

STATE OF COUNTERFEITING IN INDIA 2025



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About

Formed in 1998 as a non-profit organization, the Authentication Solution Providers' Association (ASPA) has a rich heritage of over two decades of supporting research and development, promotion, adoption, and awareness of Authentication & Traceability Solutions (ATS) as effective tools to curb counterfeiting and illicit trade to save lives. It is the only body of its kind in India with wide participation from industry stakeholders and is recognized globally as a self-regulated organization promoting ethical practices across the industries.

Crisil on behalf of ASPA has conducted an independent study of counterfeiting market to understand the consumer perception and awareness along with industry view of counterfeiting penetration in India. The findings of the consumer interactions and industry research are presented in the report.

Purpose

This assessment study aims to present pan-India landscape of counterfeiting.

Approach

This assessment study covers different aspects of counterfeiting in the six sectors (industries) mentioned above. Understanding of counterfeiting was achieved through primary and secondary research.

Primary research

Qualitative assessment of the counterfeiting market: This was carried out through face-to-face interactions with industry participants which included brand-owners (manufacturers), retailers, and authentication solution providers.

Quantitative assessment of the counterfeiting market: This was carried out through an online survey wherein 1,639 consumers from all regions of the country, i.e., the northern, southern, eastern, and western, participated.

Secondary research

This was conducted through reliable secondary sources which included industry publications, subscribed industry databases, etc.

KEY SECTORS COVERED IN THE STUDY

- PHARMACEUTICAL
- FAST-MOVING CONSUMER GOODS (FMCG)
- AUTOMOTIVE PARTS
- APPAREL
- CONSUMER DURABLES
- AGRO-PRODUCTS

Scope of the report

Figure 1: Scope of the report



Foreword from Crisil

Counterfeiting, which involves products being faked, copied, and misrepresented to resemble branded / trademarked originals, costs the global economy billions in lost business and truncated growth, leads to loss of revenue for brand owners, and poses serious health and safety hazards for consumers. Indirectly, it dilutes brand value and reputation, stifles innovation, and increases product liability claims for companies.

Counterfeiting is an issue in India as well, with supply chain inefficiency, lower prices of counterfeits, law enforcement challenges, and lack of customer awareness accentuating the challenge.

Counterfeiting is not limited to high-end luxury goods. Even commonly used goods such as cumin seeds, cooking oil and baby care products are increasingly being counterfeited.

This study is based on a survey of consumers gauging their perception of counterfeiting in six key sectors, namely, pharmaceuticals, FMCG / packaged goods, automotive parts, apparel, consumer durables / electronics, and agrochemicals.

Counterfeiting seems to have increased with the evolution of digital marketplace and supply chain disruption caused by Covid-19 pandemic. Also, counterfeiters are increasingly deploying technology to produce and sell counterfeit products. So, a concerted effort from the government, manufacturers, distributors, retailers, and consumers is needed to combat counterfeiting.

We hope this report delivers actionable insights into counterfeiting and helps stakeholders in decision-making.

Anjali Nathwani

Director, Crisil Intelligence



“An important finding from the survey is that 74% of consumers believe that incidence of counterfeiting has increased in the last 12 months. Another intriguing finding from the survey is that 93% of consumers think that more awareness campaigns regarding counterfeiting are needed even though two-thirds of consumers feel confident about identifying a counterfeit product.”

Foreword from ASPA

On behalf of ASPA, I feel privileged to present this report, ‘*State of Counterfeiting in India 2025 Crisil-ASPA report*’. This report has been prepared to help readers understand counterfeiting trends in India.

Counterfeiting is a global menace that adversely affects the economy of almost every country in the world. Not only are counterfeit goods a risk to consumers’ health and well-being, but also a force that distorts market competition, damages interests of legitimate producers and causes tax revenue losses for governments. Though the economic impact of counterfeiting is challenging to measure, informed studies estimate that trade in counterfeit goods accounts for 3.3% of the global trade.

In India, counterfeiting incidents have increased over the past three years. Counterfeiters are increasingly becoming more sophisticated and better funded. In addition, the growth of e-commerce and globalisation of markets have made the fight against counterfeiting even more challenging. Consequently, adoption of authentication solutions and business practices as prescribed in ISO 22383:2020 and ISO 28000 is in the pipeline of industry participants as they strategize to fight counterfeiting.

At ASPA, we believe that by bringing the issue of counterfeiting at industry and government forums, we contribute to the fight against counterfeiting. In addition, our members also work with brand owners and government bodies in helping them adopt technologically advanced solutions against counterfeiting. We are confident that the impact of counterfeiting can be contained with support from all stakeholders. This report is a part of our initiative in building awareness on the economic and societal impact of counterfeiting to enable all stakeholders to combat counterfeiting, also called ‘the crime of the 21st century’.

We hope you find this report insightful and empowering.

Ankit Gupta

President, ASPA



Executive summary

Counterfeiting is the illicit industry of producing and selling fake goods that are deliberately misrepresented to resemble branded or trademarked products, typically at lower quality. Its impact is multi-stakeholder: consumers face quality, performance, and safety risks; brand owners lose revenue and reputation, suffer reduced incentives for innovation, and deal with fraudulent warranty claims; retailers and distributors risk losing customer trust; and governments lose tax revenue and incur enforcement costs.

Counterfeiting thrives due to demand–supply mismatches, limited adoption of authentication and traceability technologies, complex multi-tier supply chains, and low consumer awareness—often compounded by brands' reluctance to prioritize consumer education. Globally, the OECD estimates counterfeit trade at USD 467 billion in 2021, with China as a major source and the EU as a key target region. In India, counterfeiting spans essentials and daily-use goods, with cases reported in media increasing at an average 3.4% annually (2018–2025) and Uttar Pradesh, Rajasthan, and Madhya Pradesh accounting for nearly half of reported incidents based on ASPA counterfeiting news repository

The consumer survey (Crisil Intelligence, 2025), based on 1,639 respondents across nine cities, reveals near-universal exposure: 89% report having purchased a counterfeit product at least once. Consumers estimate that 29% of products in local markets are counterfeit, with apparel (34%) and consumer electronics (31%) perceived as most affected. Seventy-four percent believe counterfeiting has increased in their region over the last 12 months, especially in pharmaceuticals, FMCG, and automotive parts. While 50% say they would never buy counterfeits, 25% cite unawareness at purchase as the main reason for buying fakes, with price and unavailability as secondary drivers.

Consumer attitudes and behaviors show a mix of stated rejection and practical vulnerability. Although half of respondents claim they would never knowingly purchase counterfeit products, inadvertent purchases remain common due to limited awareness and difficulty in identifying fakes at the point of sale. Price sensitivity and product unavailability further contribute to counterfeit purchases, particularly in categories where perceived risk is lower. The survey also highlights that visual cues such as packaging quality, branding, and product appearance are the primary methods used for authentication, while reliance on advanced verification tools remains limited.

Compared to the 2022 survey, the overall perception of counterfeit prevalence among consumers has remained largely stable, with the 2025 survey reporting an average of 29%—well within the 25–30% range seen previously. However, there are some notable shifts at the category level. For example, the perceived share of counterfeits in pharmaceuticals increased from 20% to 28%, and in apparel from 30% to 34%, indicating growing consumer concern in these segments. Conversely, FMCG and agrochemicals saw a slight decline in perceived counterfeiting, while automotive parts and consumer electronics showed only minor changes.

The reasons behind counterfeit purchases have also evolved. There is a stronger expression of intent to avoid counterfeits, with more respondents stating they would “never buy” such products. Despite this, unintentional purchases due to lack of awareness remain common, highlighting that even as consumers become more cautious, they still face challenges in distinguishing genuine products from fakes. Additionally, the factors influencing counterfeit purchases have shifted within sectors: for instance, unavailability of genuine products is now a more prominent reason in pharmaceuticals and FMCG, while lack of awareness is increasingly cited in apparel and consumer electronics. This suggests that while consumer vigilance is rising, ongoing gaps in product availability and effective authentication continue to enable the spread of counterfeits across various categories



Pharmaceuticals

Pharma Market		<ul style="list-style-type: none"> ➤ India's pharmaceutical industry is a global powerhouse, ranking third in volume and fourteenth in value, with the market expected to grow from INR 4,481 billion in FY 2025 and to INR 4,911 billion in FY 2026.
Experience with Counterfeiting		<ul style="list-style-type: none"> ➤ 33% of consumers reported encountering counterfeit pharmaceutical products in the last 12 months, signaling persistent market exposure. ➤ 63% of counterfeit pharma purchases were purchased to local retail outlets, highlighting last-mile vulnerabilities. ➤ 60% also reported receiving counterfeits via online aggregators.
Perception of Counterfeit Products		<ul style="list-style-type: none"> ➤ Consumers estimate that 28% of pharmaceutical products in the market may be counterfeit, up from 20% in 2022. ➤ 80% of consumers believe counterfeiting in pharma has increased in the last 12 months
Perspective on pricing		<ul style="list-style-type: none"> ➤ Counterfeit pharma products are perceived to be ~18% cheaper than genuine ones. <ul style="list-style-type: none"> – Consumers are willing to pay a 12% premium for guaranteed genuine pharmaceutical products — the highest among major sectors.
Confidence in Dealing with Counterfeit Products		<ul style="list-style-type: none"> ➤ Only 52% of consumers check authenticity before purchasing pharmaceutical products, lower than other sectors. <ul style="list-style-type: none"> – 66% rely on packaging quality to identify counterfeit medicines. – 48% check holograms, and 40% check QR codes, indicating growing but uneven adoption of tech-based verification.
Incident recorded in Media		<ul style="list-style-type: none"> ➤ ASPA recorded 521 instances of pharmaceutical counterfeiting between 2018 and 2025, ➤ Annual instances rising from 27 (2018) to 92 (2020) and 136 (2021) before stabilizing at 52 in 2024 and 52 in 2025



FMCG

FMCG Market		<ul style="list-style-type: none"> India's FMCG sector is valued at INR 2,073 billion in FY24, with urban demand contributing ~50–60%. Market is dominated by packaged food & beverages (~75%), followed by personal care (13%) and home care (10%), making daily-use, high-frequency categories.
Experience with Counterfeiting		<ul style="list-style-type: none"> 27% of consumers reported encountering a counterfeit FMCG product in the last 12 months. 43% of counterfeit FMCG purchases were purchased from multi-brand retail outlets. 41% of consumers reported receiving counterfeit FMCG products via online aggregators.
Perception of Counterfeit Products		<ul style="list-style-type: none"> Consumers perceive that 25% of FMCG products in the market may be counterfeit. 78% of respondents believe counterfeiting in FMCG has increased in the last 12 months.
Perspective on pricing		<ul style="list-style-type: none"> Counterfeit FMCG products are perceived to be ~19% cheaper than genuine products. Consumers are willing to pay a 9% premium for guaranteed genuine FMCG products.
Confidence in Dealing with Counterfeit Products		<ul style="list-style-type: none"> 70% of consumers believe they can identify a counterfeit FMCG product. 61% rely on packaging quality and printing clarity for detection. 37% check QR codes; 42% check holograms before purchase.
Incident recorded in Media		<ul style="list-style-type: none"> ASPA recorded 189 FMCG counterfeiting instances in 2025 and 1,022 cases from 2018–2025, Majority of the cases are reported from milk-based products and beauty categories—segments where safety concerns and brand equity are especially sensitive.



Automotive parts

Automotive Parts Market		<ul style="list-style-type: none"> The automotive parts valued at INR 7,875 billion in FY25 and characterized by fragmentation <ul style="list-style-type: none"> 700+ organised players account for ~85% of revenue, while the unorganised segment contributes ~15%, largely servicing the replacement market. The replacement market itself is sizable at INR 1,025 billion and is expected to grow at a 5–7% CAGR in the near term.
Experience with Counterfeiting		<ul style="list-style-type: none"> 22% of consumers reported encountering counterfeit automotive parts in the last 12 months. <ul style="list-style-type: none"> 46% of counterfeit purchases occurred through local repair shops and garages. 38% reported exposure via local spare part retailers.
Perception of Counterfeit Products		<ul style="list-style-type: none"> Consumers estimate that 22% of automotive parts in the replacement market may be counterfeit. 74% believe counterfeiting in automotive parts has increased over the last year.
Perspective on pricing		<ul style="list-style-type: none"> Counterfeit automotive parts are perceived to be ~22% cheaper than genuine parts. Consumers are willing to pay only a 7% premium for guaranteed genuine automotive components.
Confidence in Dealing with Counterfeit Products		<ul style="list-style-type: none"> 64% believe they can identify counterfeit auto parts. <ul style="list-style-type: none"> 59% rely primarily on packaging and branding cues. 28% check authentication features like holograms or QR codes.
Incident recorded in Media		<ul style="list-style-type: none"> OEMs estimate ~15% of the market is counterfeit, ASPA recorded 61 counterfeiting cases recorded between 2018 and 2025.



Apparel

Apparel Market		<ul style="list-style-type: none"> India's readymade garment (RMG) industry is large and still expanding, with the domestic market estimated at ~INR 4,300 billion in FY25 and exports at ~INR 1,300 billion. The domestic RMG market is projected to reach ~INR 4,600 billion by FY26, implying ~6–8% growth in FY26, supported by rising discretionary consumption and fashion adoption across metros and smaller cities.
Experience with Counterfeiting		<ul style="list-style-type: none"> 31% of consumers reported purchasing or encountering counterfeit apparel in the last 12 months. <ul style="list-style-type: none"> 71% of counterfeit apparel exposure occurred through online marketplaces. 29% reported purchases from local markets.
Perception of Counterfeit Products		<ul style="list-style-type: none"> Consumers estimate that 34% of branded apparel products may be counterfeit. 76% believe apparel counterfeiting has increased in the last year.
Perspective on pricing		<ul style="list-style-type: none"> Counterfeit apparel products are perceived to be ~25% cheaper than genuine brands. Consumers are willing to pay an 8% premium for guaranteed genuine apparel products.
Confidence in Dealing with Counterfeit Products		<ul style="list-style-type: none"> 72% believe they can identify counterfeit apparel. 66% rely on look & feel and fabric quality for detection. 24% check for authentication features.
Incident recorded in Media		<ul style="list-style-type: none"> ASPA recorded 113 counterfeiting instances in lifestyle & apparel during 2018–2025, peaking at 24 (2023) and 19 (2024).



Consumer Durables

Consumer Durables Market		<ul style="list-style-type: none"> The broader appliances-and-consumer-durables market was valued at ~Rs 6.6 trillion in FY24 and is projected to expand at a faster ~10–12% CAGR through FY26—indicating sustained medium-term tailwinds from rising incomes, urbanization, and increasing penetration of large appliances.
Experience with Counterfeiting		<ul style="list-style-type: none"> 18% of consumers reported encountering counterfeit consumer durable products. <ul style="list-style-type: none"> 52% of counterfeit exposure occurred through online channels. 33% reported purchases via local electronics retailers.
Perception of Counterfeit Products		<ul style="list-style-type: none"> Consumers estimate that 31% of electronic accessories may be counterfeit. 69% believe counterfeiting in electronics has increased in the last year.
Perspective on pricing		<ul style="list-style-type: none"> Counterfeit electronics are perceived to be ~29% cheaper than genuine products. Consumers are willing to pay a 10% premium for guaranteed genuine electronics.
Confidence in Dealing with Counterfeit Products		<ul style="list-style-type: none"> 67% believe they can identify counterfeit electronics. 62% rely on packaging and brand logo accuracy. 34% check QR codes or serial number verification systems.
Incident recorded in Media		<ul style="list-style-type: none"> Consumer electronics accounted for 16% of Intellectual Property Rights seizures by US Homeland Security between 2008 and 2017, dropping to 10–11% of total seizures in 2019 and 2020. From 2018 to 2025, ASPA recorded 88 cases of counterfeiting in the Electronics, IT, and Hardware category, with most incidents occurring in the mobile accessories and housing wire segments.



Agro-products

<p>Agro-products Market</p>		<ul style="list-style-type: none"> ➤ The Indian pesticide and fertilizer industry is on a strong growth trajectory, and market is valued at INR 1.7 trillion in FY25 and expected to grow in the range of 5-6% in FY26.
<p>Experience with Counterfeiting</p>		<ul style="list-style-type: none"> ➤ 35% of farmers reported encountering counterfeit agro-products in the last 12 months. ➤ 75% of counterfeit purchases were traced to local agri-input retailers. ➤ 18% reported purchases through informal supply chains.
<p>Perception of Counterfeit Products</p>		<ul style="list-style-type: none"> ➤ Farmers estimate that 30% of agro-input products may be counterfeit. ➤ 82% believe counterfeiting in agro-products has increased in the last year.
<p>Perspective on pricing</p>		<ul style="list-style-type: none"> ➤ Counterfeit agro-products are perceived to be ~24% cheaper than genuine products. ➤ Farmers are willing to pay a 14% premium for guaranteed genuine agro-inputs products.
<p>Confidence in Dealing with Counterfeit Products</p>		<ul style="list-style-type: none"> ➤ 58% believe they can identify counterfeit agro-products. ➤ 63% rely on packaging and labeling details. ➤ 26% check authentication features such as holograms or traceability codes.
<p>Incident recorded in Media</p>		<ul style="list-style-type: none"> ➤ ASPA recorded 276 instances of fake agrochemical products between 2018 and 2025, and it has increased by ~2.5 times compared to number of incidents reported in 2018 and 2025. ➤ Notably, fertilizers accounted for approximately 40% of these incidents, highlighting this segment as particularly vulnerable to counterfeiting within the agrochemical sector.

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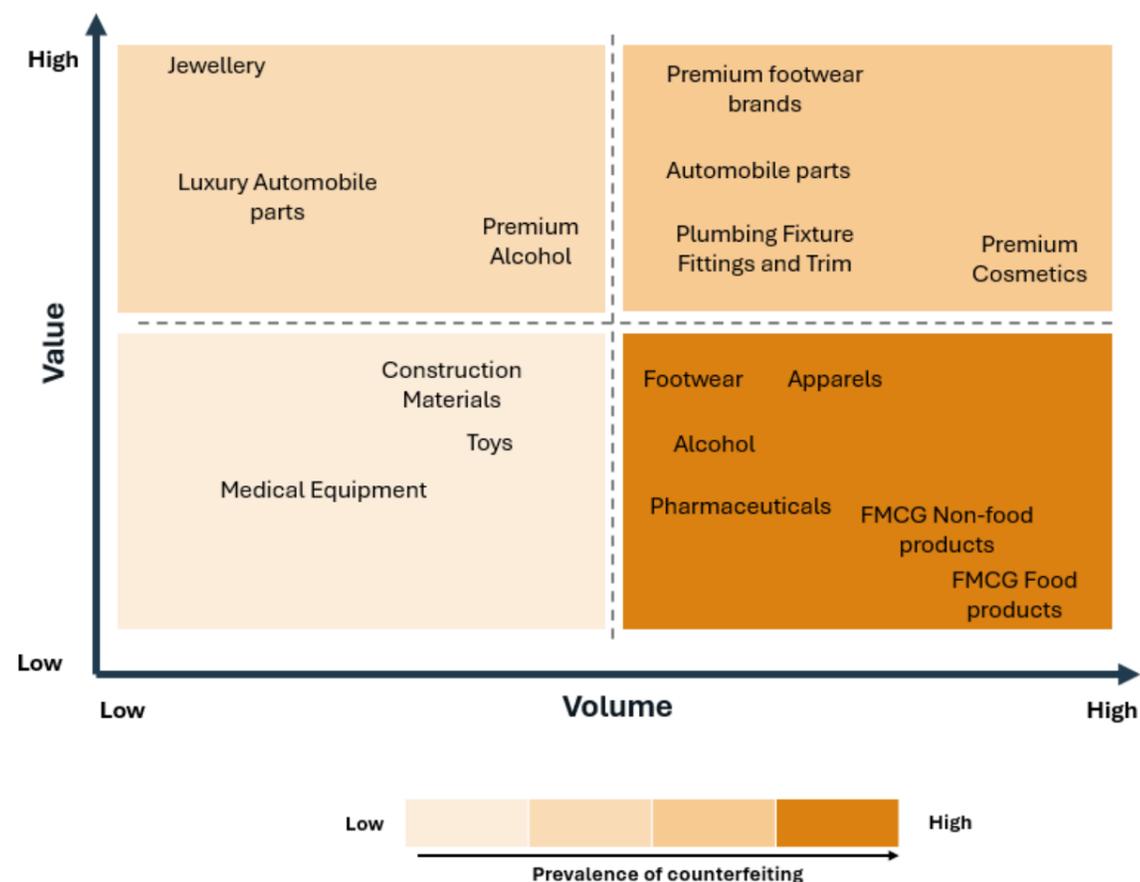
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Counterfeiting: The Economy's Underbelly

Counterfeit products are fake, imitated / copied products deliberately misrepresented to resemble branded / trademarked products. Counterfeit products are generally of lower quality than the original products. Such products leak into the market through unorganised routes or through perpetrators claiming to sell genuine products and pocketing the illegal price differential. This impacts not only the customers but also the legitimate manufacturers and the government.

Counterfeiting has spread far and wide, and counterfeit products range from luxury items to automobile and pharmaceuticals to daily use household items. Counterfeits have penetrated across product segments, where demand is high, but supply is constrained, or where the market is price sensitive but demanding.

Figure 2: Prevalence of counterfeiting is higher in high-volume products



OECD's 'Mapping Global Trade in Fakes 2025' report ranking it among the top 30 economies for the origin of counterfeit goods. Counterfeiting cases in India have been increasing steadily, with a 3.4% annual average rise between 2018 and 2025. The COVID-19 pandemic saw a surge in counterfeiting cases, particularly in 2020, with the lockdowns creating an environment conducive to illicit activities. The most affected sectors include alcohol, tobacco, FMCG, and pharmaceuticals, which account for around 80% of reported counterfeiting cases. The pandemic also led to a spike in counterfeit products such as fake PPE kits and sanitizers, highlighting the need for greater vigilance and action against illicit trade.

Definition of counterfeiting

Businesses, both large and small, use trademarks to help consumers identify their products. A trademark is most often a word, phrase or symbol that identifies the source or origin of a product or service in the market. A counterfeit is an item that uses a trademark without the permission of the business that owns it. In other words, counterfeits are unauthorised replicas of original products. The International Anti-Counterfeiting Coalition defines counterfeiting as a crime that involves theft of trademarks. Counterfeits, commonly called fake goods or knockoff, are usually produced with the intent to take advantage of the superior value of the imitated products. Hence, the OECD defines counterfeiting as an unauthorised representation of a registered trademark carried on goods identical or similar to goods for which the trademark is registered with a view to deceive the purchaser into believing that he/she is buying original goods.

Counterfeiting is not the only threat to product authenticity. Product tampering, which involves the intentional alteration or contamination of a product, is another serious concern. This can include activities such as refilling or re-labelling products or adding hazardous materials to create a fake product. Product tampering poses a significant risk to consumer safety and can have serious consequences, including harm to individuals and damage to a company's reputation.

Both counterfeiting and product tampering pose a threat to various stakeholders, including manufacturers, consumers, government and national security of the affected country. They impact the economy not only in terms of lost revenues to manufacturing companies but also in terms of lost taxes to the government. Furthermore, counterfeiting and product tampering can compromise consumer safety, undermine trust in legitimate businesses, and erode the competitiveness of the market.

It is essential for businesses, governments, and consumers to work together to prevent counterfeiting and product tampering. This includes implementing robust authentication measures, monitoring supply chains, and reporting suspicious activities. By taking a proactive and collaborative approach, we can reduce the risks associated with counterfeiting and product tampering and create a safer, more secure market for everyone.

Impact of counterfeiting on different stakeholders

Counterfeiting adversely impacts different stakeholders, namely, brand owners (manufacturers), distributors, retailers, consumers, and the government. However, the adverse impact on one group of stakeholders largely differs from that on the other group of stakeholders.

