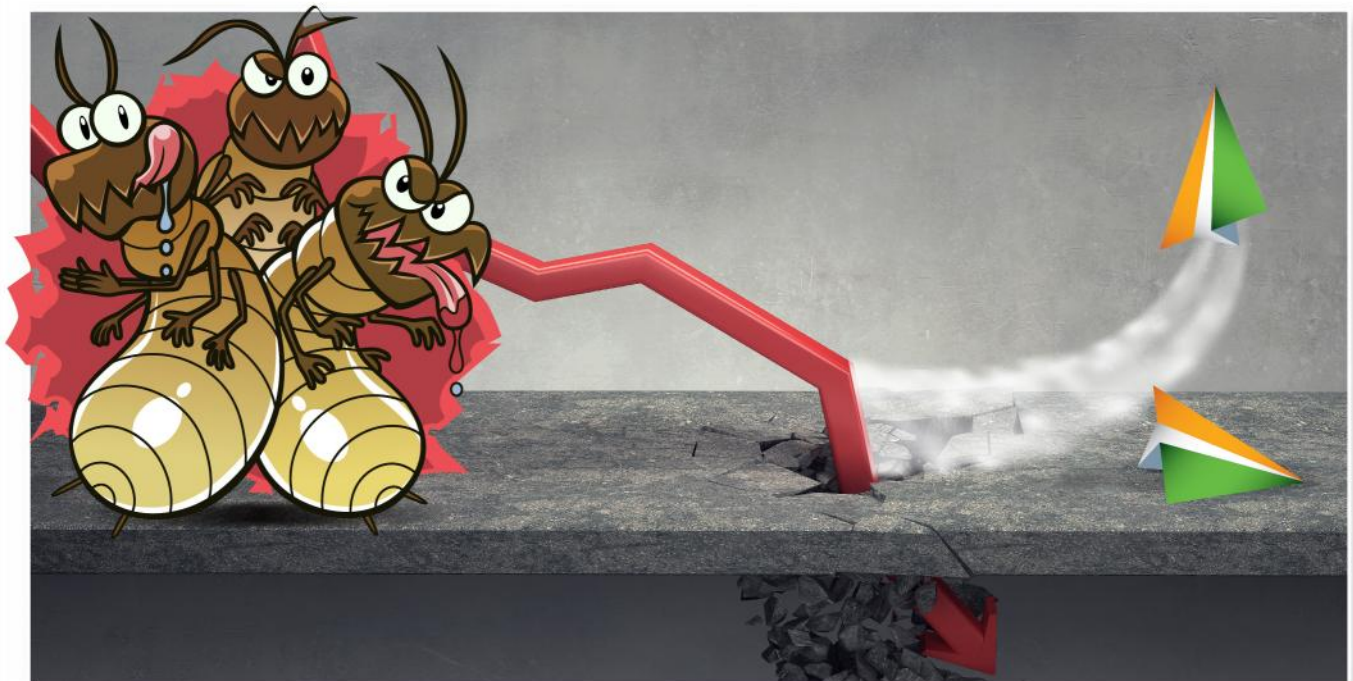
A recent survey on online shopping was conducted in India among 3000 people by **Velocity MR**. The survey showed that one in three shoppers have received fake products shopping online

Another survey conducted by **LocalCircles** shows that 38 % consumers out of 6923 respondents have received a fake product from e-commerce companies in the last one year

In India there are no specific laws which govern online duplication  
**Source: The Fashion Law**



## Why counterfeiting is a bane for national progress?



Counterfeiting has been around for centuries. Historical evidences suggest that first incidents of counterfeiting took place with coins (currencies) and later spread across different aspects of the daily life. Today, it can be found anywhere, be it what we eat? what we wear? or even what we watch?