1 Brand owner/companies



Loss of revenue

Brand-owner companies or manufacturers of original products suffer loss of revenue when consumers end up purchasing knockoffs instead of the original products. Though in many cases, consumers who end up purchasing knockoffs are unaware at the time of making the purchase that they are buying counterfeit products, there are cases where consumers knowingly buy counterfeit products. However, in cases where loyal customers are deceived by counterfeiters into buying knockoffs, the brand-owner companies run the risk of losing their hard-won trust and future sales revenue.

Loss of reputation and dilution of brand image

In cases where consumers unknowingly purchase knockoffs of original products, brand-owner companies suffer loss of reputation as the inferior quality of knockoffs may lead consumers into forming a negative opinion of the original products. Even in cases where consumers knowingly purchase knockoffs of original products, brand-owner companies suffer loss of reputation because the inferior quality of knockoffs dilute their brand image.

Limitations on product innovation

Counterfeiting thrives on violation of intellectual property rights, patents and trademarks, thereby discouraging brand-owners from investing and deploying resources in product innovation.

Fraudulent product warranty claims

Counterfeiters use poor-quality materials and follow sub-standard manufacturing processes to produce fake products. So, their fake products may not last as long as the original products. This may lead to fraudulent warranty claims from unsuspecting consumers who would have unknowingly bought fake products.

2 Retailers and distributors



Loss of consumers' trust

Retailers lose customers' trust if their customers end up with counterfeit products through their retail outlet. In many such cases, retailers lose business even in unrelated product categories as their customers shift to a different retail outlet.

3 Consumers



Loss of trust in brands

Some consumers willingly buy counterfeit products because they aspire to be seen using branded products, but they are unwilling to pay as much as those branded products cost. Generally, these consumers are not the target segment of the brands whose counterfeit products they purchase. This dilutes the brand value for consumers who purchase genuine products and causes them to lose trust in the brand.

Risk to health and safety

Since counterfeit products are of inferior quality, they may not meet safety standards and pose a risk to the health of consumers. This is especially a concern when the counterfeit product is a medicine or packaged food item.

4 Government



Loss of tax revenue

Counterfeiting causes the government to lose tax revenue in many ways. Firstly, the government loses tax revenue from legitimate companies because these legitimate companies lose their sales revenues to counterfeiters. Secondly, the government loses tax revenue from exporters because counterfeiting discourages international buyers from importing products from countries where counterfeiting is rampant. Thirdly, the government loses tax revenue by being compelled to provide law enforcement agencies with sufficient resources to curtail counterfeiting. Had counterfeiting not been an issue, the government could have used its tax revenues for development and economic growth of the country.

Risk to life and property

Counterfeiting in certain sectors such as food & beverages, defense and healthcare can threaten life and property. An emerging threat is involvement of terrorist organizations in counterfeiting, piracy and smuggling, because it not only increases risk to life and property but also threatens peace and political stability of the country as funds thus raised is often used for terrorist activities.

Counterfeiters: Why do they do it?

Table 1: Reasons behind prevalence of counterfeiting

1 Demand supply mismatch



A demand-supply mismatch drives counterfeiting because strong consumer desire for branded or essential products often outstrips the amount that legitimate producers can legally supply at affordable prices. When genuine goods are scarce or priced too high, buyers turn to cheaper alternatives, creating a profitable gap that counterfeiters exploit by producing low-cost imitations that satisfy the unmet demand. This gap is amplified by limited production capacity, geographic distribution gaps, and consumers' limited ability to verify authenticity.

2 Limited adoption of authentication and traceability technologies



Limited adoption of authentication technologies fuels counterfeiting because verification remains inconsistent, costly, and fragmented across supply chains; many firms avoid expensive tags, serialization, or QR-based checks, especially in low-margin or highly distributed markets, while consumers and retailers often lack the tools or incentives to confirm authenticity. This creates easy entry points for counterfeiters, who can replicate simple packaging cues and exploit gaps where genuine products are not reliably tracked or verified.

3 Complexity of supply chains



Supply chains involve a vast network of small-scale manufacturers, informal distributors, and fragmented logistics providers that often operate across state borders. Limited digitization, reliance on manual paperwork, and the prevalence of "middlemen" create numerous hand-offs where visibility is low, making it easy for counterfeit goods to be inserted, relabeled, or diverted into parallel markets.

Additionally, the coexistence of formal and informal retail channels (e.g., street stalls, unverified e-commerce pages) further weakens traceability, giving counterfeiters ample opportunities to mix fake products with genuine ones throughout the distribution chain.

4 Reluctance of Brand/Manufacturers to raise consumer awareness

The reluctance of brands and manufacturers to actively raise consumer awareness about counterfeiting significantly contributes to its prevalence. When companies avoid educating customers on how to identify genuine products or the risks associated with counterfeit goods, consumers remain vulnerable and less equipped to distinguish fakes from authentic items. This lack of information creates an environment where counterfeiters can operate more easily, exploiting consumer ignorance and undermining brand integrity. By not prioritizing transparency and awareness campaigns, brands inadvertently allow counterfeit products to flourish in the market.

5 Low adoption of anti-counterfeiting measures



The adoption of anti-counterfeiting measures, such as authentication and traceability solutions, is not widespread in India, particularly in the absence of clear regulations. While implementation of these practices is not mandatory for most sectors, including pharmaceuticals, tobacco, and food and beverages, in the domestic market, there are some exceptions. For instance, in the pharmaceutical sector, the government has taken steps to curb counterfeiting by making it mandatory for manufacturers of the top 300 brands of drug formulation products to display a bar code or quick response code on all labels at the primary or secondary level of packaging. However, for exporting, manufacturers of pharmaceuticals and food products often implement serialization of their products, primarily to comply with regulations in the destination countries.

6 Consumers' inability to identify counterfeit products



Consumers often struggle to identify counterfeit products because many fakes closely mimic original branding, packaging, and even serial numbers, while buyers typically lack technical knowledge or tools to verify authenticity at the point of purchase. As a result, consumers rely heavily on price cues, seller claims, and superficial packaging features—signals that counterfeiters can easily manipulate—leading to accidental purchases of fake or substandard goods.

Source: Crisil Intelligence

Global scenario

Estimating the true scale of global counterfeiting is notoriously difficult because the vast majority of counterfeit goods never come to the attention of authorities. Definitions vary widely: some jurisdictions treat any unauthorized replica that uses a protected trademark as “counterfeit,” while others also include look-alike products that merely mimic packaging or employ misspelled brand names. This lack of a uniform definition makes it impossible to aggregate data from different sources without introducing inconsistencies. Moreover, counterfeit items are deliberately designed to be indistinguishable from genuine products, so their value or volume cannot be reliably measured once they have entered the market. The problem is compounded by today’s highly fragmented, multi-tiered supply chains, where a single product may pass through dozens of manufacturers, distributors, and logistics providers across several borders. Tracking and authenticating an item at every hand-off is costly and often technically infeasible, giving counterfeiters ample opportunities to infiltrate legitimate streams unnoticed.

To provide a common reference point, the Organisation for Economic Co-operation and Development (OECD) has compiled customs-seizure data and other trade-related indicators, offering a systematic, comparable proxy for the minimum size of the counterfeit trade in report named as ‘Mapping Global Trade in Fakes 2025’.

As per a report by OECD, ‘Mapping Global Trade in Fakes 2025’, global trade in counterfeit goods was valued at approximately USD 464 billion in 2019, which grew to about USD 467 billion by 2021, while its share in global imports shrunk from 2.5% in 2019 to 2.3% in 2021. Among the countries from which counterfeit products are sourced, the most is contributed by the People’s Republic of China, followed by Hong Kong, Bangladesh, Lebanon, Syrian Arab Republic, and Türkiye. Further, the report says that among the regions to which counterfeit products are sent, the European Union is a key target.

It assesses counterfeit trade by mapping observed cases to the 96 product categories recognized under the Harmonized System (HS) classification. On this basis, the report identifies that counterfeiting affects nearly 50 of these 96 HS products categories and observes that counterfeit trade captured through this approach is overwhelmingly concentrated in manufactured goods. Among the HS categories flagged in the analysis, the most frequently targeted include footwear, apparel, leather goods, and electronics.

The following figure presents the share of different product categories among counterfeit goods seized by customs in the years, 2016, 2019 and 2021. In the figure, it is evident that the shares of different product categories among seized counterfeit goods have changed very little over the years.

Figure 3: Share of different product categories in global seizures of counterfeit goods by customs



Source: ‘Mapping Global Trade in Fakes 2025’ report by OECD

Scenario in India

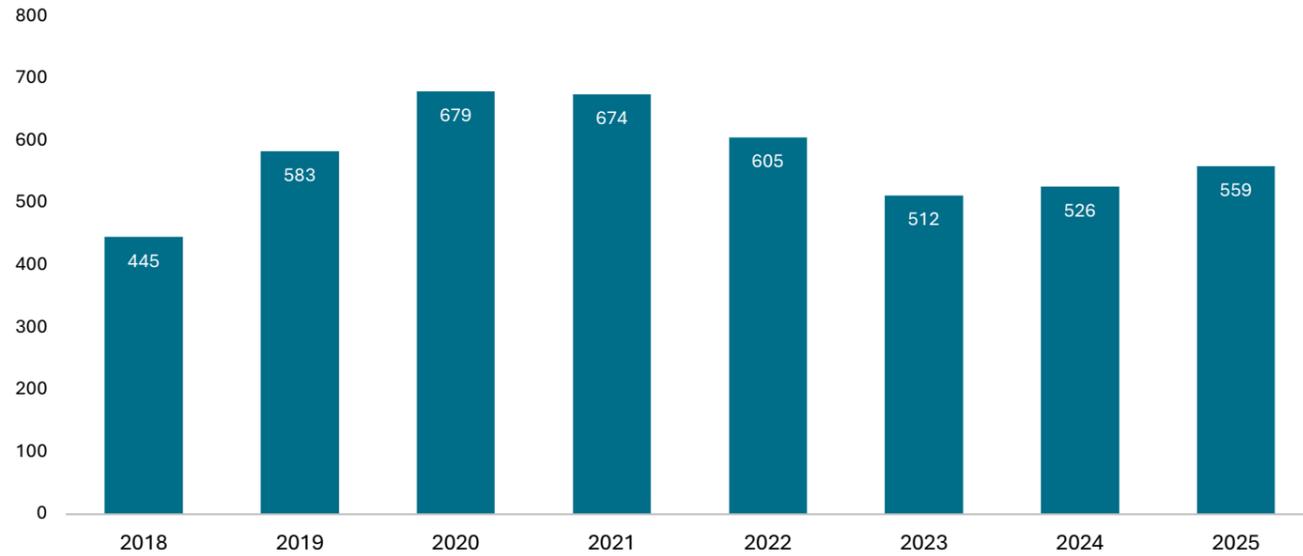
Like many other countries in the world, counterfeiting is an issue in India as well. In India, some of the sectors that are most affected by counterfeiting are FMCG / packaged goods, alcohol, pharmaceuticals, agricultural input products (fertilisers, seeds, pesticides, etc.), and tobacco. During the pandemic, a spike was observed in crimes related to illicit liquor and smuggling of tobacco products and pharmaceutical products, especially PPE kits, medicines, oximeters and sanitisers.

Counterfeiting is a notable issue across India, with Uttar Pradesh being one of the regions where it is highest

In the period 2018-2025, the number of counterfeiting cases reported from Uttar Pradesh was the highest in the country, followed by the numbers from Rajasthan and Madhya Pradesh. Together, these three states accounted for about 46% of all the counterfeiting incidents reported in India between 2018 and 2025. By volume of counterfeiting incidents reported, the top 10 states and union territories are Uttar Pradesh, Rajasthan, Madhya Pradesh, Bihar, Jharkhand, Delhi, Haryana, Chhattisgarh, Uttarakhand and Maharashtra. In India, counterfeiting is not limited to high-end luxury products. Products used in day-to-day activities, such as cumin seeds, mustard oil, ghee, hair oil, soap, baby care products and medicines, are also increasingly being counterfeited as per media reports.

The following figure presents the number of counterfeiting incidents reported in the media over the period 2018 to 2025.

Figure 4: Counterfeiting incidents reported by media in India



Source: ASPA counterfeit news repository

Consumer survey insights

As part of this assessment study, Crisil carried out an online survey in which 1,639 consumers from 9 key cities participated. The following table lists the key areas that were explored through the survey.

Table 2: Key areas explored in the consumer survey

1	Consumers' experience with counterfeiting over the last 12 months	
2	Consumers' perception of counterfeit products	
3	Consumers' perspective on pricing	
4	Consumers' confidence in dealing with counterfeit products	
5	Consumers' awareness of counterfeiting	

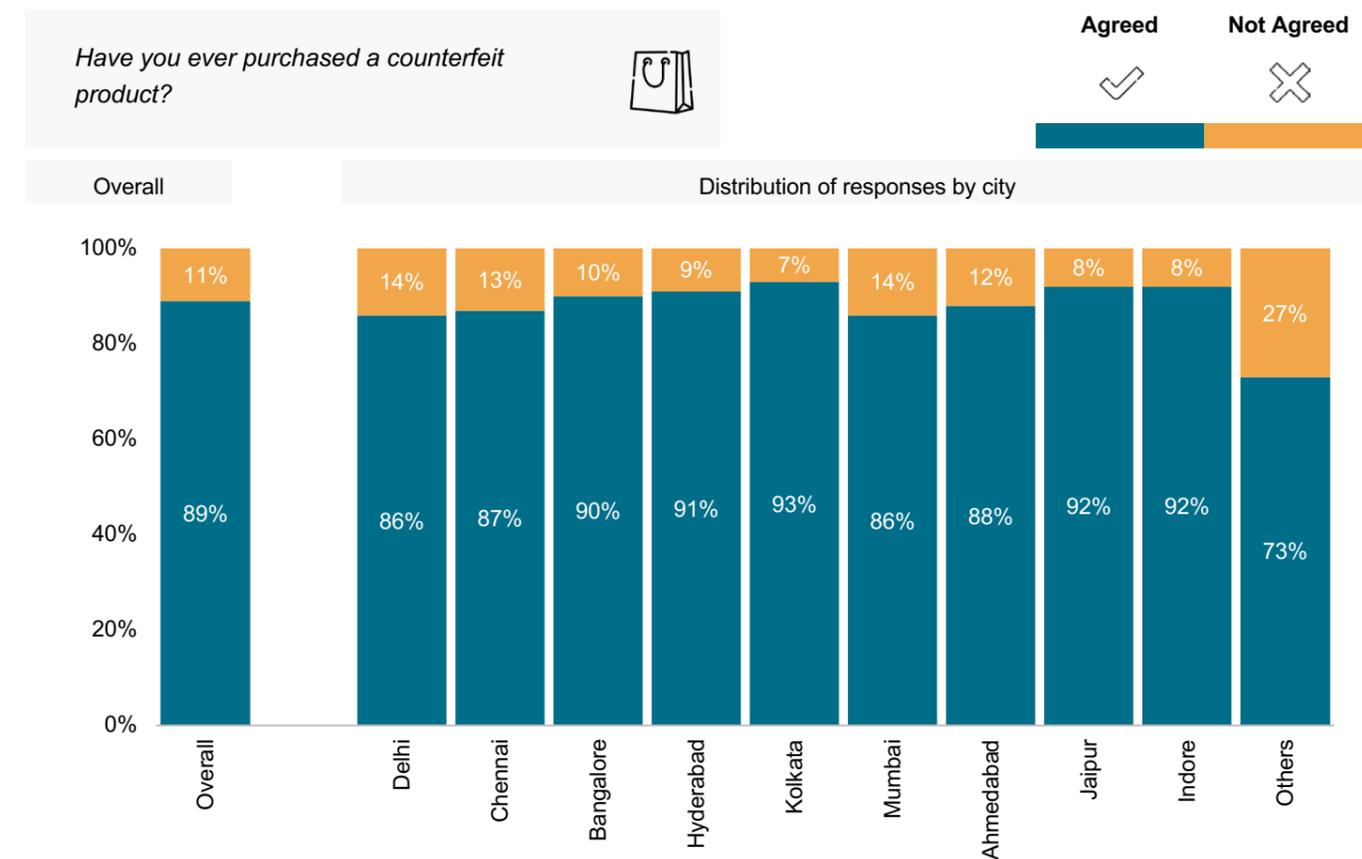
Source: Consumer Survey, Crisil Intelligence

89% of respondents have come across a counterfeit product at least once in their lifetime

89% of urban respondents reported having purchased a counterfeit product at least once in their lifetime, demonstrating that exposure to counterfeit goods is nearly universal across India's major cities. City-level data show only minor variation, with figures ranging from 86% in Delhi and Mumbai to 93% in Kolkata.

This widespread purchasing behavior underscores the pervasive nature of counterfeit products in urban markets. Notably, these findings closely mirror the results from the 2022 survey, where 89% of consumers acknowledged the presence of counterfeit goods in the market, indicating that both awareness and engagement with counterfeit products remain consistently high over time.

Figure 5: Share of consumers who reported that they had purchased a counterfeit product at least once



Note: Percentages represent the share of consumers who gave the corresponding response

Source: Consumer Survey 2025, Crisil Intelligence

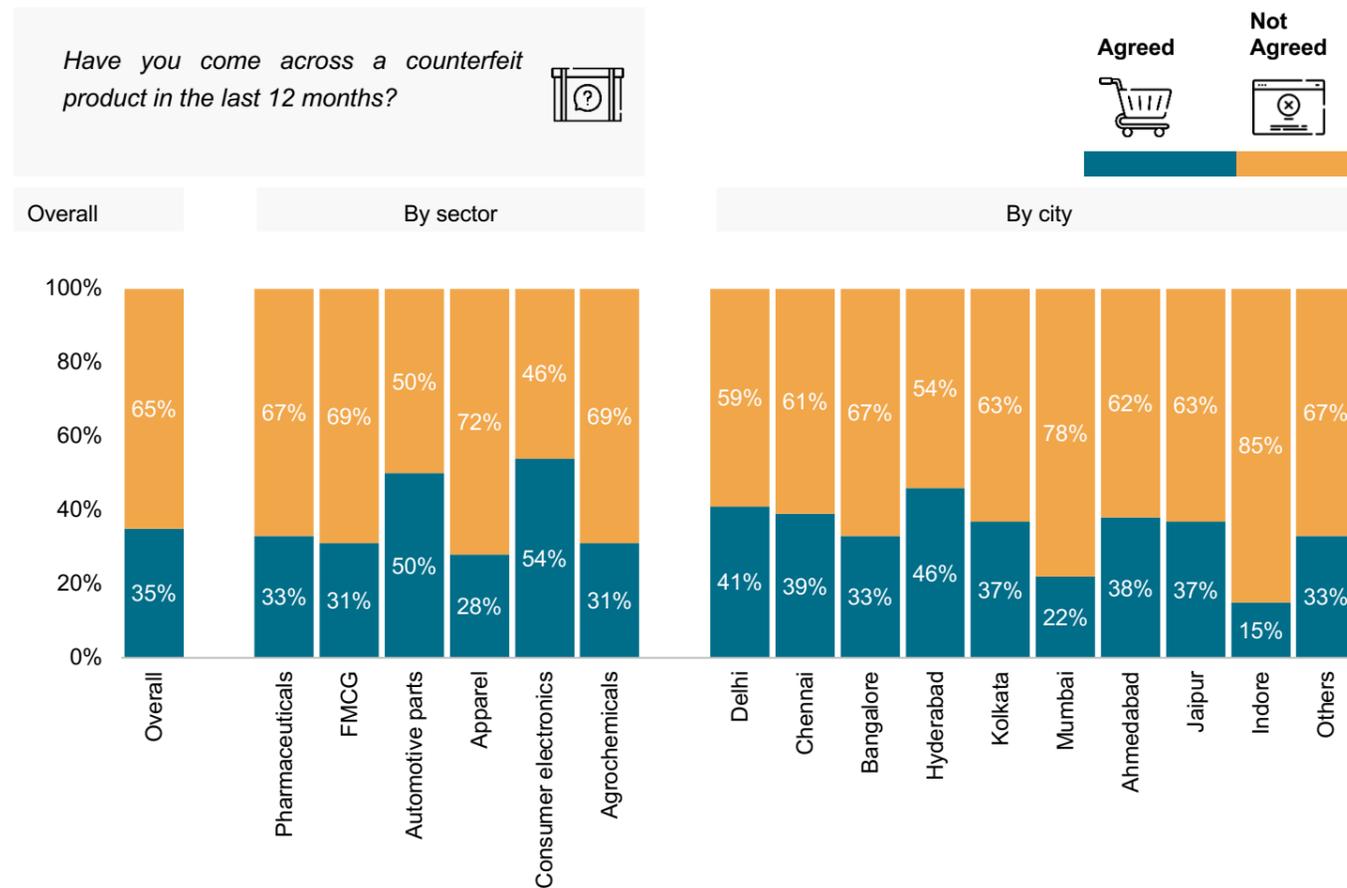
35% of respondents reported encountering a counterfeit product in the past 12 months

In the 2025 survey, 35% of respondents reported encountering a counterfeit product in the past 12 months, highlighting that recent exposure is significant but not universal among urban consumers.

The risk of encountering counterfeits varies notably by product category: consumer electronics (54%) and automotive parts (50%) are the most frequently reported, indicating these sectors are particularly active in the counterfeit market. In contrast, categories such as pharmaceuticals (33%), FMCG (31%), agrochemicals (31%), and apparel (28%) show lower and relatively similar rates of reported encounters, suggesting either fewer counterfeits or greater difficulty in identifying them.

City-level analysis indicates some variation in exposure, but these differences are less pronounced than those seen across product categories.

Figure 6: Share of consumers who came across a counterfeit product in the last 12 months

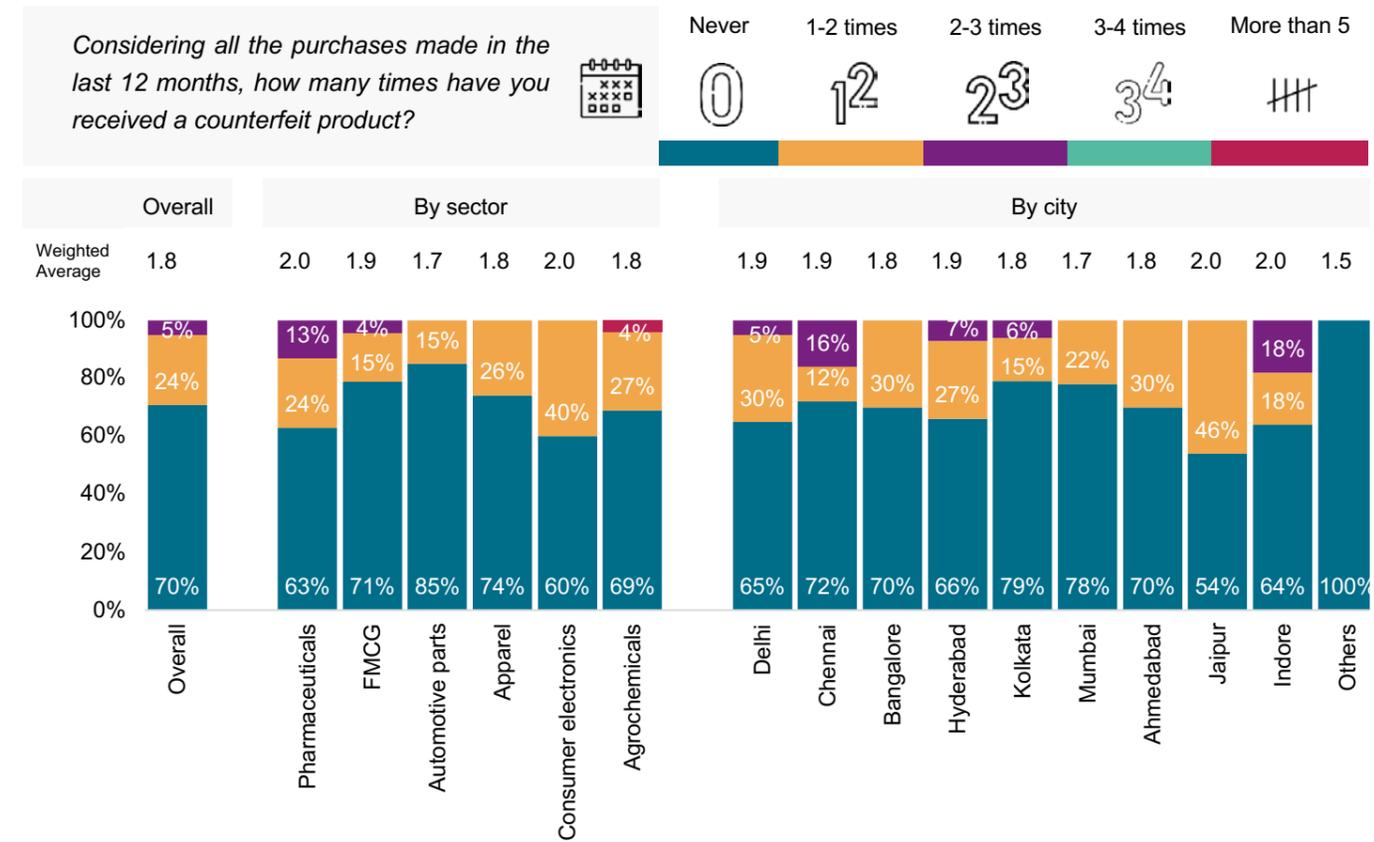


Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

Out of those who have come across counterfeit products, consumers average nearly two counterfeit purchases per year

Of the 30% of respondents who reported receiving counterfeit products in the past 12 months, the average number of such purchases was approximately 1.8 per year, with most individuals experiencing one or two incidents annually. This pattern is consistent across product categories, with consumer electronics and pharmaceuticals showing slightly higher averages at 2.0 times and automotive parts at 1.7 times. Additionally, the trend remains in a similar range across cities, indicating that the frequency of counterfeit product encounters is broadly uniform regardless of location.

Figure 7: Number of times consumers purchased counterfeit products in the last 12 months



Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

~50% of counterfeit purchases overall come from online aggregators, while local retail outlets are the main source for pharma and agrochemicals.

Online aggregator apps are the primary source of counterfeit products overall (53%), and especially dominate in apparel (71%), consumer electronics (70%), and pharma (60%). Local retail outlets are the main channel for agrochemicals (75%) and also significant for pharma (63%). Social media ads are particularly notable for apparel (46%) and consumer electronics (35%). Multi-brand stores are most relevant for FMCG (43%) and pharma (33%). Company stores and local licensed suppliers play a minor role, with the latter only relevant for agrochemicals (25%).

Figure 8: Channel of purchase of counterfeit products

What were the sales channels through which you received a counterfeit product while making a purchase?

Sales channels	Overall	Pharma	FMCG	Automotive parts	Apparel	Consumer electronics	Agrochemicals
Online aggregators	53%	60%	41%	55%	71%	70%	0%
Social media ads run by sellers	30%	30%	28%	10%	46%	35%	0%
Multi-brand stores	24%	33%	43%	30%	17%	13%	0%
Local retail outlets	6%	63%	20%	11%	8%	2%	75%
Company stores	13%	0%	7%	3%	3%	6%	0%
Local licensed supplier - only for agrochemicals							25%

Note: Percentages represent the share of consumers who gave the corresponding response

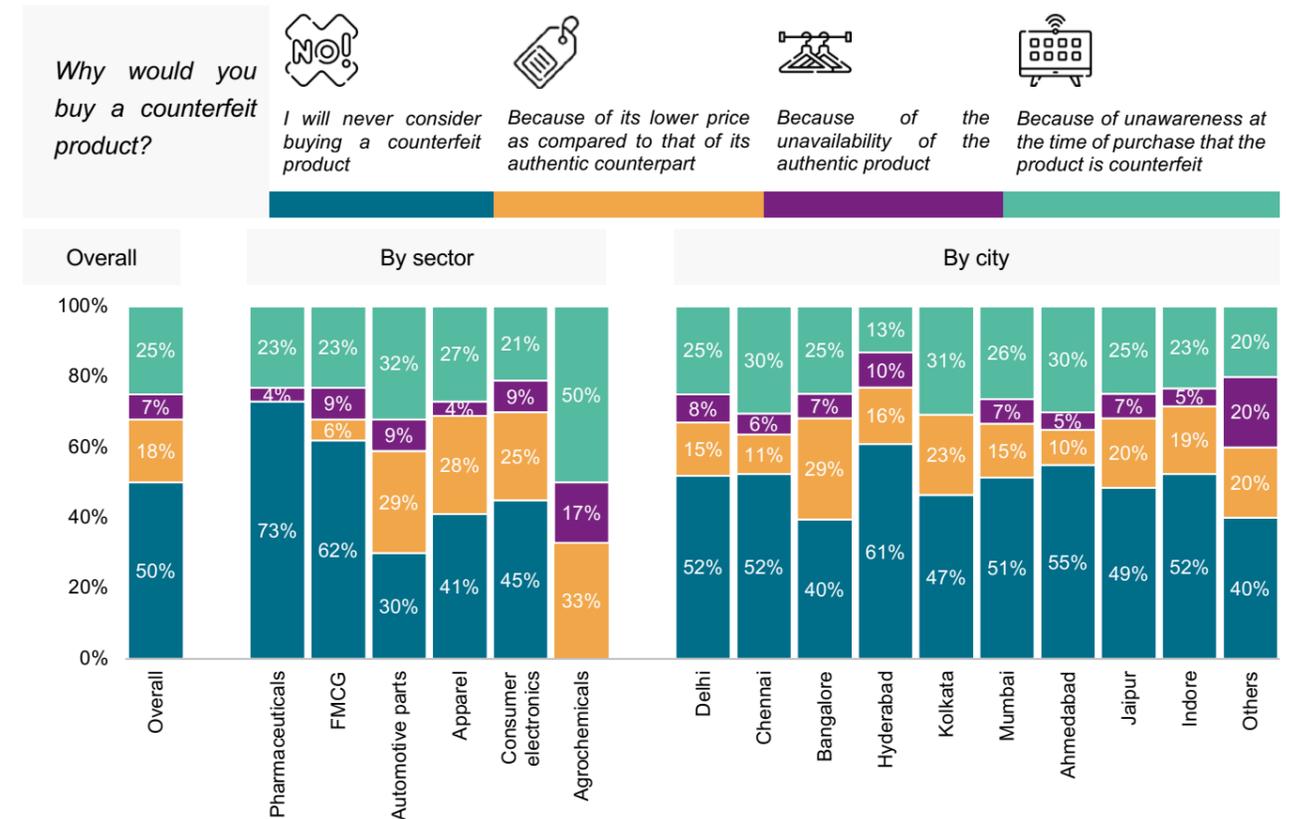
Source: Consumer Survey 2025, Crisil Intelligence

Consumers increasingly reject counterfeits, but “unknowing purchase” persists—drivers vary far more by sector than by city

In the 2025 consumer survey, 50% of respondents said they would never consider buying a counterfeit product, while 25% indicated that counterfeit purchases can happen unknowingly; 18% cited lower price and 7% cited unavailability of the authentic product. Sector-wise, motivations differ sharply: pharmaceuticals show zero price-led intent, suggesting higher perceived risk and stronger trust sensitivity, whereas apparel, automotive parts, and agrochemicals see higher price-led consideration (~30%), consistent with categories where consumers often view performance risk as more “manageable,” price sensitivity is higher, and product verification is harder at the point of purchase.

Unavailability is a relatively smaller driver in pharma, FMCG, and consumer electronics (~20%), but becomes a major factor in agrochemicals (50%), which may reflect dependency on timely availability during agricultural cycles, reliance on local supply chains, and limited visibility of authorized alternatives—conditions that can push buyers toward substitute products. Importantly, the distribution of reasons is broadly similar across cities, implying these drivers are shaped more by category dynamics (risk, urgency, ability to authenticate, and channel structure) than by location. This aligns with the 2022 survey, where the perceived reasons were led by lower price (41%), unavailability (30%), and unawareness (27%)—and together, the two waves suggest that while consumers increasingly express a stated preference to avoid counterfeits, unawareness remains a persistent pathway, and category-specific constraints (price and availability) continue to influence decisions.

Figure 9: Reasons for purchasing a counterfeit product



Note: Percentages represent the share of consumers who gave the corresponding response

Source: Consumer Survey 2025, Crisil Intelligence

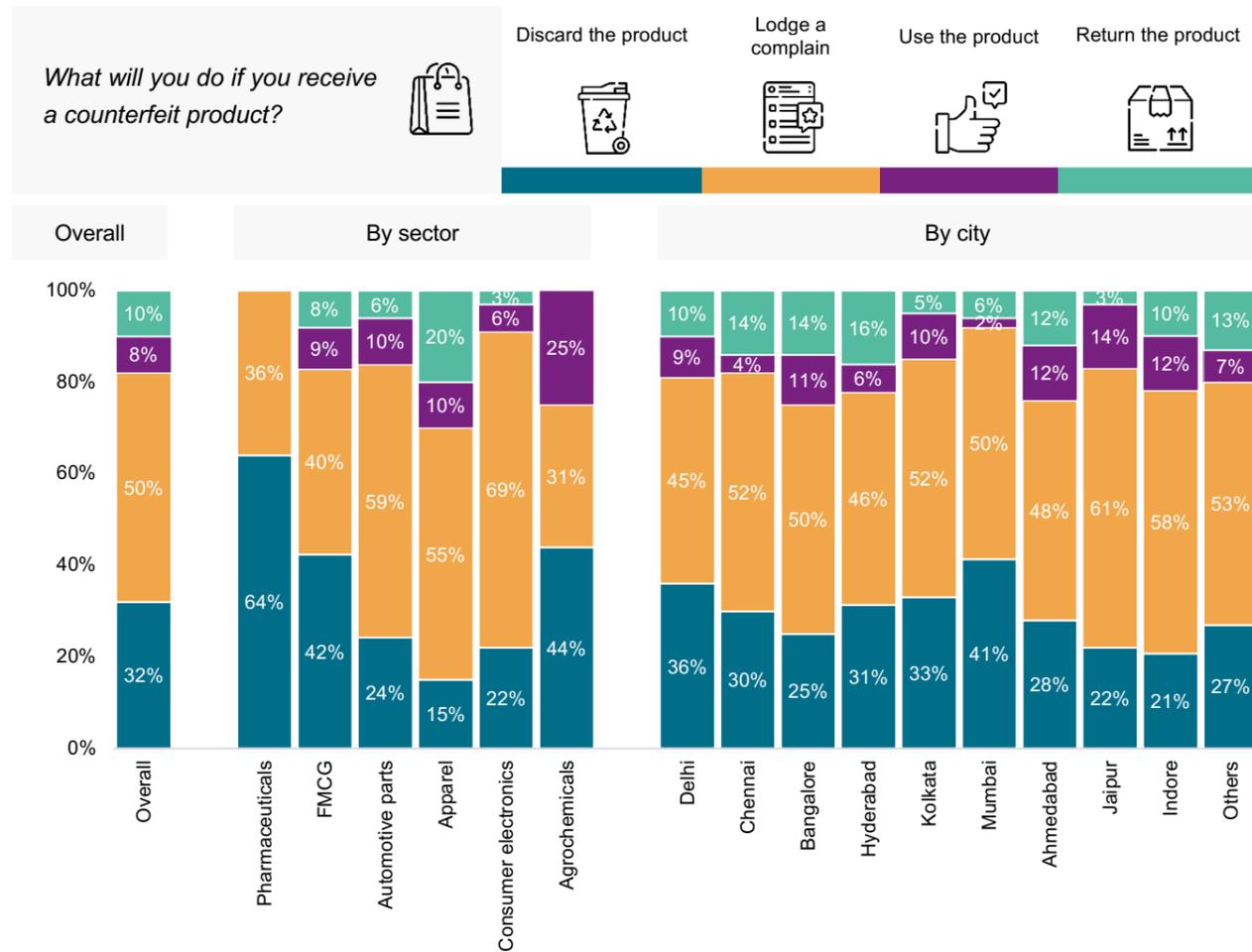
Consumers purchasing consumables are more likely to discard counterfeit products, while those buying durables tend to retain or use them

When asked how they would respond upon receiving a counterfeit product, half of consumers said they would lodge a complaint with a relevant authority (50%), nearly a third would discard the product (32%), one in ten would return it (10%), and only a small fraction would use it (8%).

Sector-specific analysis reveals that consumer actions vary significantly depending on the product type. For apparel (15%), automotive parts (24%), and consumer electronics (22%), the proportion of consumers who would discard the counterfeit item is relatively low.

In contrast, discard rates are much higher for FMCG (42%), agrochemicals (44%), and pharmaceuticals (64%)—products often associated with consumption or health. This indicates that consumers are far more likely to discard counterfeit products when they pose potential health or safety risks, especially in edible or medicinal categories.

Figure 10: Actions Taken Upon Receiving a Counterfeit Product



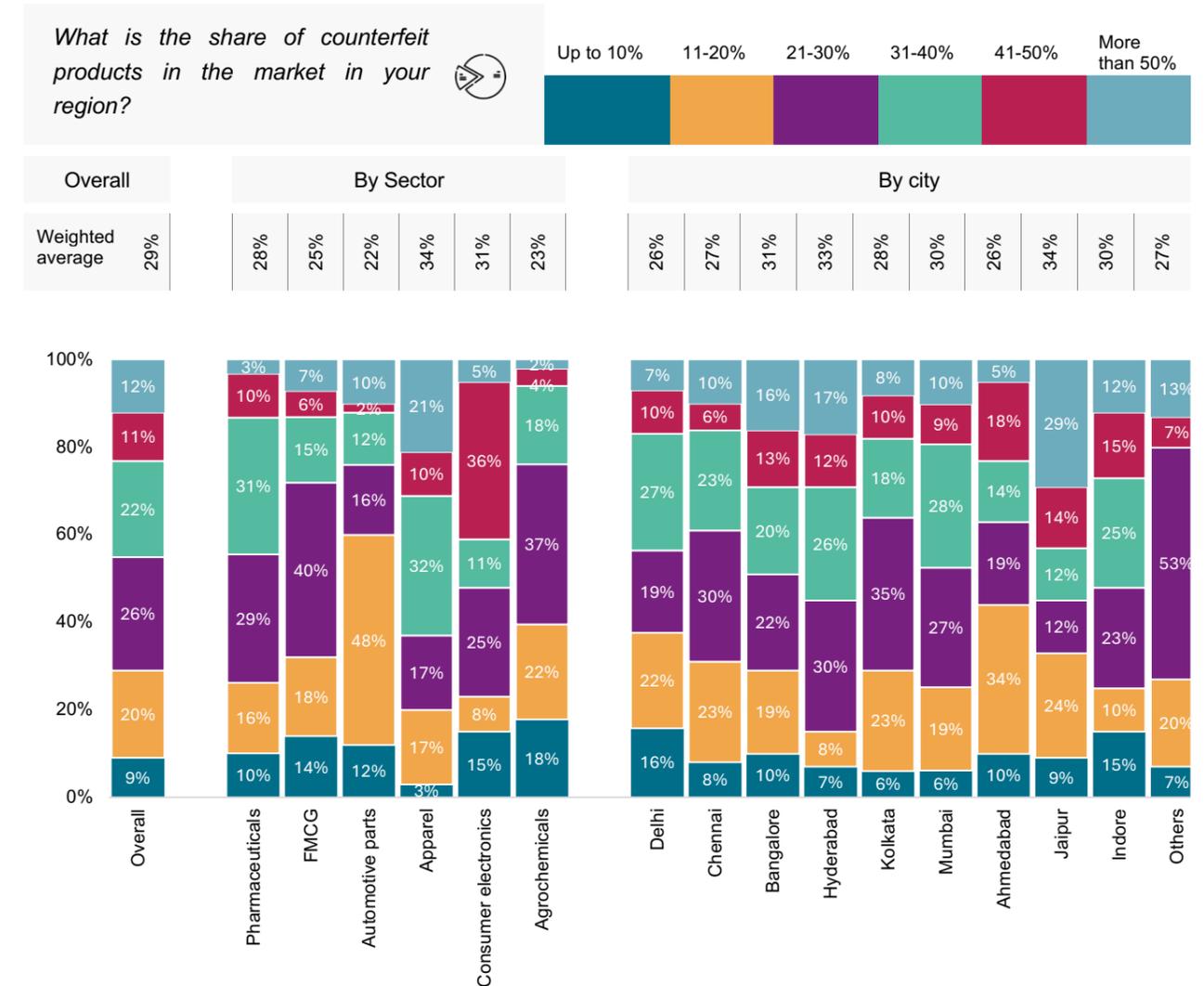
Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

Consumers perceive nearly one in three products is counterfeit, with apparel and electronics most affected

In the 2025 consumer survey, respondents estimated that about 29% of products in their local markets are counterfeit, closely matching the 25–30% range reported in 2022. This suggests that the perceived extent of counterfeiting has remained stable over time.

Sector-wise, consumers believe apparel (34%) and consumer electronics (31%) have the highest share of counterfeits, while automotive parts are seen as least affected (22%). These findings indicate that counterfeiting is viewed as a persistent issue, with certain categories considered more vulnerable than others.

Figure 11: Consumer perception towards share of counterfeit products in the market



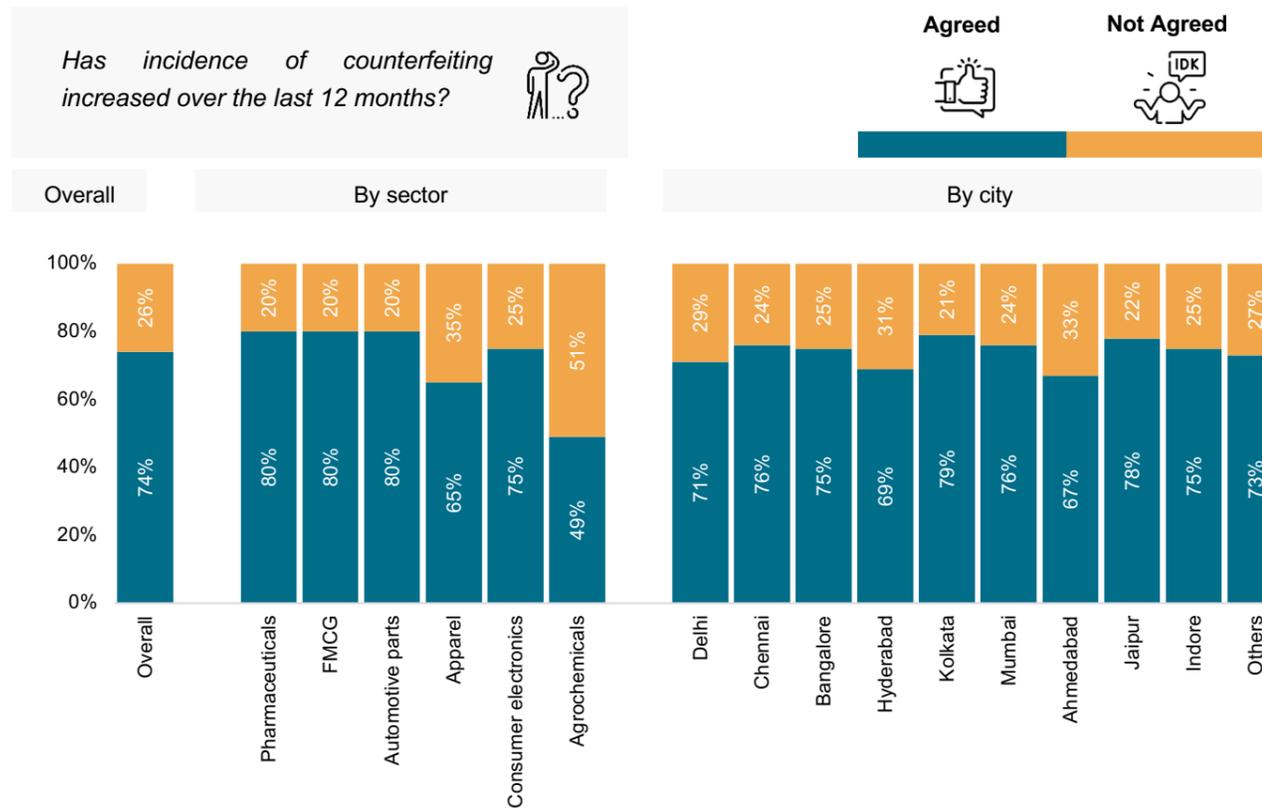
Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

74% consumers perceive a rise in counterfeiting, especially in pharma, FMCG, and auto parts

Nearly three-quarters of respondents (74%) believe that the incidence of counterfeiting has increased in their region over the past 12 months. This perception is particularly strong in sectors such as pharmaceuticals, FMCG, and automotive parts, where 80% of consumers feel counterfeiting has risen. In contrast, fewer consumers in the apparel sector (65%) and agrochemicals (49%) share this view.

Across cities, the proportion of respondents who perceive an increase range from 67% in Ahmedabad to 79% in Kolkata, indicating that while the belief in rising counterfeiting is widespread, sectoral differences are more pronounced than regional ones.

Figure 12: Consumers' perception on increase in incidence of counterfeiting over the last 12 months



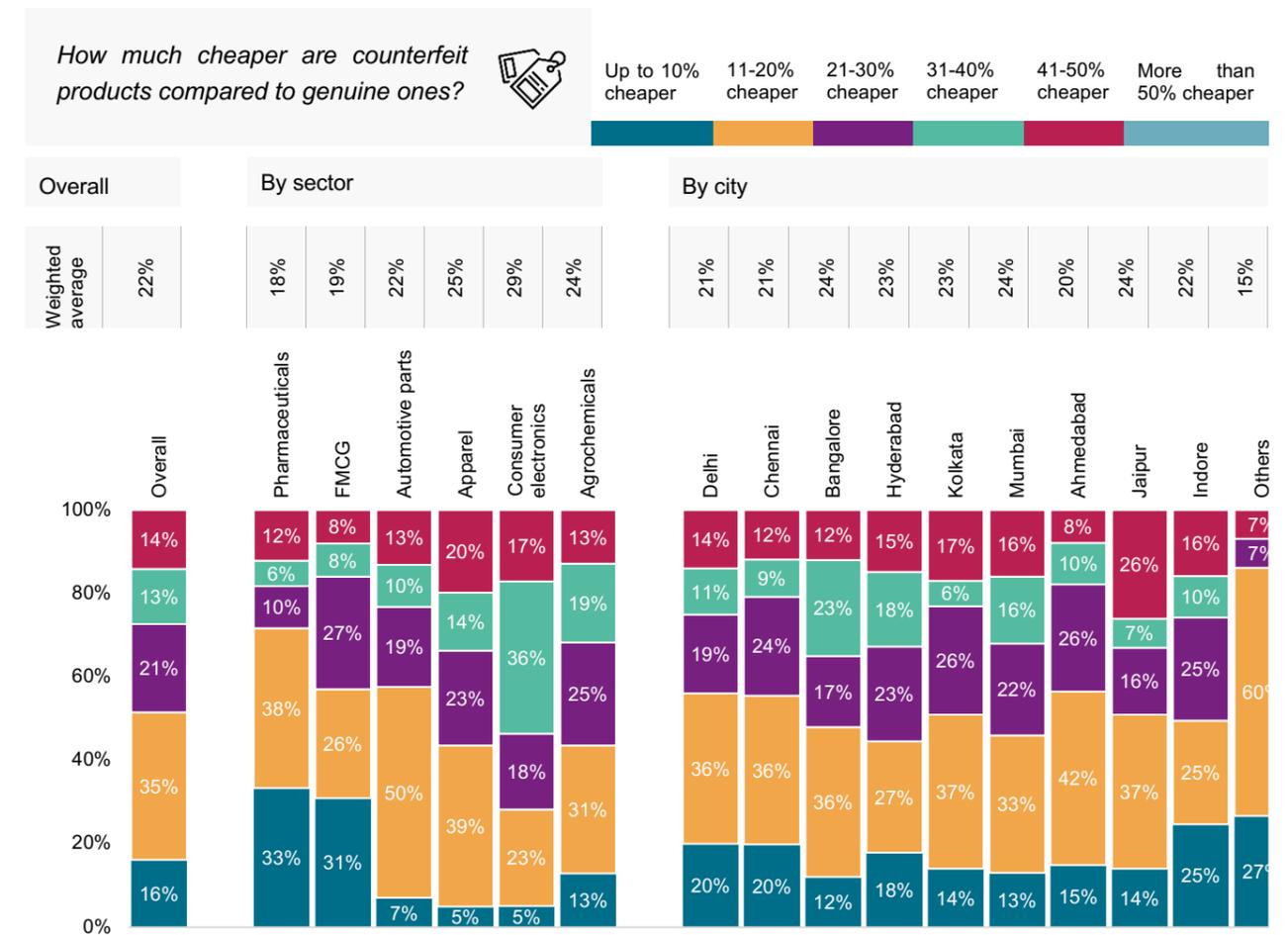
Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

Counterfeits are ~22% cheaper on average, but price alone is less of a purchase driver than before

In the 2025 consumer survey, respondents estimated that counterfeit products are, on average, 22% cheaper than genuine items, a wider price gap compared to the 5–20% difference reported in 2022. Despite this increased price advantage, only 36% of consumers cited lower price as their main reason for purchasing counterfeits, down from 41% in 2022, indicating that the greater price difference has not significantly boosted their appeal.