With time, counterfeiting has infested the economy and ruined businesses. According to Global Brand Counterfeiting Report 2018, "The amount of total counterfeiting globally has reached to 1.2 Trillion USD in 2017 and is bound to reach 1.82 Trillion USD by the year 2020 which includes counterfeiting of all equipment/products from defence equipment's to counterfeiting of watches."

The harrowing figures clearly reflect the critical situation which has culminated due to duplication. From loss of revenue to tarnished brand reputation, loss of jobs to an increase in criminal activities counterfeiting has multiple negative impacts on national growth. Let's discuss some of the major setbacks of counterfeiting.

**Hampers business growth:** Customers who knowingly or unknowingly purchase counterfeit products hamper the growth of different businesses. Sales growth of businesses plummets with time while damaging their trademarks. Credible companies face competition from counterfeiters who not only violate IPR (Intellectual Property Rights) but violate industry regulations without paying taxes. Businesses also have to bear additional costs for carrying out investigations and legal actions against counterfeiters.

**Creates unemployment:** As businesses suffer setback due to counterfeiting it leads to a cutdown and downsizing of the workforce. According to research analysts

approximately 2.5 million jobs have been dismantled by counterfeit black markets worldwide. If counterfeiting continues to grow on a rapid pace, then it will create more unemployment in years to come.

**Less funds for public infrastructure and welfare schemes:** According to a report by FICCI (Federation of Indian Chambers of Commerce and Industry) counterfeit and smuggled goods caused a loss of over Rs 39,239 crore annual revenue to the exchequer in India. Moreover, counterfeiters also don't pay a huge sum of tax which includes sales tax and income tax paid by registered organizations. This enormous amount of money is utilised for development and maintenance of public infrastructure and welfare like roads, electrical supply, bridges, hospitals and others. Skipping of taxes by counterfeiters generates less funds for the government which could be utilized for mass welfare and development.

**Promotes criminal activity:** In the current year, Interpol has seized 7.2 million counterfeit and illicit items weighing more than 120 tonnes and 90,000 litres of liquids across the globe. This data reflects that there is a direct link between counterfeiting and organized crime. Counterfeiting has attracted both organized crime syndicates and petty criminals. They usually find counterfeiting as an effective business tool to generate profits for fuelling other criminal activities.

**Reduces the chances of foreign direct investment:** In case of the poor implementation of IPR rights and law enforcement against counterfeiting offshore business organisations find it risky to invest in a country. This brings down the amount of FDI drastically if situation is not improved.

Besides, the above discussed points counterfeiting negatively impacts the health of the people as they become prone to diseases due to consumption of counterfeit food products and medicines. The repercussions can be of both short and long term. It's a known fact that unhealthy citizens cannot contribute to the development of their country with full potential. Thus, it is another setback with which a nation suffers due to counterfeiting. Infact, it erodes away the socio-economic framework of a nation.

# Did You Know?

## 01

Losses incurred by luxury brands due to the sale of duplicate products through internet accounted to 30.3 Billion USD

Source: Global Brand Counterfeiting Report, 2018

## 02

It's estimated that one in ten IT products sold worldwide are counterfeit.

Source: CSCGlobal

## 03

The United States Secret Service was created on July 5, 1865 to suppress counterfeiting of currency

Source: Wikipedia



## Test

Water test is one of the easiest ways to determine adulteration in turmeric. Take some warm water and sprinkle half spoon of turmeric over it. Leave it as such for 20 minutes, without stirring. Wait for some time, if the turmeric powder settles down completely leaving transparent water above it then it is pure turmeric, if it does not then it is not pure.

Another test is to check the presence of chalk powder. Take some turmeric powder in the test tube and add few drops of hydrochloric acid to it, if the solution emits bubbles then it is impure indicating the presence of chalk powder and yellow soap stone powder. You can also identify adulteration of turmeric roots. Place a turmeric root on a white paper and pour some cold water on it. If the root leaves colours then it is impure and has a coating, if not, then it is consumable.