The survey also found that price differentials vary more by sector than by city. Around 40–50% of consumers noted that counterfeits in pharmaceuticals, apparel, and automotive parts are 11–20% cheaper than originals, while 20–30% reported a 21–30% price gap in consumer electronics, automotive parts, apparel, and FMCG.

Figure 13: Cost difference between counterfeit and genuine products

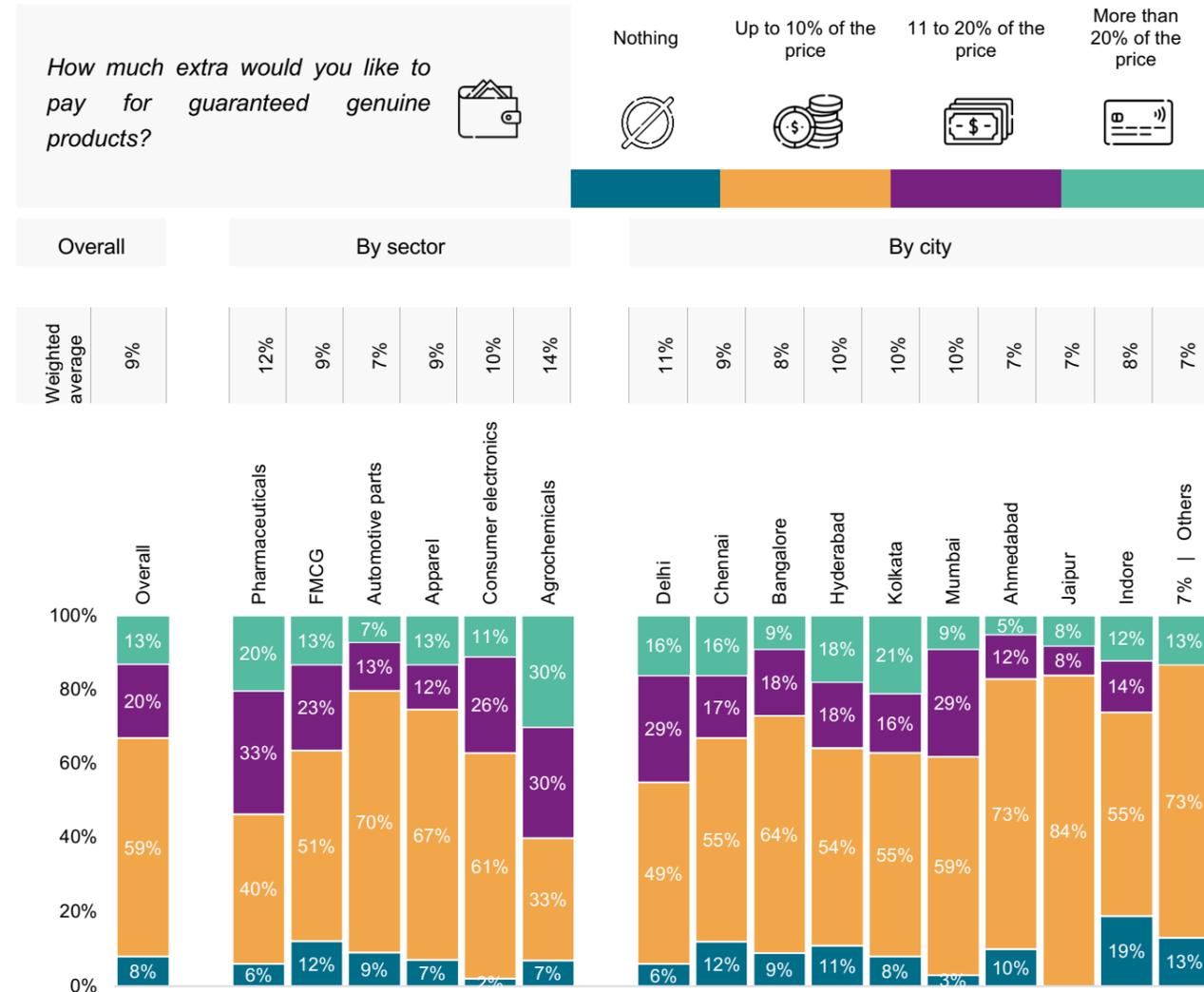


Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

Consumers are willing to pay about a 9% premium for genuine products, with pharmaceuticals and agrochemicals leading sector-wise

Consumers are willing to pay, on average, a 9% premium for guaranteed genuine products, according to the 2025 survey. This willingness varies notably by sector, with pharmaceuticals at 12% and agrochemicals at 14%, reflecting a higher value placed on authenticity in these categories. FMCG and apparel both see a 9% premium, while consumer electronics are slightly higher at 10%. Automotive parts show the lowest willingness, with an average premium of 7%. In contrast, city-wise differences are minimal, with weighted averages ranging from 7% to 11%, indicating that the desire to pay extra for genuine products is consistent across regions but more strongly influenced by product category.

Figure 14: Willingness to pay premium for guaranteed genuine products



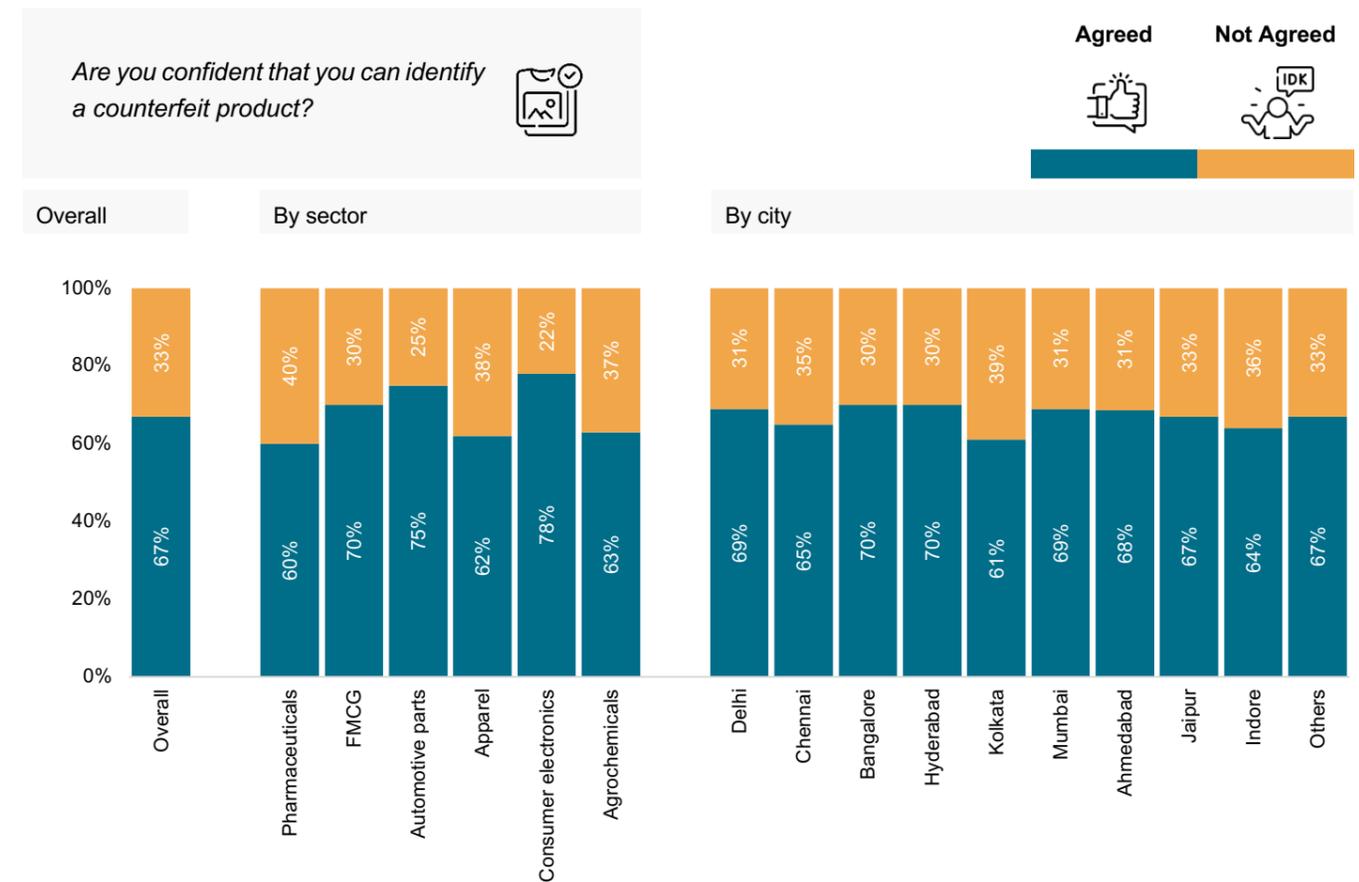
Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

Consumer confidence in spotting counterfeits rises to 67%, with most relying on visual and packaging cues.

In the 2025 consumer survey, about two-thirds of respondents (67%) expressed confidence in their ability to identify counterfeit products, a notable increase from less than 50% in 2022. Similarly, nearly two-thirds reported that they actively check the authenticity of products before purchasing.

The most common methods for verification include examining the product's look and feel, branding design and color, and the quality of packaging, with more than half of consumers relying on these cues. The data also shows that consumer confidence in spotting counterfeits varies only slightly across different sectors and cities, indicating a broad-based improvement in awareness and vigilance compared to previous years.

Figure 15: Share of consumers confident in identifying a counterfeit product



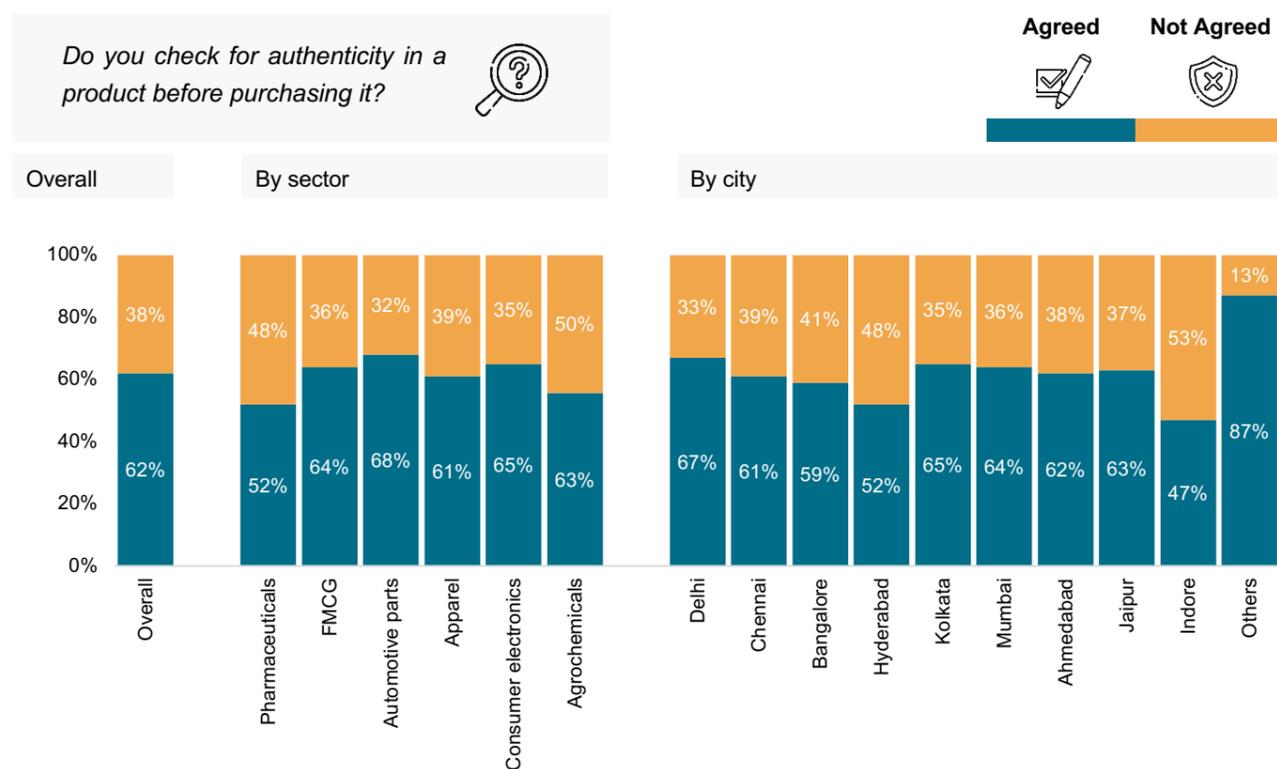
Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

62% of consumers check product authenticity, but vigilance is lower for pharmaceuticals compared to other sectors

At an overall level, 62% of consumers reported that they check for the authenticity of a product before making a purchase. However, this behavior varies by sector: only 52% of consumers check the authenticity of pharmaceutical products, while the proportion is higher—ranging from 61% to 68%—for FMCG, automotive parts, apparel, consumer electronics, and agrochemicals.

This suggests that consumers may feel less confident or find it more challenging to verify pharmaceuticals compared to other categories, possibly due to subtler differences or fewer accessible verification tools. Sectoral differences are more pronounced than city-level variations, highlighting that the type of product plays a bigger role in influencing consumer vigilance.

Figure 16 Share of consumers checking authenticity of a product before purchasing it



Note: Percentages represent the share of consumers who gave the corresponding response

Source: Consumer Survey 2025, Crisil Intelligence

Consumers rely on look, packaging, and branding to spot counterfeits, with sector-specific checks shaping their decisions.

Across categories, consumers most often rely on product look and feel (61%), quality of packaging (55%), and branding design or color (54%) to assess whether a product is counterfeit. Sector-specific patterns show that packaging quality is especially important for automotive parts (75%), pharmaceuticals (66%), and agrochemicals (73%). Holograms and QR codes are checked more frequently for pharmaceuticals, while apparel buyers focus more on look and feel (66%) and branding (63%). In agrochemicals, trust in the retailer (61%) and post-purchase verification methods like checking with the brand (41%) or using digital IDs (43%) are also significant. These findings highlight that while visual and tactile cues are the primary means of counterfeit detection, reliance on specific features and verification methods varies by product category.

Figure 17: Features used to identify a counterfeit product

Which features of a product do you assess to decide whether it is counterfeit or not?

Features	Overall	Pharma	FMCG	Automotive parts	Apparel	Consumer electronics	Agrochemicals
Product look and feel	61%	61%	60%	60%	66%	44%	63%
Quality of packaging	55%	66%	62%	75%	38%	58%	73%
Branding design and colour	54%	47%	45%	58%	63%	54%	65%
Hologram on packaging	34%	48%	33%	54%	24%	28%	0%
Label	34%	33%	39%	51%	22%	46%	61%
QR code on packaging	23%	40%	27%	14%	15%	31%	0%
Trusting the retailer or service provider	18%	29%	28%	13%	9%	8%	61%
Invoice	14%	24%	18%	9%	10%	9%	0%
Checking with brand-owner company after purchase	13%	26%	24%	3%	6%	3%	41%
Any other digital ID of the product	13%	24%	23%	5%	6%	3%	43%
Others	2%	0%	4%	3%	1%	5%	8%

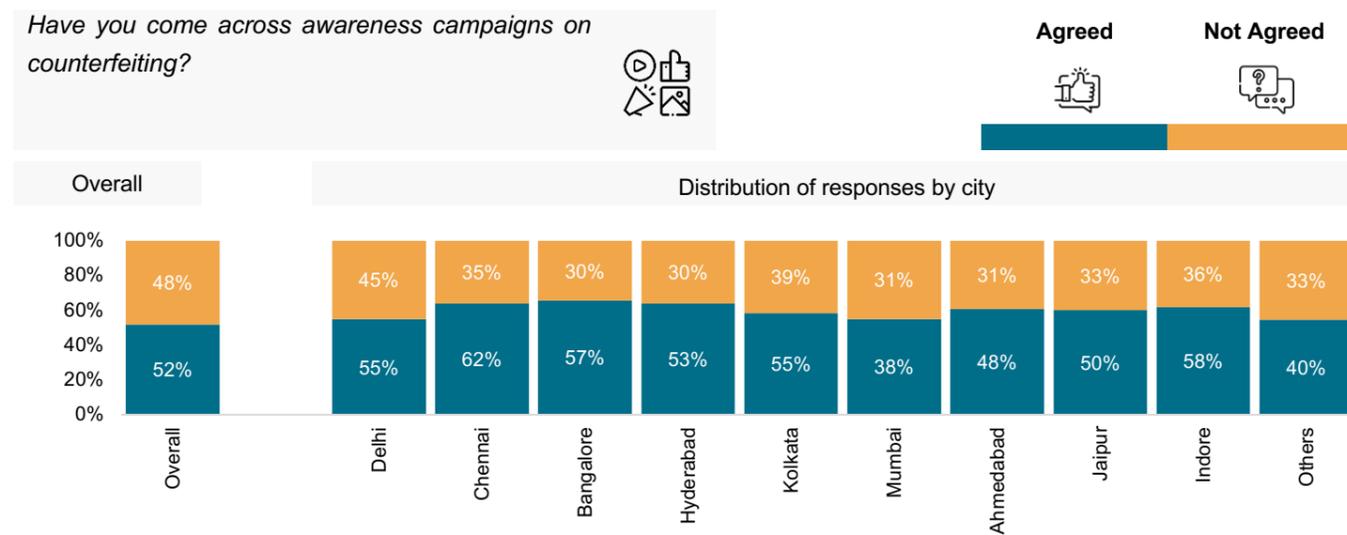
Note: Percentages represent the share of consumers who gave the corresponding response

Source: Consumer Survey 2025, Crisil Intelligence

~5% of consumers have come across awareness campaigns on counterfeiting, yet 93% believe that more such campaigns are needed

In the 2025 consumer survey, about half of respondents reported having come across awareness campaigns on counterfeiting. However, a significant 93% of consumers believe that there should be more awareness campaigns to address the issue of counterfeit products. This strong demand for increased education and outreach highlights that current efforts are not seen as sufficient, despite the high level of general awareness—consistent with the 2022 finding where 89% of consumers were already aware of counterfeit products in the market. The results underscore the ongoing concern among consumers and the importance of expanding awareness initiatives to better inform and protect the public.

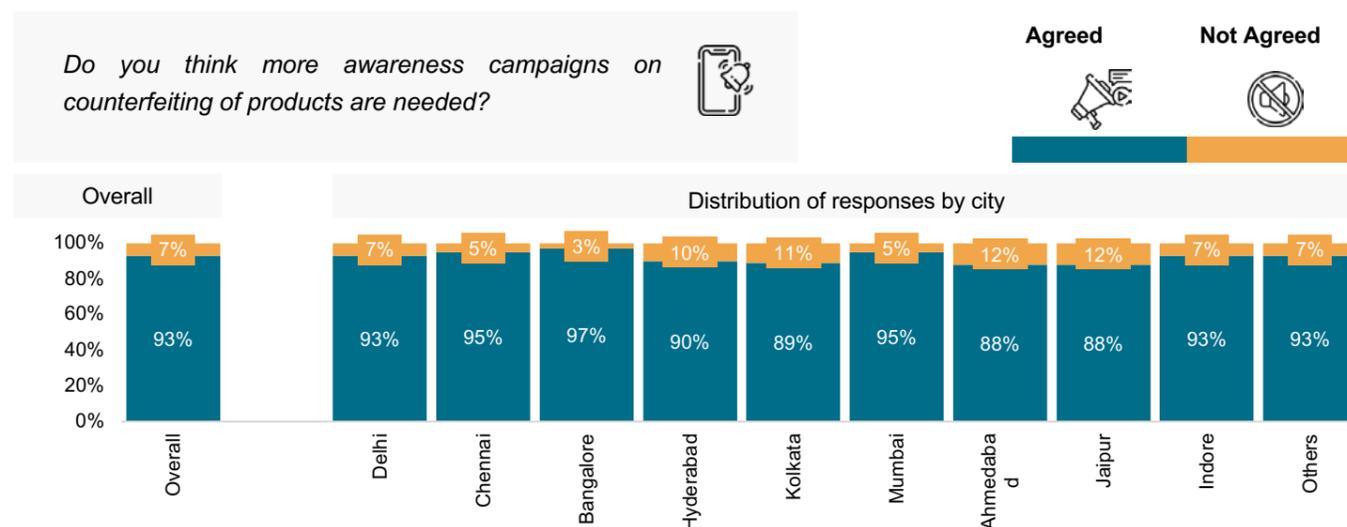
Figure 18: Share of consumers who came across awareness campaigns on counterfeiting



Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

In addition, the consumers' opinions on whether more awareness campaigns were needed are presented below.

Figure 19: Share of consumers who said more awareness campaigns are needed



Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

Safeguarding Your Most Valuable Asset:
Your Brand



Protecting Brands with IG Gram and Advanced Track & Trace Solutions.

Our flagship brand protection solutions include:



Anti-Counterfeiting & Authentication Solutions

Patented high-security graphics and multi-layer authentication that prevent duplication while preserving design integrity.

Track & Trace Systems

End-to-end security with RFID, NFC, blockchain, serialization, and digital verification for complete brand protection.

✓ **100+ crore** products secured

✓ **300+ brands** protected worldwide

Zircon Where Innovation Meets Protection

Industry wise overview of counterfeiting

Pharmaceutical

Industry overview

India's pharmaceutical industry is the world's third largest by volume and 14th largest by value. According to Crisil Intelligence, the pharmaceutical market, valued at INR 4,481 billion in FY 2025, is projected to reach INR 4,911 billion in FY 2026.

Counterfeiting in the pharmaceutical industry

In the context of counterfeiting in the pharmaceutical industry, the term 'pharmaceutical products' is typically used to refer to all healthcare products including medicines, OTC drugs, medical devices and OTC consumables such as bandages, cotton and ear buds.

Types of counterfeit products

In the pharmaceutical industry, counterfeiters target nearly all product categories. So, counterfeit pharmaceutical products include counterfeit drugs, counterfeit medical devices, and counterfeit OTC consumables. Among all counterfeit pharmaceutical products, the most important are counterfeit drugs. The WHO categorizes counterfeit drugs into the following:

- **Substandard drugs:** These are authorised drugs that fail to meet the relevant quality standards or the applicable specifications or both. These are also known as 'out of specification' drugs.
- **Unregistered or unlicensed drugs:** These refer to those drugs which have not been evaluated and/or approved by the relevant regulatory body for the market in which they are sold.
- **Falsified drugs:** These are those drugs which are deliberately / fraudulently labelled to misrepresent their identity, composition or source.

Modus operandi of counterfeiters: Use of substandard APIs in counterfeit drugs

Counterfeiters source cheap, substandard APIs to manufacture counterfeit drugs. They use APIs that are either imported or sourced locally. Counterfeit drugs that are manufactured using substandard APIs are difficult to identify. When used, these counterfeit drugs may even be effective as the drug formulation is the same as that of their branded counterparts.

In some cases, counterfeiters use easily available substances to manufacture counterfeit drugs. For instance, they use tap water to manufacture neomycin eye drops and meningococcal vaccine, industrial solvent to manufacture paracetamol syrup, turmeric to manufacture ampicillin, and wheat flour to manufacture contraceptive pills. Further, in some cases, counterfeiters manufacture antimalarials, antibiotics and snake anti-venoms without any active ingredients.

Counterfeiters use packaging that are designed to be similar to those of branded drugs. In some cases, the packaging materials they use are those of the original manufacturer which they procure from waste. For instance, counterfeiters collect discarded vials with intact labels to refill them with their counterfeit drug.

The scale at which counterfeit drugs are manufactured and sold is alarming. A detailed review of customs data obtained from the seizure of counterfeit drugs reveals that drugs that are targeted the most by counterfeiters for international trade are antibiotics, painkillers, and drugs indicated for the treatment of lifestyle diseases. In addition, counterfeiters also target drugs indicated for the treatment of critical conditions such as HIV/AIDS and cancer.

Point of entry in the supply chain

As part of this study, Crisil conducted a survey wherein retailers participated and shared their insights on counterfeiting in the pharmaceutical industry. In this survey, retailers were asked to give their viewpoint on how counterfeit pharmaceutical products entered the market. The following figure summarizes the findings.

Figure 20: Point of entry of counterfeit pharmaceutical products in the supply chain



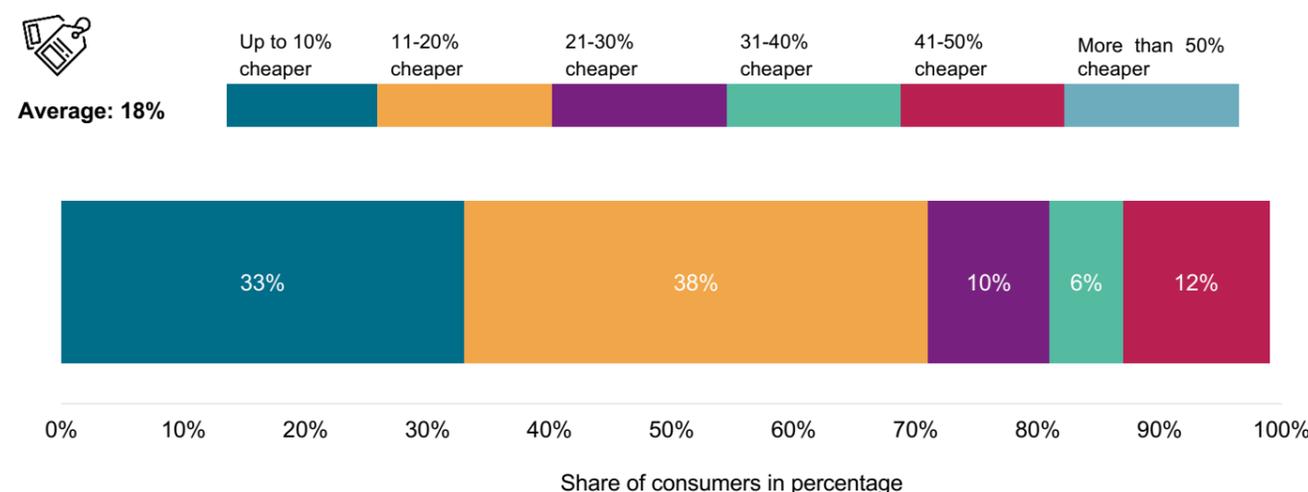
Note: Percentages represent the share of total responses by retailers

Source: Retailer survey, Crisil Intelligence

Pricing of counterfeit pharmaceutical products

As part of this study, Crisil conducted a consumer survey to assess consumer perceptions regarding the price difference between counterfeit and genuine pharmaceutical products. The survey results revealed that, on average, consumers reported counterfeit pharmaceutical products to be approximately 18% less expensive than their authentic counterparts. This finding highlights a significant price advantage for counterfeit pharmaceuticals, which may contribute to their appeal among price-sensitive consumers.

Figure 21: Percentage by which counterfeit pharmaceutical products are cheaper compared to genuine products



Note: Percentages represent the share of total responses by consumers

Source: Consumer survey, Crisil Intelligence

Laws against counterfeiting for the pharmaceutical industry

In India, the Drugs Technical Advisory Board (DTAB) is the highest statutory body that advises the government on technical matters related to drugs and cosmetics. On its recommendation, in 2023, the government made it mandatory for manufacturers of the top 300 brands of drug formulation products to display the bar code or quick response code on all the labels at the primary level of packaging, or at the secondary level of packaging if space is inadequate at the primary level. Besides this, India has the following two laws against counterfeiting in the pharmaceutical industry.

Drugs and Cosmetics Act, 1940

This law regulates the manufacture, import and distribution of drugs and cosmetics in India.

Drugs and Cosmetics Rules, 1945

This law regulates the storage, sale, display and prescription of drugs and cosmetics in India. An amendment made to this law, Drugs (Amendment) Rules, 2022, added a sub-rule to Rule 96, specifying that every active pharmaceutical ingredient manufactured in India or imported to India is to bear quick response code on its label at each level of packaging where machine-readable information is placed for tracking and tracing purposes. In addition, the sub-rule also states that the machine-readable information at each level of packaging is to include name of the API, its unique product identification code, brand name (if any), name and address of the manufacturer, batch number, batch size, date of manufacture, date of expiry, manufacturing / import license number and required storage conditions (if any).

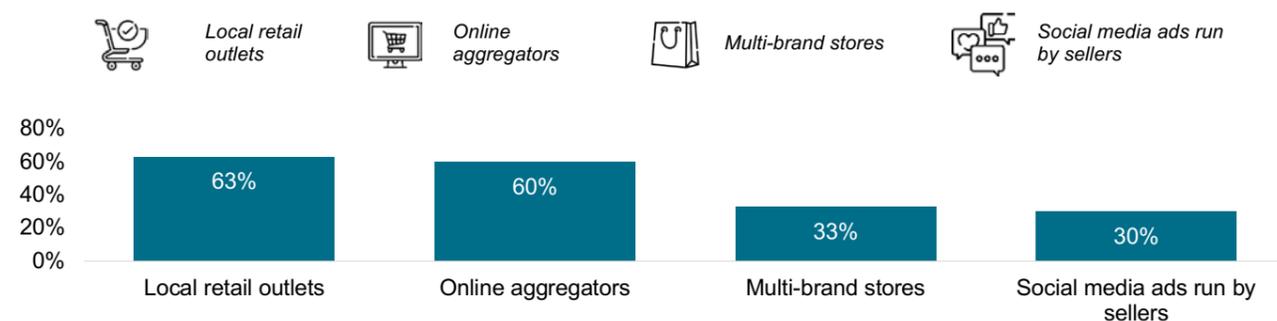
Key markets that sell counterfeit pharmaceutical products

Delhi's Bhagirath Palace, located Chandni Chowk is known to be a hub for counterfeit drugs. In addition, there are certain states where fake and spurious drugs are sold in local markets. These states are Bihar, Uttar Pradesh, West Bengal and Gujarat. In Bihar, Govind Mitra Road, located in Patna is known for selling counterfeit drugs such as capsules, tablets, injections, powders and syrups. In Uttar Pradesh, Fountain Chowk in the Mantola area of Agra is known for selling counterfeit drugs such as capsules, tablets, injections, powders and syrups, and other counterfeit products such as surgical instruments and medical devices.

Key sales channels that sell counterfeit pharmaceutical products

In the consumer survey that was conducted as a part of this assessment study, among other things, consumers were also asked to disclose the sales channels from which they had received a counterfeit pharmaceutical product on making a purchase. On analyzing the consumers' responses, it was found that **63% of consumers reported having received a counterfeit pharmaceutical product from their local retail outlet, whereas 60% of consumers reported having received a counterfeit pharmaceutical product from an online aggregator.** Other two sales channels which about one-third of the consumers reported were multi-brand stores and social media advertisements run by sellers.

Figure 22: Sales channels that sell counterfeit pharmaceutical products



Note: Percentages represent the share of total responses by consumers
Source: Consumer survey, Crisil Intelligence

Measures taken by brand-owners (manufacturers) against counterfeiting

Since counterfeiting adversely affects the reputation and profitability of manufacturers, measures to curb counterfeiting in the pharmaceutical industry are increasingly gaining traction. Since consumers have also become more vocal about the counterfeiting issue on social media and consumer forums, manufacturers are proactively seeking solutions to protect their branded products from being targeted by counterfeiters. As a result, several different solutions have emerged:

Tamper evident label: This solution involves using tamper evident labels on packaging which becomes irreparable upon opening the package. This discourages counterfeiters from reusing packaging of branded products as tamper evident labels become 'tampered' while opening the packages, making it impossible to restore their untampered form.

Security label: This solution involves using a high security MRP label on packaging which complies with stringent quality standards. This prevents counterfeiting by making it difficult for counterfeiters to procure those security labels for their counterfeit products.

Security tear tape or strip: This solution involves packaging manufactured products in a way that opening the package requires removal of the security tear tape. This discourages counterfeiters from reusing the package because security tear tape becomes 'tampered' while opening the package, making it impossible to restore its untampered form.

Holographic tagger foil: This solution involves using a holographic tagger foil in the packaging of the manufactured product. This tagger foil is embedded with a brand specific custom design and features. This deters counterfeiting by making it difficult for counterfeiters to procure hologram-bearing tagger foil for their counterfeit products.

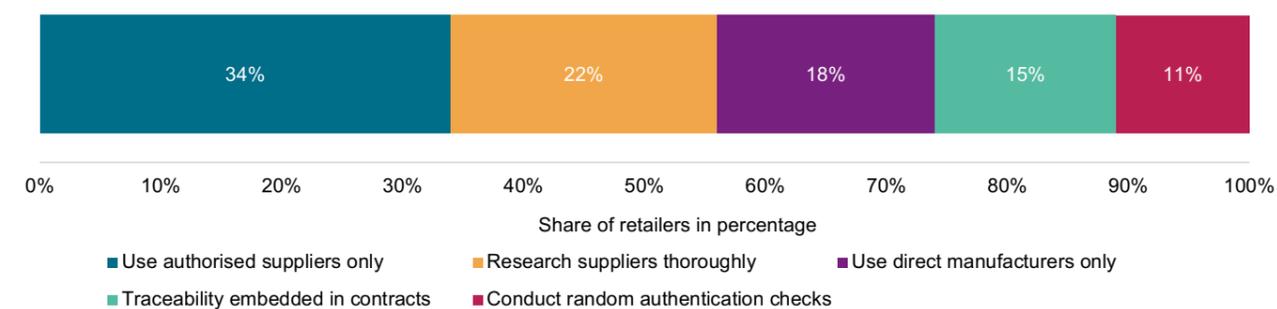
Security blister packs: This solution involves using high security blister foil for packaging manufactured products. A blister pack with holographic and security printing is a strong deterrent to counterfeiting.

Smart authentication: This solution involves placing QR codes or NFC tags on the packaging of manufactured products for tracking them through the supply chain. These QR codes and NFC tags also facilitate remote authentication of products through smartphones.

Measures taken by retailers against counterfeiting

In the retailer survey, retailers were asked to share the measures they took to ensure that they received genuine products from their suppliers. The following figure summarizes the responses obtained.

Figure 23: Measures taken by retailers in the pharmaceuticals industry



Note: Percentages represent the share of total responses by retailers
Source: Retailer survey, Crisil Intelligence

Measures taken by consumers against counterfeiting

In the consumer survey, consumers shared what they do to deal with counterfeiting in the pharmaceutical industry.

52% of consumers reported that they check for the authenticity of a pharmaceutical product before making a purchase, while 60% of consumers expressed confidence in their ability to identify a counterfeit pharmaceutical product.

In addition, consumers also shared what they typically assessed while purchasing a pharmaceutical product to ensure that they do not receive a counterfeit product. As evident in the adjacent table, **the top five features that consumers assess when purchasing a pharmaceutical product are: quality of packaging, product look-and-feel, presence of hologram on packaging, branding design and color and presence of QR code on packaging.** These responses indicate that consumers rely heavily on the appearance of the packaging and the product to decide whether the product is counterfeit or not. Given how pharmaceutical products are used, this reliance on appearance for judging the authenticity of a product is potentially dangerous.

In addition to the above, consumers also shared what action they typically took upon receiving a counterfeit pharmaceutical product. It was found that **64% of consumers discard the product if they realize that the product is counterfeit, whereas 36% of consumers claim that they lodge a complaint with a relevant body if they receive a counterfeit product.**

	Quality of packaging	66%
	Product look and feel	61%
	Hologram on packaging	48%
	Branding design and colour	47%
	QR code on packaging	40%
	Label	33%
	Reputation of the retailer	29%
	Checking with manufacturer after purchase	26%
	Invoice	24%
	Any other digital ID of the product	24%

Note: Percentages represent the share of consumers who selected the corresponding feature.

Source: Consumer survey, Crisil Intelligence

Extent of counterfeiting

Though it is very difficult to estimate the extent of counterfeiting in any industry, this section attempts to provide some indication of how widespread counterfeiting is in India's pharmaceutical industry.

Reported share of India in seizures of counterfeit drugs by customs

As per the Directorate General of Foreign Trade, India exported pharmaceutical products worth USD 30.5 billion in fiscal 2025. In terms of domestic production, that implies India exported about 50% of its production of pharmaceutical products in fiscal 2025. Though this scale of pharmaceutical production and export is impressive from the standpoint of economic growth, the scale of counterfeiting in India's pharmaceutical industry is turning into a major threat for India's reputation in international trade.

A recent study of global trade of pharmaceutical products, conducted by the EU Intellectual Property Office (EUIPO), noted that India is one of the leading countries that export counterfeit drugs. As per EUIPO's 2016 data, India was the origin of 53% of the total value of counterfeit pharmaceutical products seized globally. Furthermore, an OECD 2020 report stated that India was a provenance economy of counterfeit drugs shipped to the EU.

By definition, a provenance economy is an economy that produces infringing goods or functions as a port of transit through which infringing goods pass before reaching their destination. According to the EU customs authorities, India was found to be the origin of 47% of the total value of counterfeit pharmaceutical products seized by them.

Extent of counterfeiting as per industry participants

In India, the national regulatory authority for medicines is Central Drugs Standard Control Organization (CDSCO). In 2016, CDSCO published 'Report on Countrywide Survey for Spurious Drugs' on behalf of the Directorate General of Health Services, Ministry of Health & Family Welfare, Government of India. In this report, CDSCO stated that, based on the 47,012 samples it had tested across the country, the share of spurious drugs turned out to be 0.025% as only 13 samples were found to contain spurious drugs.

Further, CDSCO stated that the share of drugs declared not of standard quality among all the drugs that are in circulation was about 3.16%. In contrast, the World Health Organization reports that the share of substandard and falsified medical products among all medical products is about 10% in developing countries. Examples of manufacturers using innovative anti-counterfeiting solutions Mankind Pharma partnered with Forge stop to launch NFC-enabled medicine packaging

As per the interviews conducted by Crisil as part of this study, **retailers and authentication and traceability solution providers are of the opinion that the share of counterfeit products in the pharmaceutical market is about 15-20%.** Among those interviewed, some retailers shared that they expected the prevalence of counterfeiting to be high in common over-the-counter pharmaceutical products. On the other hand, some manufacturers shared that they expected the prevalence of counterfeiting to be high in high-volume products and low in niche high-value, low-volume products.

When asked about the geographical extent of counterfeiting, most respondents from the industry reported that they expected counterfeiting to be low in the organized sector because, in the organized sector, all transactions involve invoice generation for GST purposes and all invoices bear the batch code of the product being sold, its manufacturing date and its expiry date. Moreover, large distributors in the organized sector source their supply directly from manufacturers and use ERP solutions for managing their operations. In contrast, in the unorganized sector, products are often bought and sold without invoice generation. Given that the unorganized sector is mostly present in tier II/III cities and villages, counterfeiting is likely to be high in tier II/III cities and villages.

While most consumers refuse counterfeit pharmaceuticals, 80% believe counterfeiting is rising and estimate nearly 30% of products are fake.

In the consumer survey, consumers were asked to share their reasons for purchasing a counterfeit pharmaceutical product to which **73% of consumers responded that they would never consider buying a counterfeit pharmaceutical product for any reason. In contrast, 23% of consumers admitted that they would buy a counterfeit pharmaceutical product only if they were unaware of the counterfeit nature of the product at the time of purchase, whereas 4% of consumers admitted that they would buy a counterfeit pharmaceutical product if its genuine counterpart was not available.**

Further, when consumers were asked to indicate the share of counterfeit products in the market for pharmaceutical products, it emerged that, **on average, consumers expected 28% of the pharmaceutical products to be counterfeited. Also, 80% of consumers shared that counterfeiting in the pharmaceutical market had increased over the past 12 months.**



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Product Range



Hologram Label



Self Adhesive Label



Garment Tag



High Security Printing



Multimax High Security Seal



Holographic Hot Stamping Foil



High Security Blister Foil

Professional Memberships



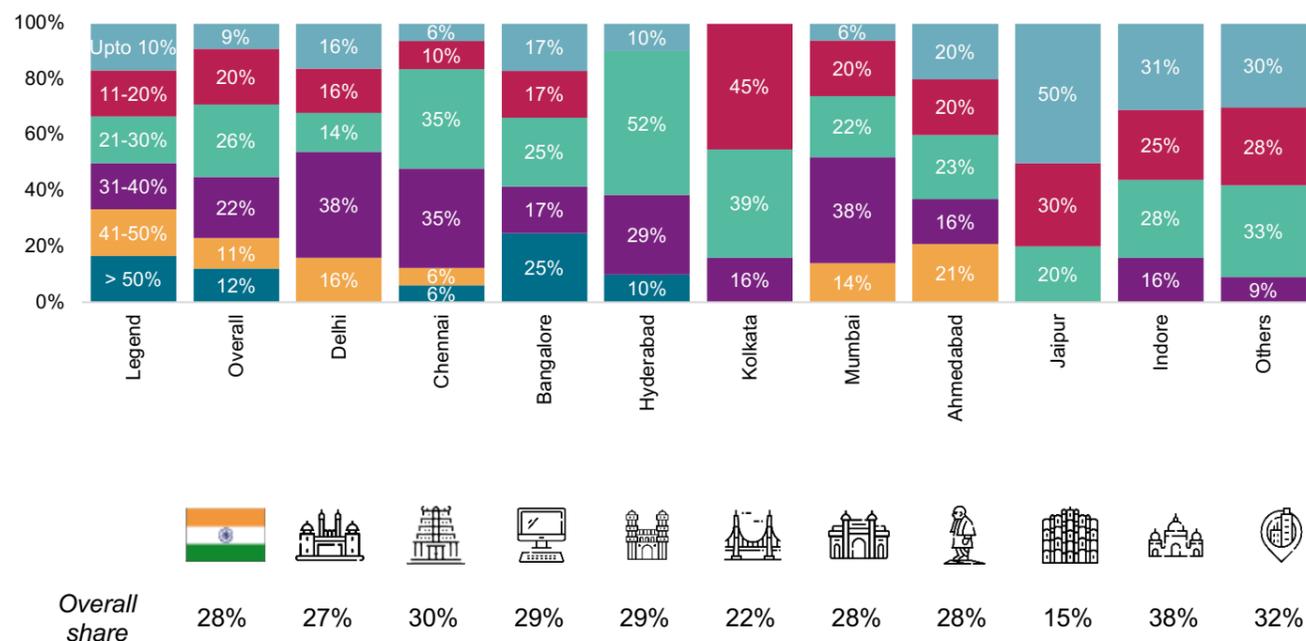
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Figure 24: Share of counterfeit products in the pharmaceutical market

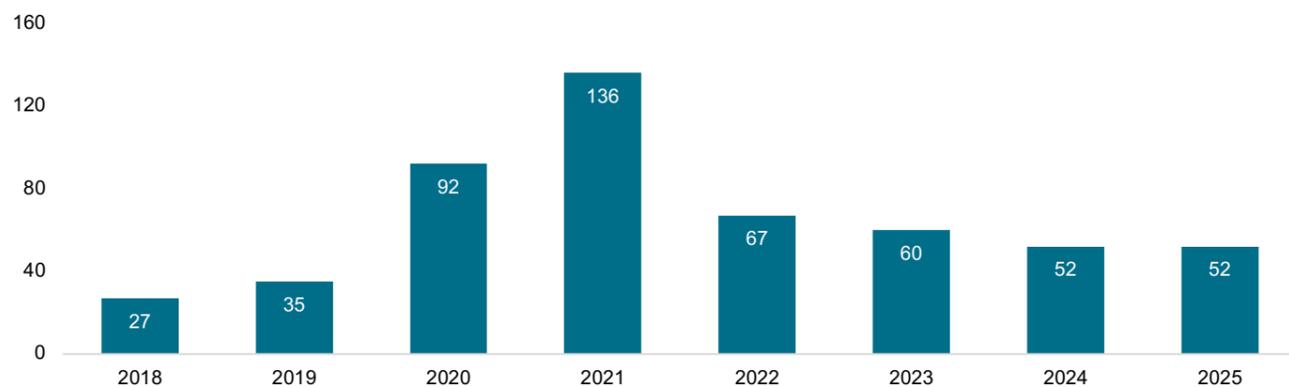


Note: Percentages represent the share of total responses given by consumers
Source: Consumer survey, Crisil Intelligence

Instances of seizures of counterfeit pharmaceutical products

Between 2018 and 2025, **ASPA reported 521 instances of pharmaceutical counterfeiting**. Notably, the number of instances of pharmaceutical counterfeiting peaked in 2020 and 2021 fueled by increased demand for pharmaceutical products due to the COVID-19 pandemic. In this period, pharmaceutical products that were targeted the most by counterfeiters were PPE kits, masks, medicines for treatment of Covid symptoms such as cough and cold, and vaccines. The highest number of counterfeiting instances were reported from Uttar Pradesh, followed by Bihar, Uttarakhand, Rajasthan and Delhi. In 2025, **ASPA reported 52 instances of pharmaceutical counterfeiting in the country which is almost double compared to 2018**

Figure 25 Instances of counterfeiting recorded as per media reports in pharmaceutical Industry



Notes: Includes Healthcare and Pharmaceuticals
Source: ASPA Counterfeit news repository

Packaging That Thinks Labels That Speaks Protection That Never Sleeps

Smart & Secure Packaging | Flexible Films | Digital & Variable Data Printing | Anti-Counterfeiting



In a world where counterfeits cost brands billions, Vinayak Group brings next-generation packaging solutions that combine smart technology with bold design. From anti-counterfeit holograms to personalized digital printing — we make every pack a promise.

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Fast-Moving Consumer Goods (FMCG)

FMCG industry overview

The FMCG industry, valued at INR 2073 billion in fiscal 2024, is one of the largest industries in India. When segmented by region, key segments in this industry turn out to be the urban segment and the rural segment. Among these, the urban segment accounts for ~50 to 60% of the market, driven by a growing preference for branded products, easy access, and changing lifestyles.

When segmented by product type, key segments in this industry turn out to be packaged food & beverages, personal care, and home care. Among these, the food and beverage segment accounts for ~75% of the market, personal care segment accounts for ~13% of the market, and home care segment accounts for ~10% of the market.

As per FICCI Cascade report 2024, The illicit market for FMCG packaged foods has nearly doubled, increasing from INR 1,124.74 billion in 2017–18 to INR 2,238.75 billion in 2022–23—a 99% rise. While the share of the illicit market has fluctuated moderately, it peaked at 26.4% in 2018–19 and stood at 25.4% in 2022–23.

In urban areas, the aspiring middle class—driven by rising incomes and a desire for higher-value, quality packaged foods—is more likely to encounter smuggled or counterfeit premium products as they seek aspirational goods. In contrast, rural consumers are particularly vulnerable to low-quality or illicit products due to greater price sensitivity and increasing consumption.