# SCREEN IT YOURSELF!

## Honey

Adulterant: Use of high fructose corn or rice syrup.



## Test

Determining the genuineness of honey with one test will not give concrete results. In fact, conducting multiple tests is important to differentiate between a fake and original honey.

The most convenient method is the thumb test. In this you just need to pour a drop of honey on your thumb and observe if it's flowing or not. Pure honey will stay intact on the thumb whereas fake honey will flow.

The second test is the water test. For this pour some honey in a glass of water. If the honey dissolves at the bottom of the glass after some minutes then it is not pure and if it stays at the bottom then it is pure.

You can finally conduct the fire test. Take a cotton dab and soak it with honey, now try to burn it. Pure honey dab will burn while fake one will not due to the presence of adulterants.

## Turmeric powder

Adulterant: Turmeric powder is adulterated with saw dust, rice flour, chalk powder and starch. Other harmful adulterants include artificial colours like metanil yellow and lead chromate which are toxic for the human body.



## Revenue Stamps: The impeccable solution against duplication

Revenue or tax stamps are affixed to certain documents and products to determine if tax has been paid on the same. They serve as a physical and legal symbol for tax collected by the concerned authority. In India, tax stamps are generally used in tobacco and liquor industries where they are affixed on cigarette packs and liquor bottles.

### The use of tax stamps

Tax stamps have been put to multiple uses over time- although unintentionally. Besides, being attached to product for taxation, tax stamps are an evident proof of a product to be authentic. It also serves the purpose of anti-tampering seal, as it is placed over the opening of tobacco products or alcohol bottles. Moreover, tax stamps are imprinted with serialised codes which are used for supply chain track and trace and production monitoring.

### Why we need tax stamps?

Liquor and tobacco industries are witnessing a humongous growth but, there has also been a parallel rise of counterfeit products in both industries. According to report by FICCI CASCADE titled 'Illicit Trade: Fuelling terror financing and organised crime', "The market of illicit cigarettes in India is worth 25,000 crores." No wonder, the scale of counterfeiting in the entire tobacco industry can be assumed from these figures alone. The liquor industry is also facing the wrath of counterfeiting. The FICCI report states, "The grey market loss to the alcoholic beverage industry stood at ₹14,140 crore in 2014 with a rise of 150 per cent from the year 2012. This resulted in a huge tax loss to the government with an estimated revenue loss of ₹ 6,309 crore."

Since, liquor, cigarettes and tobacco



products are highly susceptible to counterfeiting therefore, it is essential that tax stamps with high security features are used to avoid sale of fake products and restrict any further losses.

### Holostik offers tax stamps incorporated with most sophisticated technologies

Holostik offers tax stamps which incorporate different types of technologies combined with product authentication, holographic and non-holographic features. The company offers customised tax stamps as per the need of the consumer which helps in increasing tax revenues, curbing duplication, reducing the sale of hooch and subsequent deaths and last but not the least easy identification of genuine products.

Used prominently on substrates like card board, paper, PVC, glass, plastic and metal Holostik offers multiple variants of the tax stamps- as per client's requirement. It includes holographic tax stamps, holographic tax stamps with taggant/talking pen, paper tax stamps and paper tax stamps with holographic transfer.



Some of the high security features which Holostik offers in its tax stamps are as follows

01



Human readable variable data

02



Machine readable encrypted code

03



Micro print

04



Copy void feature

05



Thermochromic inks

06



Colour changing image

## Events & Expos

18<sup>th</sup> - 20<sup>th</sup> May '18



05



The Seal of Genuineness

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## The fatal fake helmets and ways to spot them

# BLOGGERS

Counterfeit helmets have always been a hotly debated issue, particularly when the fakes are winding up progressively and are harder to recognize from bona fide helmets. It's suggested that you should buy your bike helmets from prescribed retailers with an ISI stamp.

A dynamic campaigner for road safety the legendary sports star Sachin Tendulkar has been routinely observed encouraging individuals to utilize head protectors, across web-based social networking posts. He has also raised his concerns over the use of fake and low-quality helmets and wrote a letter to the Union Transport Ministry. Citing media reports, Tendulkar said that more than 70% of bicycle riders in India wind up purchasing counterfeit helmets.

Government authorities are thinking about punishing non-ISI or phony ISI stamped head protector producers yet nothing concrete has been done till now. Tendulkar additionally called for bringing down costs of the good quality helmet, so riders don't look for less expensive alternatives.

Lately, there was been a gigantic crackdown on the individuals who have been offering counterfeit head protectors. In addition to the fact that it is illicit, it could genuinely affect a rider's life if there were to be damage

from a crash.

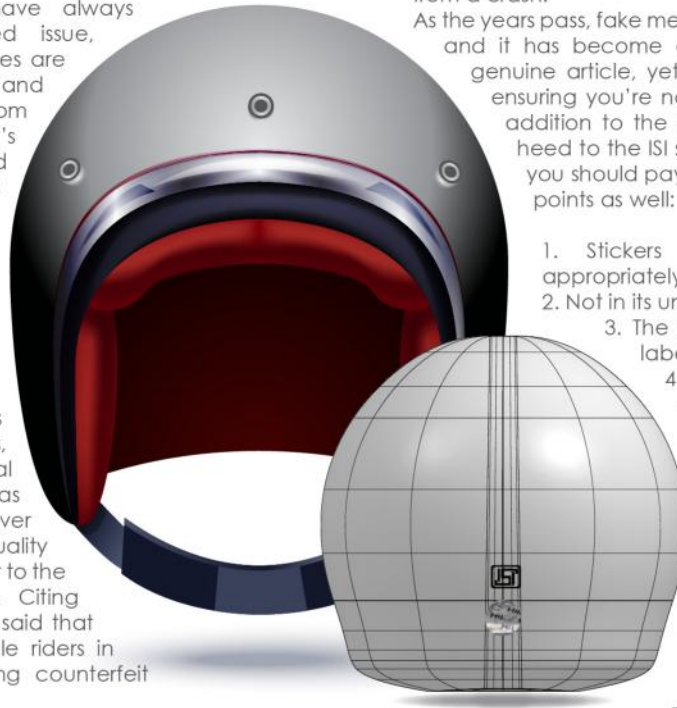
As the years pass, fake merchandisers are winding up greatly and it has become difficult to spot a fake amongst genuine article, yet there are sure shot methods for ensuring you're not buying anything underhand. In addition to the fact that you should pay special heed to the ISI stamp when purchasing a helmet, you should pay special attention to the following points as well:

1. Stickers that haven't been applied appropriately
2. Not in its unique box
3. The absence of booklets/names and labels
4. Low-quality paintwork
5. Scratches on visor/head protector
6. The weight of the head protector

The ideal approach to teach yourselves in spotting genuine from counterfeit is to invest energy in various approved merchants, where you are permitted to touch, feel, test, weight and even notice unique rigging so you can turn out to be more acquainted with it, particularly in case you're another rider.

There are some awesome head protectors out there but, how would you know which one is more secure than the other and really meets the quality guidelines?

As few people purchase a protective helmet since it looks great, without thinking about the results of getting something that won't spare their life, in case of a mischance. A helmet looks cool doesn't really mean it's up to mark.



### Thick Inner Liner-

Any helmet that meets the security standard needs to have an inward liner that ought to be no less than one inch thick and produced using firm polystyrene froth. Now and then that liner may not be noticeable but rather you ought to have the capacity to check its thickness by investigating and feeling it with your fingers. A risky head protector in some cases just contains delicate froth cushioning or in outrageous cases only an exposed plastic shell with no cushioning by any stretch of the imagination.

### The heaviness of the head protector-

Depending on its plan, a dangerous helmet can weigh not as much as a pound. Protective helmets that really meet the

wellbeing prerequisite, by and large, weigh no less than three pounds or more.