Counterfeiting in the FMCG industry

Types of counterfeiting

In the FMCG industry, counterfeit products fall into the following two categories:

Lookalikes: A lookalike product is a counterfeit product whose packaging is almost identical to that of a popular brand but bears a name that is slightly different from that of the popular brand. So, even though the overall appearance of a lookalike product resembles that of a branded product, the lookalike product carries a different name. For example, a lookalike of Dabur Amla may be named 'Lalita Amla'. Similarly, a lookalike of a pack of Tiger biscuits may be named 'Fighter biscuits.'

Duplicates: A duplicate product is a replica of a branded product. So, the overall appearance of a duplicate product exactly matches that of a branded product. But since the duplicate product is manufactured using substandard ingredients, it may be harmful. For example, duplicate of a branded ghee may be manufactured using urea, and packaged to look exactly like the branded ghee so that it passes off as a genuine product. Similarly, low quality tea leaves may be packaged to like premium tea of a specific brand. In some cases, counterfeiters mix a substandard product with a genuine product so that the resulting product gets sold entirely as the genuine product. For example, a counterfeiter may mix a substandard oil with a branded mustard oil to sell the resulting oil entirely as the branded mustard oil. In the FMCG industry, duplicates of packaged food products are particularly harmful because their consumption may adversely affect one's health.

Modus operandi of counterfeiters: Products with high volume sales and higher margins are targeted the most.

As per the interviews of industry participants that were conducted as part of this assessment study, FMCG products that sell in high volumes and those that involve higher margins are targeted the most by counterfeiters.

Among FMCG products with high volume sales, the most targeted products are water, salt, flour, sugar, toothpaste, soap, and shampoo. On the other hand, among FMCG products whose counterfeit versions involve higher margins, the most targeted products are milk, mustard oil, ghee, premium tea, and detergents.

Point of entry in the supply chain

As per the retail survey conducted as part of this study, most respondents shared that counterfeiters enter the supply chain through the unorganized sector, especially in tier II/III cities and villages. They reasoned that consumers in tier II/III cities and villages are generally less aware of brands than those in tier I cities, which helps counterfeiters in promoting lookalike products in tier II/III cities and villages. Furthermore, some retailers also shared that counterfeiters typically offer margins up to 40-50% to distributors and retailers to promote their counterfeit products.

In addition to the above, about **32% of the retailers** shared the opinion that counterfeit FMCG products enter the supply chain **through retailers**, whereas **28% of the retailers** shared the opinion that counterfeit FMCG products enter the supply chain **through distributors**. The following figure summarizes the responses obtained.

Figure 26: Point of entry of counterfeit FMCG products in the supply chain



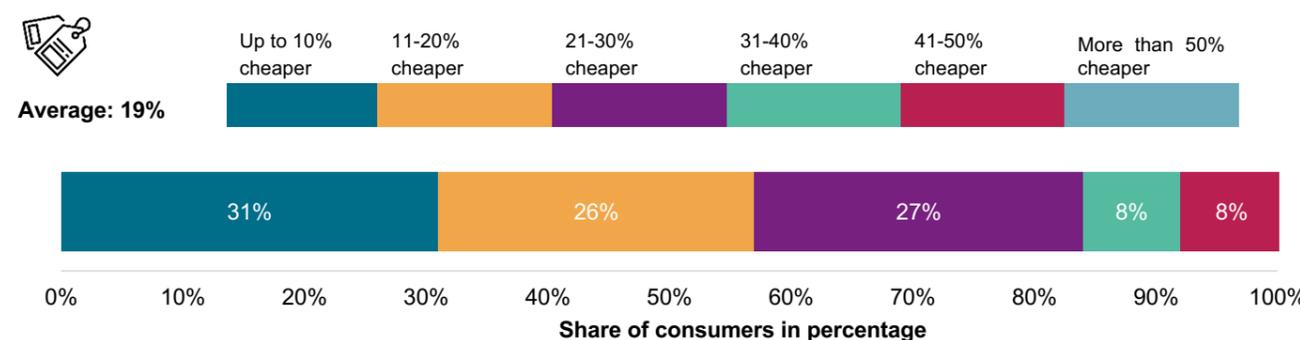
Note: Percentages represent the share of total responses by retailers

Source: Retailer survey, Crisil Intelligence

Pricing of counterfeit FMCG products

As part of this study, Crisil conducted a consumer survey wherein consumers were asked to indicate the percentage by which counterfeit FMCG products were cheaper in comparison to genuine ones. Here, it was found that, **on average, counterfeit FMCG products are about 19% cheaper than their genuine counterparts**. The following figure presents the details.

Figure 27: Percentage by which counterfeit FMCG products are cheaper compared to genuine products



Note: Percentages represent the share of total responses by consumers

Source: Consumer survey, Crisil Intelligence

Laws against counterfeiting for the FMCG industry

India does not have any specific law against counterfeiting in the FMCG industry. But the following laws make it a crime to produce, distribute or sell counterfeit products by misusing trademarks and labels.

Trademarks Act, 1999: This is the core law used against counterfeited branded FMCG goods. According to this law, making, distributing or selling products bearing a trademark without the owner's permission is a criminal offence.

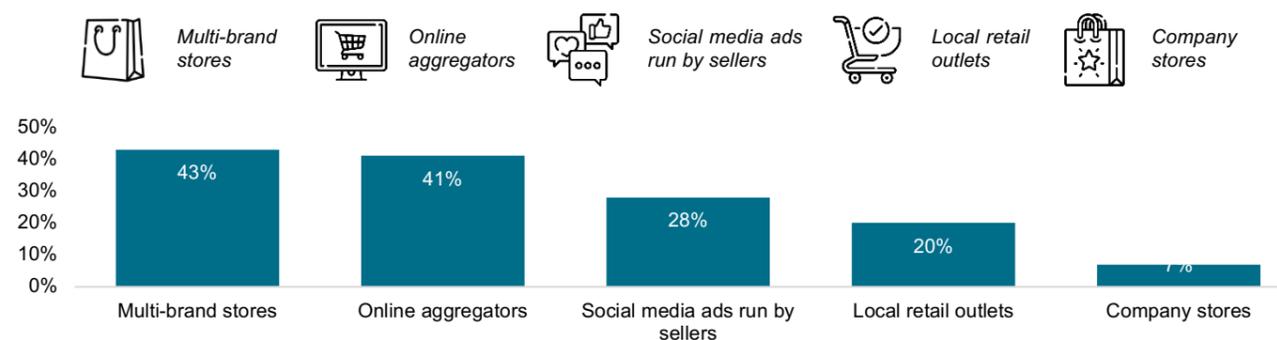
Legal Metrology Act, 2009: According to this law, declarations made on pre-packaged products must be accurate, implying that selling products with incorrect labels or misleading packaging is illegal.

Consumer Protection Act, 2019: This law protects consumers from unfair trade practices, including deceptive products by allowing consumers to seek redress for fake or misrepresented products through dedicated forums.

Key sales channels that sell counterfeit FMCG products

As per responses obtained in the consumer survey that was conducted as a part of this assessment study, the top three sales channels from which consumers reported receiving a counterfeit FMCG product are: multi-brand stores, online aggregators, and social media advertisements run by sellers. The following figure presents the details.

Figure 28: Sales channels that sell counterfeit FMCG products



Note: Percentages represent the share of consumers who indicated the corresponding sales channel.

Source: Consumer survey, Crisil Intelligence

Solutions adopted by brand-owners (manufacturers) against counterfeiting

Most FMCG companies have anti-counterfeiting departments, which hire third-party consultants to keep a check on counterfeiting. Some of the FMCG companies that regularly engage with third-party consultants or investigators to combat counterfeiting of their products include Hindustan Unilever, Dabur, Tata Consumer Products, and Emami.

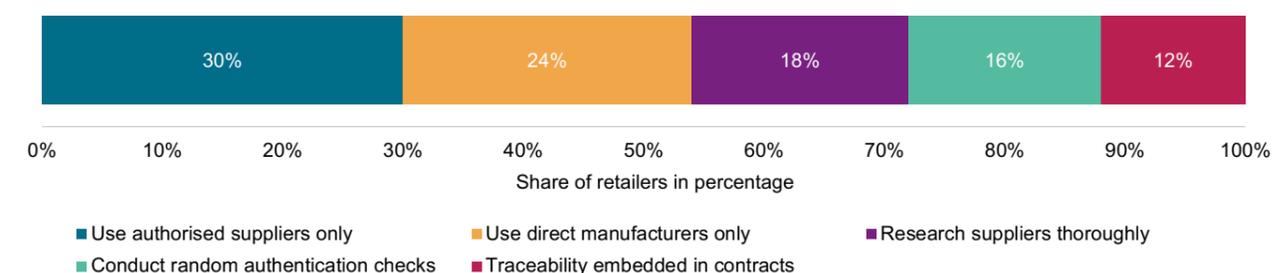
In addition to the above, FMCG companies have also been leveraging authentication and traceability solutions. Besides facilitating real-time tracking of products in the supply chain, these solutions also allow consumers to easily check for the authenticity of a product before making a purchase through QR codes, holograms, tamper proof packaging, etc.

Some FMCG companies run awareness campaigns that showcase how consumers can differentiate between a counterfeit and a genuine product of their company. For example, Bisleri ran the #HarPaaniKiBottleBisleriNahin campaign.

Measures taken by retailers against counterfeiting

In the retailer survey conducted as part of this study, retailers shared the measures they take to ensure that they receive genuine products from their suppliers. The following figure presents those measures.

Figure 29: Measures taken by retailers in the FMCG industry



Note: Percentages represent the share of total responses by retailers

Source: Retailer survey, Crisil Intelligence

Measures taken by consumers against counterfeiting

In the consumer survey conducted as part of this study, consumers gave details of how they deal with counterfeiting in the FMCG industry.

64% of consumers reported that they check for the authenticity of an FMCG product before making a purchase, while 70% of consumers claimed that they were confident about their ability to identify a counterfeit FMCG product.

In addition, consumers also shared what they typically assessed while purchasing an FMCG product to ensure that they do not receive a counterfeit product. As evident in the adjacent table, **the top three features that consumers assess when purchasing an FMCG product are: quality of packaging, product look-and-feel, and branding design and color.** In other words, consumers decide on the authenticity of an FMCG product based on the appearance of its packaging and the appearance of the product itself. Given how counterfeit FMCG products are made to closely resemble their authentic counterparts, appearance is unlikely to be a reliable way to identify a fake product.

The survey also asked consumers what they typically do if they receive a counterfeit FMCG product. As per the responses obtained, **42% of consumers discard the product, 40% of consumers lodge a complaint with a relevant body, 9% of consumers use the product, and 8% of consumers return the product.**

	Quality of packaging	62%
	Product look and feel	60%
	Branding design and colour	45%
	Label	39%
	Hologram on packaging	33%
	Reputation of the retailer	28%
	QR code on packaging	27%
	Checking with manufacturer after purchase	24%
	Any other digital ID of the product	23%
	Invoice	18%
	Others	4%

Note: Percentages represent the share of consumers who selected the corresponding feature.

Source: Consumer survey, Crisil Intelligence

Extent of counterfeiting

Extent of counterfeiting as per government bodies and industry participants

Trade of counterfeits and pass-off products is a serious concern for companies in the FMCG sector. The top brands within any category - be it packaged food, detergents or soaps - are affected the most by counterfeiting. As per [FICCI cascade report](#), the grey market size is 34% in FMCG - personal goods and 25% in FMCG - packaged food as per the study conducted in 2024. Complete fake products, lookalike products and adulterated products all make up counterfeit products in the FMCG segment.

In the FMCG industry, there is a thin line between counterfeit and adulterated products. Branded products can be counterfeit, but adulteration in unbranded products is pure adulteration. But since both these categories are harmful, they are considered counterfeit products because they are not selling what they claim to be. As per the survey by FSSAI in 2019, 94,288 samples of processed food were analyzed. Out of these 26,077 samples were found adulterated or misbranded.

According to FICCI cascade report 2024, the fake/counterfeit FMCG-packaged food market is growing at an annual rate of 15%, which is higher than the growth rate of the overall FMCG market. The following figure lays out the estimates of the extent of counterfeiting by the government and industry participants.

Extent of counterfeiting as per retailers

As per the responses obtained in the retailer survey, the share of counterfeit products in the FMCG market is about 15-20%.

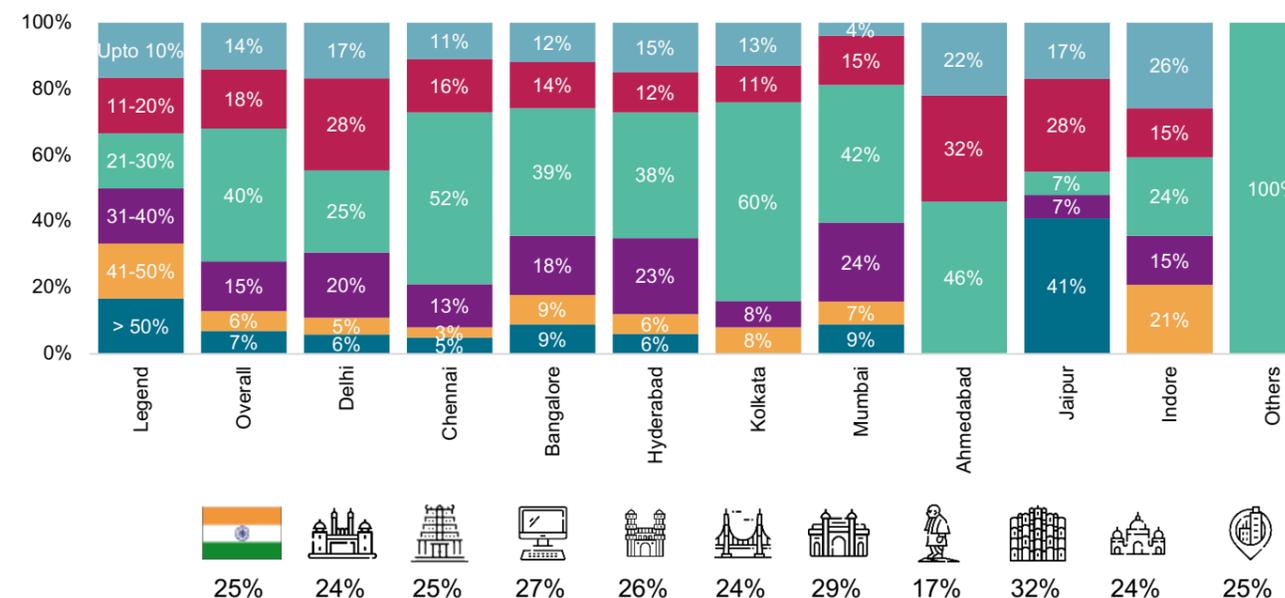
Most consumers reject counterfeits, but 80% believe FMCG counterfeiting is on the rise.

62% of consumers responded that they would **never consider buying a counterfeit FMCG product** for any reason. In contrast, **23% of consumers** admitted that they would buy a counterfeit FMCG product only if they were **unaware of the counterfeit nature** of the product at the time of purchase, whereas **9% of consumers admitted** that they would buy a counterfeit FMCG product **if its genuine counterpart was not available**. 4% of consumers also said that they would buy a counterfeit FMCG product if its genuine counterpart was more expensive.

Further, when consumers were asked to indicate the share of counterfeit products in the FMCG market, it emerged that, on average, **consumers expected 25% of the FMCG products to be counterfeited**. Additionally, **80% of consumers also indicated that counterfeiting in the FMCG market had increased over the past 12 Months**.

The following figure presents the findings.

Figure 30: Extent of counterfeiting in the FMCG industry as per consumers

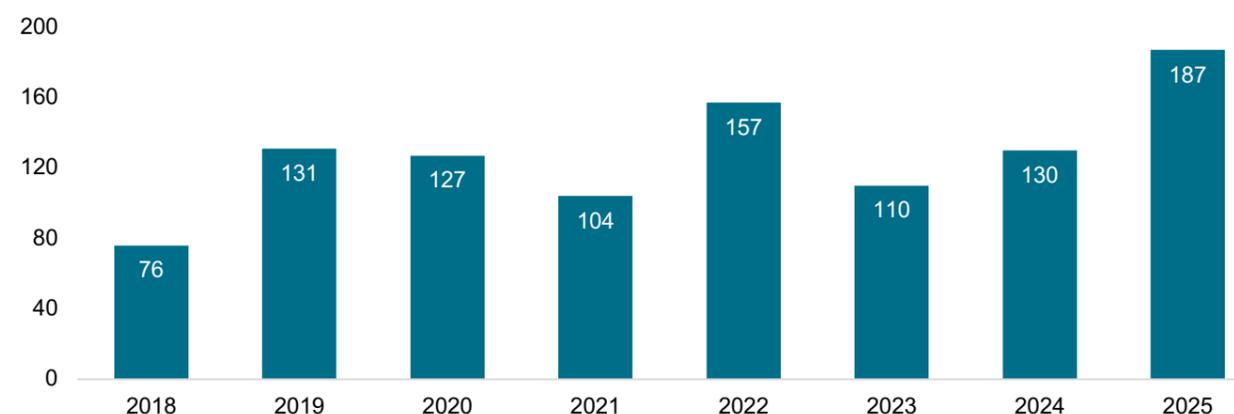


Note: Percentages represent the share of total responses given by consumers
Source: Consumer survey 2025, Crisil Intelligence

Instances of seizures of counterfeit FMCG products

In 2025, the ASPA counterfeit news repository recorded 187 instances of counterfeiting in the FMCG industry, bringing the total reported cases between 2018 and 2025 to 1,022. This represents an approximate 2.5-fold increase in incidents compared to 2018. Most cases were concentrated in milk-based products such as khoya, cheese, milk, and ghee, while beauty products also emerged as a major segment affected by counterfeiting. The rising trend highlights ongoing challenges in ensuring product authenticity, especially in high-demand and essential categories. Increased enforcement and consumer awareness are crucial to addressing these risks and protecting both brands and public health.

Figure 31: Instances of counterfeiting recorded as per media reports in FMCG Industry



Notes: Includes FMCG Packaged and Non-Packaged Goods
Source: ASPA Counterfeit news repository

Automotive parts

Automotive parts industry overview

India's automotive industry has been growing sharply on account of rising demand in the domestic market. As per Crisil Intelligence, in fiscal 2025, India's domestic market witnessed the sale of 19.9 million two-wheelers, 4.3 million passenger vehicles, and 0.96 million commercial vehicles. Also, in fiscal 2025, the contribution of India's automotive industry to the country's GDP stood at ~6%.

In fiscal 2025, India's automotive parts industry was valued at INR 7,875 billion. However, this industry is highly fragmented. Over 700 players, which make up the organized segment of this industry, account for ~85% of the industry revenue. In contrast, a much larger number of players which generally cater to the automotive parts replacement market make up the unorganized segment of this industry and account for ~15% of the industry revenue. In fiscal 2025, the automotive parts replacement market was valued at INR 1,025 billion and projected to grow at 5-7% CAGR in the near term.

Counterfeiting in the automotive parts industry

In the automotive parts industry, most products from original equipment manufacturers are directly sold to automakers through company-controlled channels. Therefore, products from original equipment manufacturers in the aftersales market are the ones that are targeted by counterfeiters.

According to the FICCI Cascade report (2018), nearly 20% of road accidents in India are attributed to mechanical failures of auto components, with many incidents linked to faulty and counterfeit parts. Weak regulations around safety standards for aftermarket products, combined with unchecked imports and the unorganized sector's production and trading, make it difficult to control the spread of counterfeit automotive parts. Genuine components are often hard to find, especially for older vehicle models, leading consumers to opt for counterfeits.

The Automotive Component Manufacturers Association of India (ACMA) estimated in 2017 that almost 36% of components sold in the aftermarket are counterfeit. Identifying these fake parts is challenging, and consumer habits—such as purchasing without bills or invoices—further complicate traceability. Fast-moving items like filters, condensers, spark plugs, brake linings, clutch facings, gaskets, seals, O-rings, ball bearings, PC linkages, and fasteners are particularly vulnerable to counterfeiting.

Types of counterfeiting

In the automotive parts industry, counterfeit products fall into the following categories:

Duplicates: These are counterfeit products that look similar to the products from OEMs, but these are of inferior quality.

Defective original parts: These are products that result from production overruns by legitimate suppliers of automakers. So, even though these products are from legitimate suppliers, these are unauthorized for sale.

Tampered or re-packaged products: These are imported automotive components products which are repackaged by either using packaging materials that resemble those of OEMs or discarded packaging materials of OEMs.

Modus operandi of counterfeiters

In the automotive parts industry, the presence of many products allows counterfeiters to target a variety of automotive parts for counterfeiting. So, counterfeiters not only target automotive parts used in cars, but also those used in two-wheelers, buses, and trucks. Additionally, counterfeiters target automotive parts that are used in older variants of vehicles because genuine versions of those parts are not easily available. However, it has been noted that in the automotive parts industry, some products are more prone to counterfeiting than others. To elaborate, the following table lists down the commonly counterfeited product categories and products.



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CLM-30S



HOLOGRAM STRIP APPLICATOR
HLHTM-50S



HOLOGRAM STRIP APPLICATOR
HLHTM-30A & 50A

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Table 3: Commonly counterfeited automotive parts

Parts of engine and exhaust	Parts used in suspension and braking	Structural parts used in body of vehicles	Electrical components
Oil filters, air filters, distributor caps, fuel filters, coolant and transmission fluids, bearings, oil pumps, water pumps, spark plugs, piston and piston rings, lubricants, sealing rings	Steering arms, tie rods, barkers, brake linings	Sheet metals, bumpers, windshields	Alternators spares, head lamps, tail lamps, wipers, starter motor spares

Source: ACMA/FICCI

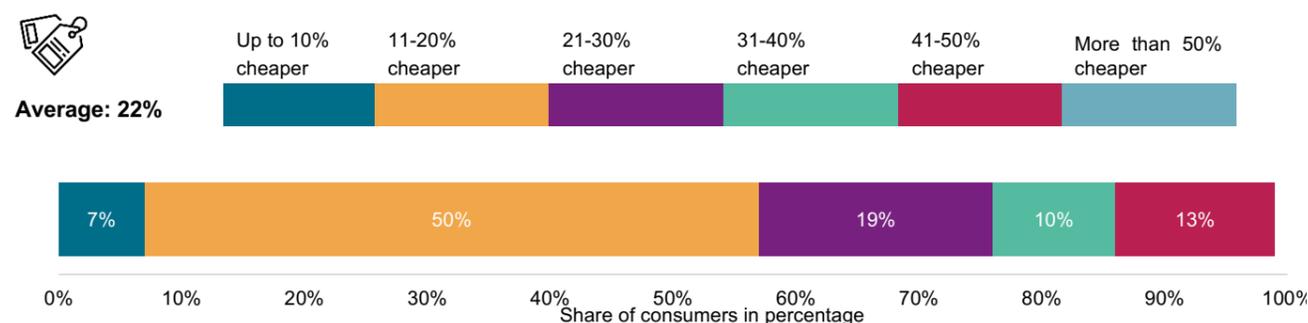
Point of entry in the supply chain

Counterfeiters typically enter the supply chain through service centers leveraging the largely unorganized nature of the auto service industry. In most cases that service centers deal with, vehicle owners are not directly involved in the purchase of automotive parts needed for their vehicles. Instead, they rely on service centers to make the purchase on their behalf.

Pricing of counterfeit automotive parts

In the consumer survey conducted as a part of this study, consumers were asked to indicate the percentage by which counterfeit automotive parts were cheaper compared to genuine ones. On analyzing the consumers' responses to this part of the survey, it was found that, **on average, counterfeit automotive parts are about 22% cheaper than their genuine counterparts.** The following figure presents the responses received.

Figure 32: Percentage by which counterfeit automotive parts are cheaper compared to genuine products



Note: Percentages represent the share of total responses by consumers

Source: Consumer survey, Crisil Intelligence

Laws against counterfeiting for the automotive parts industry

India does not have any specific law against counterfeiting in the automotive parts industry. However, India has the following laws which make it a crime to produce, distribute or sell counterfeit products by misusing trademarks and labels:

Trademarks Act, 1999: As per this law, producing, distributing or selling trademarked products without the trademark owner's authorization is a criminal offence.

Legal Metrology Act, 2009: As per this law, declarations made on pre-packaged products must be accurate, implying that selling products with incorrect labels or misleading packaging is illegal.

Consumer Protection Act, 2019: This law protects consumers from unfair trade practices, including deceptive products by allowing consumers to seek redress for fake or misrepresented products through dedicated forums.

In addition to the above laws, a draft notification, GSR 521 (E), issued by the Ministry of Road Transport & Highways on 24 July 2019, seeks to amend the Central Motor Vehicle Rules, allowing motor vehicles and their parts, components, assemblies, and sub-assemblies to be affixed with permanent and nearly invisible microdots that can be read physically with a microscope and identified with an ultraviolet light source.

Key sales channels that sell counterfeit automotive parts

The top three sales channels from which consumers reported receiving a counterfeit automotive part are: online aggregators, multi-brand stores, and local retail outlets. The following figure presents the details.

Figure 33: Sales channels that sell counterfeit automotive parts



Note: Percentages represent the share of consumers who indicated the corresponding sales channel.

Source: Consumer survey, Crisil Intelligence

Here, it must be noted that since end-users (consumers) often do not purchase automotive parts themselves, automotive parts are typically purchased by garages or service centres on behalf of their customers. Also, it must be noted that since the auto services aftermarket is largely unorganized, **garages and service centres from the unorganized sector are the most prominent sales channels that sell counterfeit automotive parts.**

Measures taken by brand-owners (manufacturers) against counterfeiting

High security MRP labels: Several OEMs place high-security MRP labels on the packaging on their products to help end users (consumers) easy distinguish authentic products from counterfeited ones. These high-security MRP labels comply with stringent quality norms and feature holograms, bar codes or QR codes for end users to quickly establish the authenticity of a product.

Product tracking solutions: Several OEMs have adopted technology-based solutions that help them with real-time tracking of their products through the supply chain so that each stage of their products' journey from manufacturing to sale is documented, preventing counterfeiters from infiltrating the market. For instance, some OEMs use industrial laser markers and marking systems to mark their products with legible alphanumeric serial codes, 1D barcodes, or 2D data matrix codes for traceability, while some OEMs use Radio Frequency Identification (RFID) tags for the same.

Incentives for auto service personnel: Some OEMs provide monetary benefits in the form of cashback to mechanics, garage owners and service centre staff to incentivise them to use genuine products.

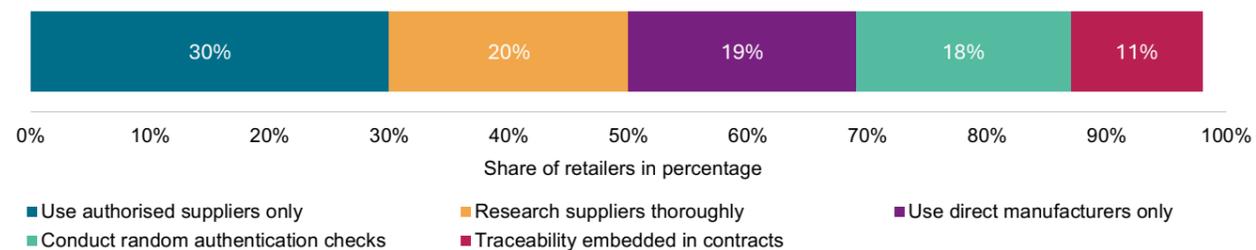
In-house intellectual property right enforcement team: OEMs often have in-house intellectual property right enforcement teams which work along with the local police to keep a check on counterfeiting. These teams regularly conduct audits of their distributors

Creation of a separate brand for automotive parts: To address counterfeiting of their products, Maruti Suzuki created a separate brand called Maruti Suzuki Genuine Parts (MSGP) and set up the Maruti Suzuki Genuine Accessories website so that MSGP branded parts can be ordered online by both Maruti Suzuki workshops and local garages.

Measures taken by retailers against counterfeiting

In the retailer survey conducted as part of this study, retailers shared the measures they take to ensure that they receive only genuine products from their suppliers. The following figure presents the details.

Figure 34: Measures taken by retailers in the automotive parts industry



Note: Percentages represent the share of total responses by retailers

Source: Retailer survey, Crisil Intelligence

Measures taken by consumers against counterfeiting

In the consumer survey conducted as part of this study, consumers shared how they dealt with counterfeiting in the automotive parts industry.

75% of consumers claimed that they were confident about their ability to identify counterfeit automotive components.

Additionally, **68% of consumers reported that they check for the authenticity of an automotive component making a purchase.**

In addition to the above, consumers also shared which aspects or features they typically assessed while purchasing an automotive component to ensure that they do not receive a counterfeit product.

As evident in the adjacent table, **the top three features that consumers assess when purchasing an automotive component are: quality of packaging, product look-and-feel, and branding design and color.** In other words, for most consumers, the appearance of the product and its packaging is the key to establishing its authenticity.

Further, the survey also asked consumers **what they typically do if they receive a counterfeit automotive product.** As per the responses obtained, **59% of consumers lodge a complaint with a relevant body, 25% of consumers discard the product, 10% of consumers use the counterfeit product, and 6% of consumers return the product.**

	Quality of packaging	75%
	Product look and feel	60%
	Branding design and colour	58%
	Hologram on packaging	54%
	Label	51%
	QR code on packaging	14%
	Reputation of the service provider	13%
	Invoice	9%
	Any other digital ID of the product	5%
	Checking with manufacturer after purchase	3%
	Others	3%

Note: Percentages represent the share of consumers who selected the corresponding feature.

Source: Consumer survey, Crisil Intelligence

Extent of counterfeiting

Extent of counterfeiting as per industry participants

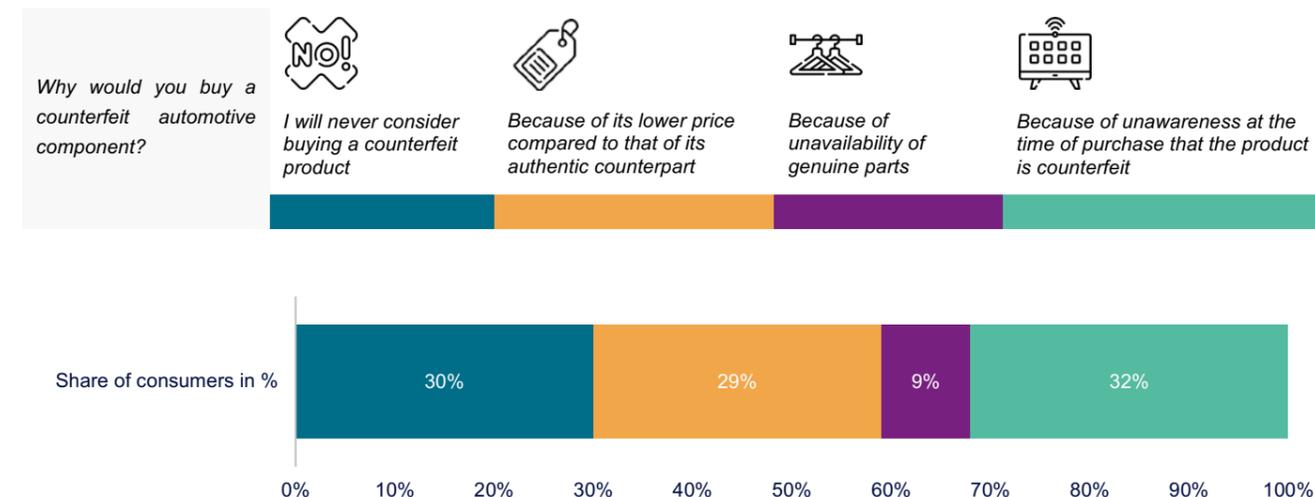
In the interviews conducted as part of this study, it was found that OEMs and service centre owners expected the share of counterfeit automotive components in the market to be about 15%.

Extent of counterfeiting as per consumers

In the consumer survey conducted as part of this study, **half the respondents reported that they had come across a counterfeit automotive component in the last 12 months.** Additionally, **15% of the consumers claimed that they had received a counterfeit automotive component once or twice in the last 12 months.**

Given that in some cases, consumers willingly purchase counterfeit automotive components, a survey question asked consumers to share their reasons for purchasing a counterfeit automotive component. The following figure summarizes the responses obtained.

Figure 35: Reasons for purchasing a counterfeit automotive component



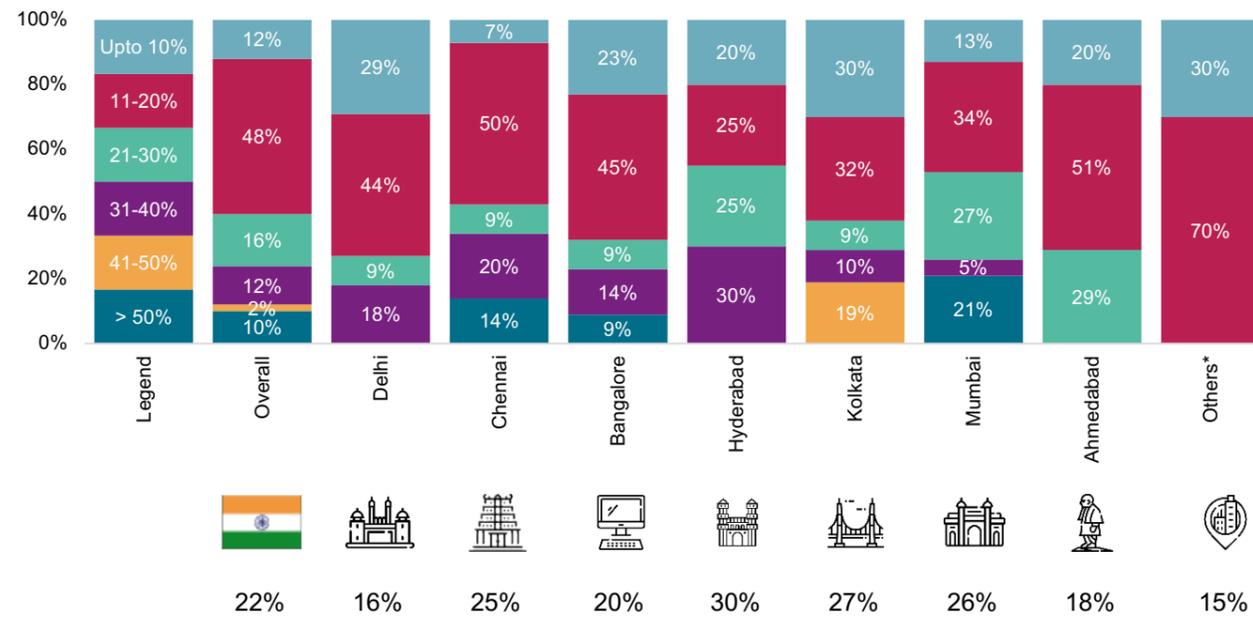
Note: Percentages represent the share of consumers who gave the corresponding response

Source: Consumer Survey 2025, Crisil Intelligence

As illustrated above, **29% of consumers willingly purchase counterfeit automotive components because they are cheaper than genuine components, while 9% of consumers do the same because of unavailability of genuine components.**

When consumers were asked to share their estimate of the percentage of counterfeit automotive components in the market, it was found that, according to consumers, on average, 22% of automotive components in the market are counterfeit. Compared to the estimate of 15% shared by OEMs and service centre owners, the estimate of consumers is somewhat higher. Further, when consumers' responses are grouped by city, it emerges that consumers' perception of the market varies considerably across cities. The following figure presents the findings.

Figure 36: Extent of counterfeiting in the automotive parts industry as per consumers



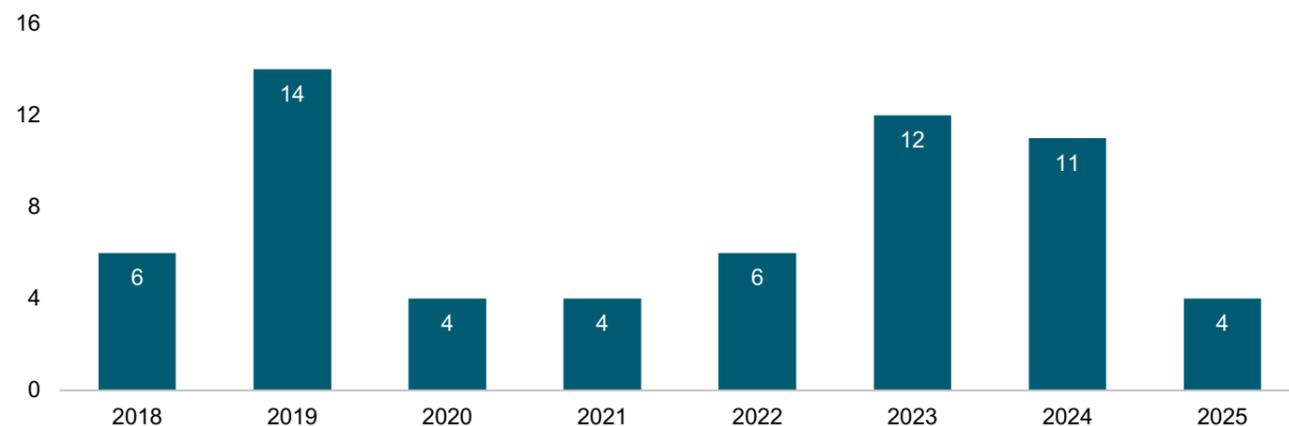
Note: Percentages represent the share of total responses given by consumers; *Indore and Jaipur are merged under others because of low responses in selected segment

Source: Consumer survey, Crisil Intelligence

Instances of seizures of counterfeit automotive parts

In 2025, the media reported 4 cases of counterfeiting in auto components, raising the total number of incidents to 61 between 2018 and 2025, with most cases occurring in the spare parts segment.

Figure 37: Instances of counterfeiting recorded as per media reports in Automotive industry



Notes: Includes Automobiles and Auto Components

Source: ASPA Counterfeit news repository

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Apparel

Apparel industry overview

India's readymade garment (RMG) industry, valued at INR 4,300 billion in fiscal 2025, is projected to grow by 6-8% to reach INR 4,600 billion by the end of fiscal 2026.

Counterfeiting in the apparel industry

Types of counterfeiting

In the apparel industry, counterfeiting is typically categorized into the following classes:

Deceptive counterfeiting: This refers to the type of counterfeiting wherein counterfeiters deceive consumers into buying counterfeit apparel. In other words, in deceptive counterfeiting, consumers purchase counterfeit apparel mistaking it for the original product. So, consumers pay the price of an original product but receive a counterfeit product which they are unable to identify as counterfeit. In deceptive counterfeiting, the most targeted consumers include those belonging to the upper-middle and high-income brackets.

Non-deceptive counterfeiting: This refers to the type of counterfeiting wherein counterfeiters do not attempt to deceive consumers. Instead, consumers willingly purchase counterfeit products which are priced at levels that are much lower than those of original products. This type of counterfeiting exists because there is a demand for low quality replicas of designer wear and branded apparel because consumers like to own and wear designer clothes and branded apparel, but they do not like to pay the high prices that the original products command. These consumers are price sensitive, so they do not mind paying for the fabric and the craftsmanship, but they do not like to pay for the effort that designers put into designing an apparel because that effort is spent only once. These consumers are generally young and belong to the middle-income bracket, and the apparel that is most targeted in non-deceptive counterfeiting include wedding costumes, occasion wear, luxury western apparel, and sportswear.

Modus operandi of counterfeiters

In deceptive counterfeiting, counterfeiters not only produce replicas of designers' creations and high-end brands' apparel but also copy all the tags and labels to make their counterfeit products indistinguishable from the original. Therefore, consumers who unknowingly buy these counterfeit products realize that they have been deceived only after using the product.

In contrast, in non-deceptive counterfeiting, counterfeiters only need to produce replicas of designers' creations and high-end brands' apparel. Since their consumers knowingly purchase counterfeit apparel, they do not mind if their outfits do not last very long. These consumers believe that counterfeiting is acceptable if it does not adversely affect their health. These consumers also prefer buying other counterfeit products such as replicas of luxury watches, handbags, and shoes.

Under deceptive counterfeiting, the most targeted products are sportswear because the demand for branded sportswear is growing rapidly as youngsters are increasingly becoming fitness enthusiasts. Under non-deceptive counterfeiting, the most target apparel items are wedding costumes, occasional wear, and luxury brand clothing.

Point of entry in the supply chain

For counterfeit apparel to enter the supply chain, there are several avenues:

Online platforms: Several counterfeiters sell their products through online platforms. In comparison to setting up a brick-and-mortar store to sell counterfeit apparel, selling through online platforms allows counterfeiters to remain somewhat less exposed to law enforcement agencies. In addition, online platforms allow counterfeiters to gain access to tier II/III cities. Apart from widening the geographical scope of counterfeiters' businesses, online platforms also prevent shoppers from posting any feedback for a product alleging that the product is counterfeit.

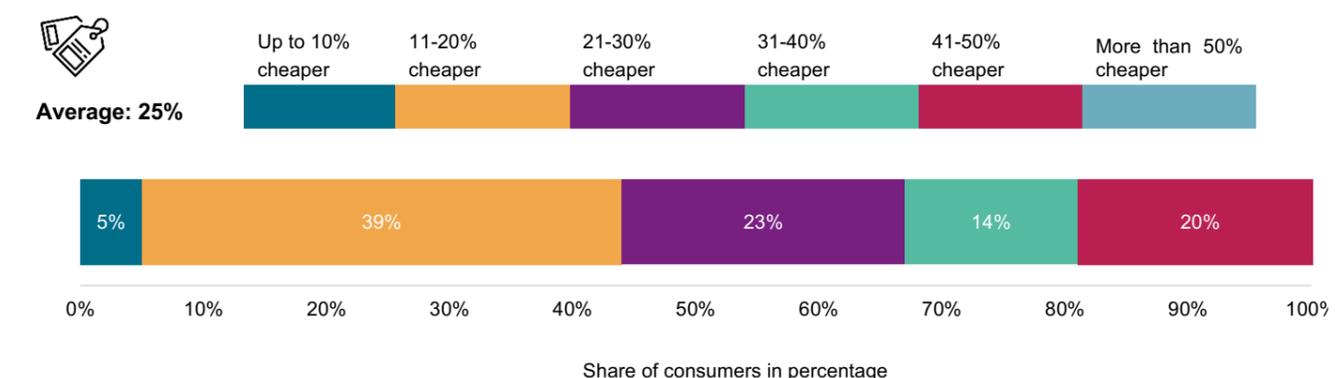
Retail outlets in the unorganized sector: In the retailer survey that was conducted as part of this study, some retailers shared that counterfeiters use the unorganized sector to enter the market. In addition, some retailers revealed that the margin on counterfeit products is between 30-40%, which is lower than that on branded apparel. However, as per some retailers, the revenue share of the unorganized segment in the apparel market is about 75%, which implies that despite the lower margins, counterfeiters can gain a lot by focusing on volume.

Sale events at popular markets: In some cases, counterfeiters organize sale events at popular markets to sell their counterfeit products. In these events, consumers are usually deceived into purchasing counterfeit apparel because of the low prices being offered under the guise of 'special sale'.

Pricing of counterfeit apparel

In the consumer survey conducted as a part of this study, consumers were asked to indicate the percentage by which counterfeit apparel was cheaper compared to the original. As per responses obtained, it emerged that, **on average, counterfeit apparel is about 25% cheaper than the original.** The following figure presents the responses received.

Figure 38: Percentage by which counterfeit apparel is cheaper compared to the original



Note: Percentages represent the share of total responses by consumers

Source: Consumer survey, Crisil Intelligence

Laws against counterfeiting for the apparel industry

India does not have any specific law against counterfeiting in the apparel industry. However, India has the following laws which make it a crime to produce, distribute or sell counterfeit products by misusing trademarks and labels:

Trademarks Act, 1999: As per this law, producing, distributing or selling trademarked products without the trademark owner's authorization is a criminal offence.

Consumer Protection Act, 2019: This law protects consumers from unfair trade practices, including deceptive products by allowing consumers to seek redress for fake or misrepresented products through dedicated forums.

Key markets that sell counterfeit apparel

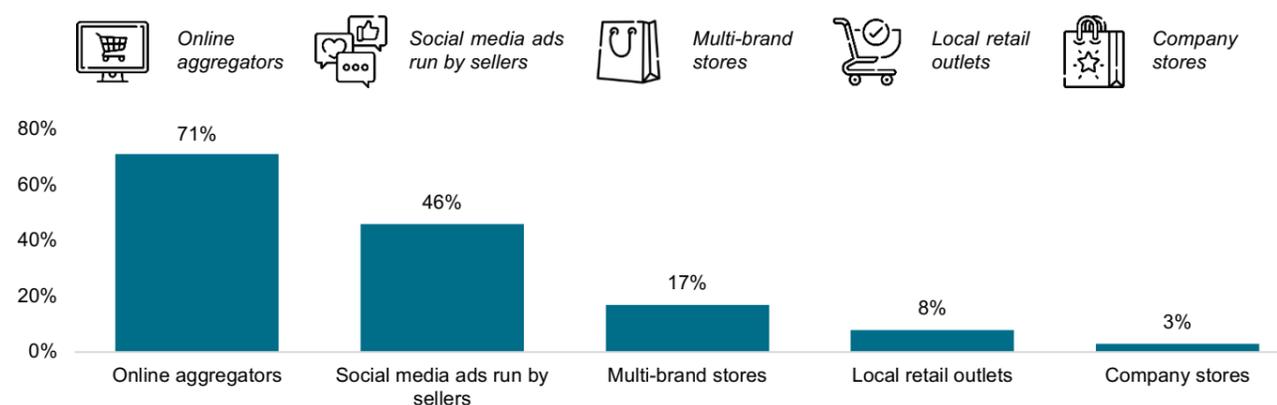
In the apparel industry, prevalence of non-deceptive counterfeiting has remained unchecked at several sites in the country. As a result, some of these sites have developed into popular markets for counterfeit apparel.

- Heera Panna, Mumbai: This is a major indoor market located in the heart of Mumbai. Among consumers, this market has earned the reputation of being a key destination for high-quality counterfeit apparel, footwear, watches, cosmetics, and accessories.
- Palika Bazaar, New Delhi: This is an underground market located in Delhi that is frequented by young shoppers.
- Tank Road, Delhi: This market is famous for selling a wide variety of jeans, T-shirts, and western wear.
- Chandni Chowk, Delhi: This market is popular for selling copies of wedding wear by well-known designers.

Key sales channels that sell counterfeit apparel

As per responses obtained in the consumer survey that was conducted as a part of this study, the top three sales channels from which consumers reported receiving counterfeit apparel are: multi-brand stores, online aggregators, and social media advertisements run by sellers. The following figure presents the details.

Figure 39: Sales channels that sell counterfeit apparel



Note: Percentages represent the share of consumers who indicated the corresponding sales channel.

Source: Consumer survey, Crisil Intelligence

Measures taken by brand-owners (manufacturers) against counterfeiting

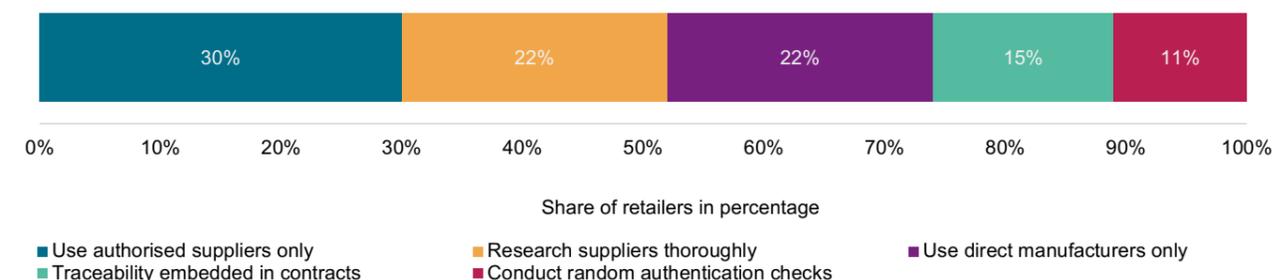
Deceptive counterfeiting: In this type of counterfeiting, sportswear is targeted the most. So, brand-owners (manufacturers) use holograms and bar codes on their packaging to distinguish their products from the counterfeit ones.