### Chinstrap and bolts-

Take time to have a close look at the head protector. Verify there is a durable, generous chinstrap held in place by strong bolts.

### Configuration/ style of the head protector-

Apart from the absence of a wellbeing sticker on the back, a helmet's style can likewise be the giveaway if it's a counterfeit.

So, this is what you additionally need to pay special attention to before buying a helmet



Nanotech, Holostik and Kumbhat sign an exclusive distribution agreement for India



Holostik India Limited and Kumbhat Holographics Co. Limited announced a comprehensive agreement with Nanotech Security Corporation for the distribution of Nanotech's KolourOptik Nano-optical image and colour shifting OTF (optical thin film) products in India.

Nanotech is Canada based leading innovator in research, creation and production of advanced security products for the anti-counterfeiting market. According to the agreement both the companies Holostik and Kumbhat will pay Nanotech an annual licensing fees and will fulfill minimum annual purchase requirements to retain their exclusivity. The supply and license agreement took several months of appointments and trials to become Nanotech's exclusive master distributor of the non-banknote market in India, for an initial period of three years.

Holostik and Kumbhat are the leading providers of anti-counterfeiting solutions which helps to prevent duplication and provide security & integrity to the

brand. Both the companies will get a boost from the agreement. Nanotechnology will help them to get an edge over other market players. Besides this, KolourOptik® and colour shifting OTF will play a substantial role in the growth of anti-counterfeiting industry in India.

Mr. U.K. Gupta Chairman and Managing Director Holostik said that his company has been the most reliable company in providing anti-counterfeiting products and solutions for the last 27 years. With a production capacity of 7.32 million square meters per annum or 800 million pieces of holograms and an annual turnover of over 34,111,040 CAD, his company is the largest supplier of holograms.

Doug Blakeway CEO Nanotech also expressed his happiness on the agreement with top anti-counterfeiting industry players of India. He said that his company sees a strong interest and demand for its products i.e. KolourOptik and colour shifting OTF across different industries. The new partnership would provide a considerable opportunity for them.

Holostik showcases its anti-counterfeiting solutions at Rice Pro-Tech Expo 2018



Holostik was one of the key exhibitors at Rice Pro-Tech Expo which took place between 18th and 20th May 2018 at JIFCO Resorts, Ludhiana, Punjab. The event is India's most preferable & largest international exhibition and conference on rice, wheat, beans & corn milling machinery, solvent extraction plant & apparatus, cleaning, grading, sorting, automation & electrical roofing, warehousing, storage, packaging material, packaging machinery and allied industries.

Holostik showcased its cutting-edge anti-counterfeiting products and solutions for the rice and pulses industry at the three-day event. Punjab is the biggest market for the rice industry. More than 200 lakh ton paddy is produced just in Punjab while Haryana is the centre point of India's rice industry. More than 6000 rice mill operators work in Punjab and Haryana along with brokers and merchants.

On the flipside, rice and pulses are being counterfeited at alarming rates in India which has resulted to huge losses for the brands and is ruining the health of the consumers. Anti-counterfeiting solutions is the best measure against the menace. Large number of visitors displayed their interest in Holostik's anti-counterfeiting solutions and witnessed its application for their products. The event was a dynamic platform for exhibitors to promote their item and meet the forthcoming and existing customers.

The occasion was supported by the Punjab Rice Millers Association, Punjab Roller Flour Miller Association, Haryana Rice Millers & Dealers Association, The Federation of All India Rice Millers Association and a joint gathering of rice mill operators from Punjab and Haryana.



UPCOMING **EVENTS**

**ACMA**  
AUTOMOTIVE COMPONENT MANUFACTURERS ASSOCIATION OF INDIA

**58<sup>th</sup> Annual Session**  
New Delhi

**5<sup>th</sup> Sep 2018**

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