Non-deceptive counterfeiting: In this type of counterfeiting, creations of famous designers and high-end brands are targeted the most. But since the consumers who willingly purchase counterfeit versions of creations by famous designers and high-end brands are not the target audience for the designers and high-end brands whose products are counterfeited, brand-owners do not generally take measures to curb counterfeiting of their products.

Measures taken by retailers against counterfeiting

In the retailer survey that was conducted as part of this study, retailers from the apparel industry revealed the measures they take to ensure that they receive genuine products from their suppliers. The following figure summarizes their responses.

Figure 40: Measures taken by retailers against counterfeiting in the apparel industry



Note: Percentages represent the share of total responses by retailers

Source: Retailer survey, Crisil Intelligence

Measures taken by consumers against counterfeiting

In the consumer survey conducted as part of this study, consumers shared how they deal with counterfeiting in the apparel industry.

62% of consumers claimed that they were confident about their ability to identify counterfeit apparel.

Additionally, **61% of consumers reported that they check for the authenticity before purchasing an apparel.**

In addition to the above, consumers also shared which aspects or features they typically assessed while purchasing apparel to ensure that they do not receive a counterfeit product.

As evident in the adjacent table, **the top three features that consumers assess when purchasing apparel are product look-and-feel, brand design and color, and quality of packaging.**

Further, the survey also asked consumers **what they typically do if they receive counterfeit apparel. As per the responses obtained, 55% of consumers lodge a complaint with a relevant body, 20% of consumers return the product, 15% of consumers discard the product, and 10% of consumers use the product.**

	Product look and feel	66%
	Brand design and colour	63%
	Quality of packaging	38%
	Hologram on packaging	24%
	Label	22%
	QR code on packaging	15%
	Invoice	10%
	Reputation of the retailer	9%
	Checking with manufacturer after purchase	6%
	Any other digital ID of the product	6%
	Others	1%

Note: Percentages represent the share of consumers who selected the corresponding feature.

Source: Consumer survey, Crisil Intelligence

Extent of counterfeiting

Extent of counterfeiting as per retailers

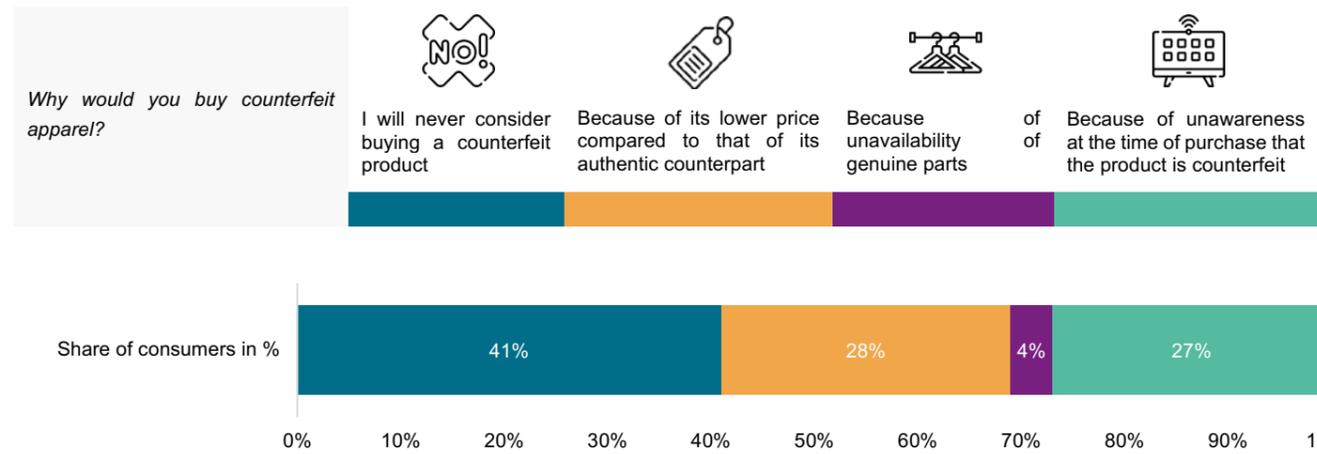
In the retailer survey that was conducted as part of this study, it was found that, as per retailers, on average, the share of counterfeit apparel in the apparel market stood at about 35%.

Extent of counterfeiting as per consumers

In the consumer survey that was conducted as part of this study, 28% of the respondents stated that they had come across a counterfeit apparel in the last 12 months. Additionally, about a quarter of the respondents reported that they received counterfeit apparel once or twice in the last 12 months.

Given that in some cases, consumers willingly purchase counterfeit apparel, a survey question asked consumers to share their reasons for purchasing a counterfeit apparel. Among the responses that followed, 41% claimed that they would never consider buying counterfeit apparel. However, 28% of consumers admitted that they would buy counterfeit apparel because of their lower price compared to that of the original, while 4% of consumers admitted that they would shop counterfeit apparel if the original apparel was unavailable for purchase. In contrast, 27% of consumers indicated that they would buy a counterfeit apparel only if they were unaware at the time of purchase that the apparel is counterfeited.

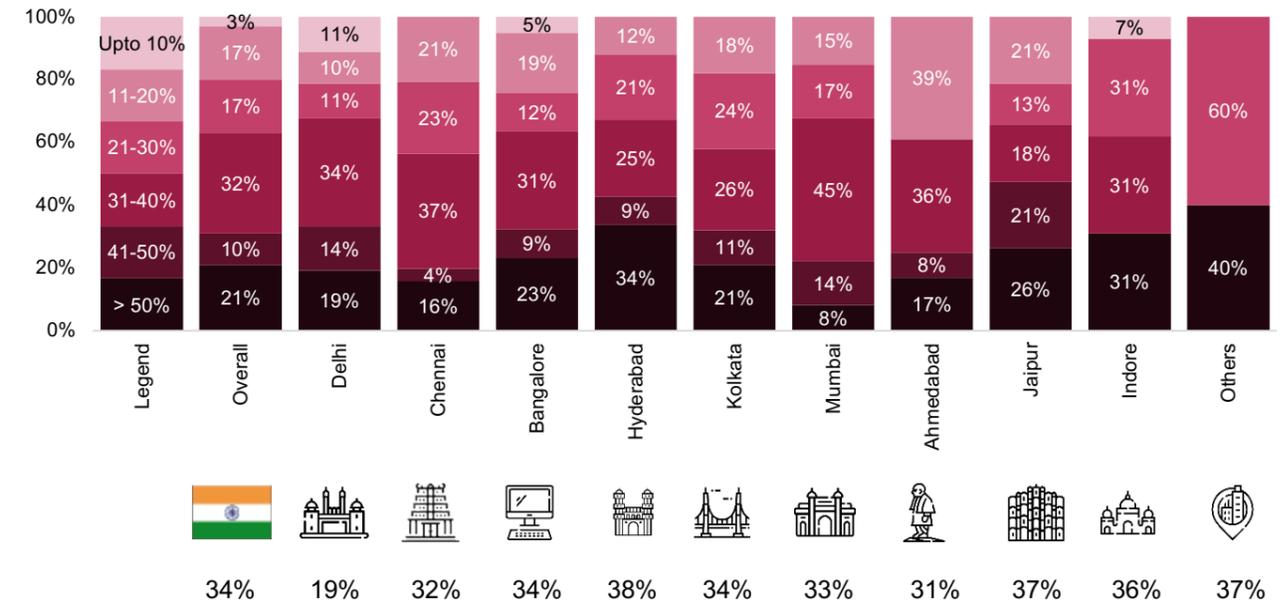
Figure 41: Reasons for purchasing counterfeit apparel



Note: Percentages represent the share of consumers who gave the corresponding response
Source: Consumer Survey 2025, Crisil Intelligence

When consumers were asked to share their estimate of the percentage of counterfeit apparel in the market, it was found that, according to consumers, on average, 34% of apparel in the market are counterfeit. Further, when consumers' responses were grouped by city, it was found that consumers' perception of the market varied across cities.

Figure 42: Extent of counterfeiting in the apparel industry as per consumers

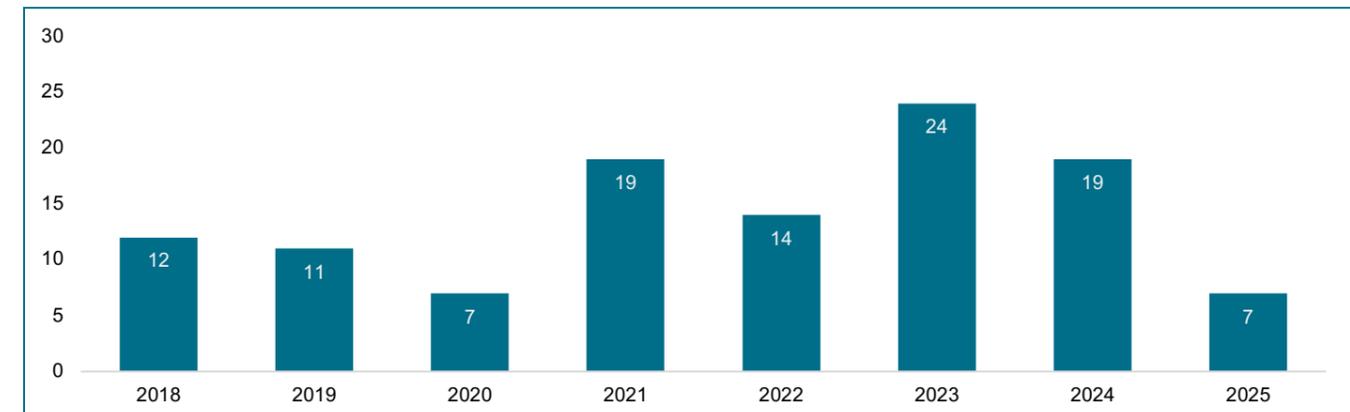


Note: Percentages represent the share of total responses given by consumers
Source: Consumer survey 2025, Crisil Intelligence

Instances of seizures of counterfeit apparel

Between 2020 and 2025, 90 instances of counterfeiting in the apparel industry were reported by the media. Counterfeiting in the apparel sector is challenging to detect, as the unorganized market is saturated with replicas of branded products. Many sellers' profits by offering counterfeit items at slightly reduced prices while falsely claiming they are genuine brands. Between 2018 and 2025, ASPA recorded 113 instances of counterfeiting in the lifestyle and apparel category, with most cases involving garments, watches, and footwear

Figure 43: Instances of counterfeiting recorded as per media reports in Apparel industry



Notes: Includes Apparel and Lifestyle
Source: ASPA Counterfeit news repository

Consumer Durables

Consumer durables industry overview

India's consumer durables industry, valued at INR 6.6 trillion in FY24, is projected to grow at 10–12% in FY26.

This industry may be broadly classified into two segments: consumer electronics and consumer appliances. The consumer electronics segment includes laptops, mobile phones, televisions, etc. On the other hand, consumer appliances segment may be further classified into two sub-segments: white goods and brown goods. White goods include refrigerators, washing machines, air-conditioners, etc., whereas brown goods include mixers, grinders, microwave ovens, iron, electric fans, etc.

Counterfeiting in the consumer durables industry

Types of counterfeit products

In the consumer durables industry, counterfeit products are typically categorized into the following classes:

Completely fake products: These are cheap, low-quality products sourced locally or imported and packaged to look like those of a brand so that they can be passed off as legitimate products of the brand.

Partially fake products: These are legitimately manufactured products whose expensive components are replaced by cheap, low-quality ones

Modus operandi of counterfeiters

In the consumer durables industry, low-volume, high-ticket products are not usually targeted by counterfeiters as the cost of manufacturing those products is high and those products are typically sold through organized retail. Counterfeiters target high-volume, low-ticket products. So, in the consumer electronics segment, they target products such as earphones, USB cables, chargers, etc., and in the consumer appliances segment, they target small products such as lighting devices, computer hardware parts, etc.

Point of entry in the supply chain

In the retailer survey that was conducted as part of this study, several retailers revealed that counterfeit consumer durables entered the market through online platforms and through unorganized retail outlets.

Pricing of counterfeit consumer durables

In the consumer survey conducted as a part of this study, consumers were asked to indicate the percentage by which counterfeit consumer durables were cheaper compared to genuine ones. On analyzing the consumers' responses to this part of the survey, it was found that, **on average, counterfeit consumer durables are about 29% cheaper than their genuine counterparts.** The following figure presents the responses received.



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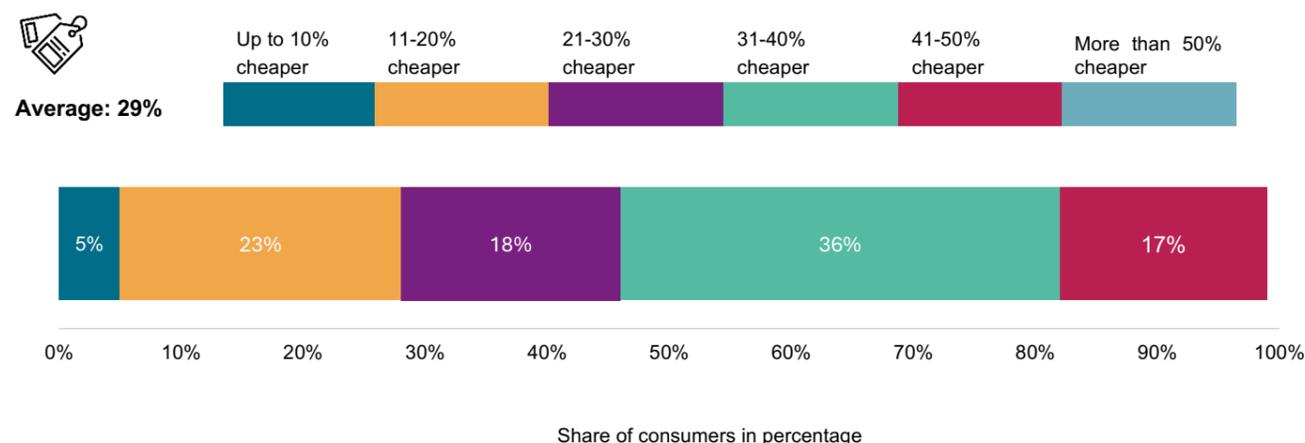
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Figure 44: Percentage by which counterfeit consumer durables are cheaper compared to genuine products



Note: Percentages represent the share of total responses by consumers
Source: Consumer survey, Crisil Intelligence

Laws against counterfeiting in the consumer durables industry

Trademark Act, 1999: As per this law, producing, distributing or selling trademarked products without the trademark owner's authorization is a criminal offence.

Electronics and IT Goods (Requirement for Compulsory Registration) order, 2012, by the Ministry of Electronics and Information Technology: As per this order, it is mandatory for domestic manufacturers and importers of electronics and IT products to register their products with the Bureau of Indian Standards (BIS) and to get them tested at BIS-accredited laboratories to verify their adherence to relevant BIS standards.

E-commerce policy, 2019: This policy includes several measures that are aimed at curbing counterfeiting on e-commerce platforms. For instance, as per this policy, for all products listed on an e-commerce platform, all relevant details about the sellers are to be publicly shared by the platform owner. Additionally, for all products listed on an e-commerce platform, sellers are required to share details that confirm the genuineness of their products with the platform owner and the platform owner is required to make those details accessible to its customers. Furthermore, mechanisms have been included in the policy to ensure that information about any possible misuse of trademarks on an e-commerce platform is shared with the trademark owners. Also, before listing high-value products or health-related products, platform owners are required to seek authorization from trademark owners.

Key markets that sell counterfeit products

Some of the popular markets that are infamous for selling counterfeit consumer durables are listed below:

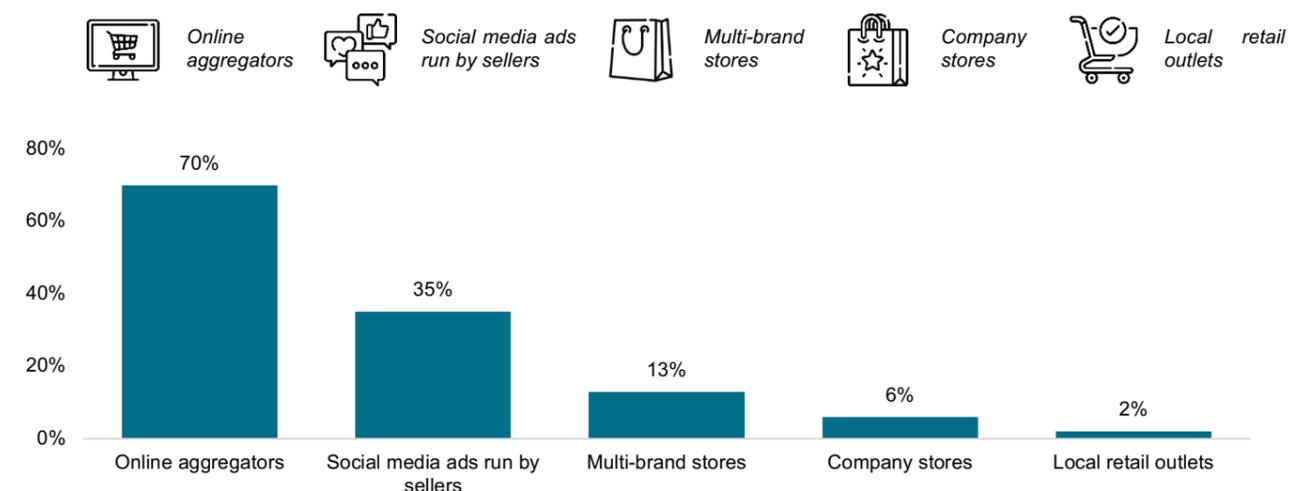
Nehru Place and Ghaffar Market in New Delhi	Manish Market and Linking Road in Mumbai	Hong Kong Bazaar in Hyderabad	Kasimedu Street, Royapuram in Chennai
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Source: Crisil Intelligence

Key sales channels that sell counterfeit consumer durables

As per responses obtained in the consumer survey that was conducted as a part of this study, the top three sales channels from which consumers reported receiving counterfeit consumer durables are: multi-brand stores, online aggregators, and social media advertisements run by sellers. The following figure presents the details.

Figure 45: Sales channels that sell counterfeit consumer durables



Note: Percentages represent the share of consumers who indicated the corresponding sales channel.
Source: Consumer survey, Crisil Intelligence

Measures taken by brand-owners (manufacturers) against counterfeiting

Creation of a dedicated task force against counterfeiting: Some manufacturers do not solely rely on law enforcement agencies to tackle counterfeiting in their industry. So, to proactively combat counterfeiting of their products, some manufacturers set up a dedicated task force that constantly monitors the market and swiftly acts if any suspicious activity catches its attention.

Security labels: A security label is made up of a special material, so it appears to change its colour when viewed from different angles. So, several manufacturers have added security labels to the packaging of their products.

Scratch label with a Unique Id: A scratch label comes with a protective overlay which consumers are expected to scratch to reveal an underlying alphanumeric code. When the specific alphanumeric code is shared with the manufacturer through an SMS, a message is sent to the consumer stating that product is authentic.

Measures taken by retailers against counterfeiting

In the retailer survey that was conducted as part of this study, retailers revealed that in the consumer durables industry, retailers from the organized sector do not engage with counterfeiters because they fear that any association with counterfeiting would not only hurt their relationship with customers but also the relationship they have with brands.

Measures taken by consumers against counterfeiting

In the consumer survey conducted as part of this study, consumers shared how they deal with counterfeiting in the consumer durables industry.

Among those surveyed, **78% of consumers claimed that they were confident about their ability to identify a counterfeit consumer durable.**

Further, **65% of consumers maintained that they check for the authenticity of a consumer durable before making a purchase.**

In addition to the above, consumers also shared which aspects or features they typically assessed while making a purchase to ensure that they do not receive a counterfeit product.

As evident in the adjacent table, **the top three features that consumers assess when purchasing a consumer durable are quality of packaging, brand design and color, and label.** This implies that for about half the consumers, the appearance of packaging is a major marker of authenticity, signaling that for manufacturers, designing packaging that cannot be replicated by counterfeiters is paramount. However, it must be noted that **about 30% of consumers check for the presence of a QR code or a hologram to establish the authenticity of a product, implying that there is a chance that manufacturers who do not have either of these markers of authenticity on the packaging of their products may lose business because the consumer mistakes their genuine product for a fake one.**

	Quality of packaging	58%
	Brand design and colour	54%
	Label	46%
	Product look and feel	44%
	QR code on packaging	31%
	Hologram on packaging	28%
	Invoice	9%
	Reputation of the retailer	8%
	Checking with manufacturer after purchase	3%
	Any other digital ID of the product	3%
	Others	5%

Note: Percentages represent the share of consumers who selected the corresponding feature.

Source: Consumer survey, Crisil Intelligence

Further, the survey also asked consumers **what they typically do if they receive counterfeit consumer durable. As per the responses obtained, 69% of consumers lodge a complaint with a relevant body, 22% of consumers discard the product, 6% of consumers use the product, and 3% of consumers return the product.**

Extent of counterfeiting

Extent of counterfeiting as per retailers

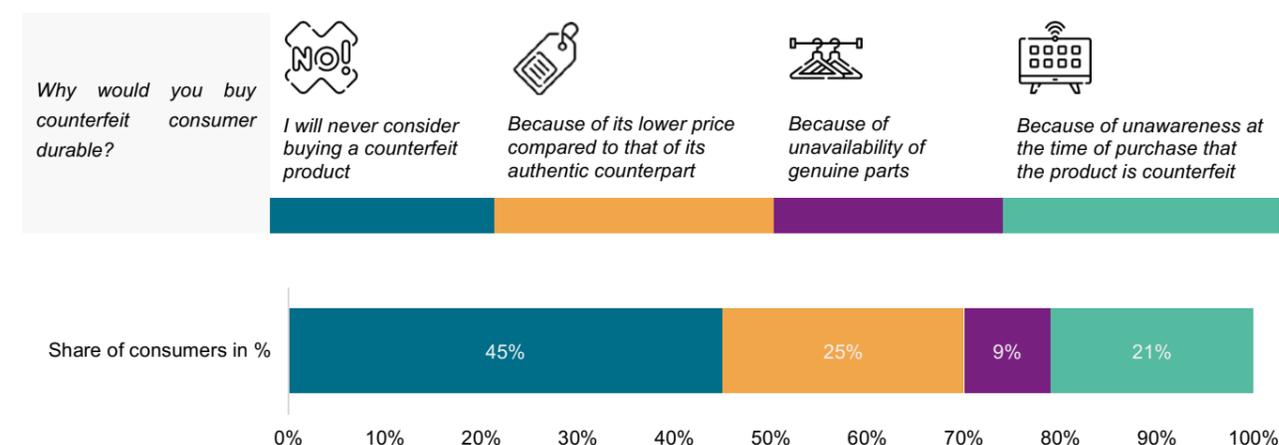
In the retailer survey that was conducted as part of this study, it was found that, as per retailers, on average, the share of counterfeit consumer durables in the market is between 10-20%.

Extent of counterfeiting as per consumers

In the consumer survey that was conducted as part of this study, about half the respondents stated that they had come across a counterfeit consumer durable in the last 12 months. Further, 40% of the respondents reported that they received counterfeit consumer durable once or twice in the last 12 months.

Given that in some cases, consumers willingly purchase counterfeit products, a survey question asked consumers to share their reasons for purchasing a counterfeit consumer durable. Among the responses that followed, about half the consumers indicated that they would never consider buying counterfeit consumer durable. However, **for about one-third of consumers, lower price of the counterfeit product or unavailability of the original product could be reasons to willingly purchase a counterfeit product.**

Figure 46: Reasons for purchasing counterfeit consumer durable



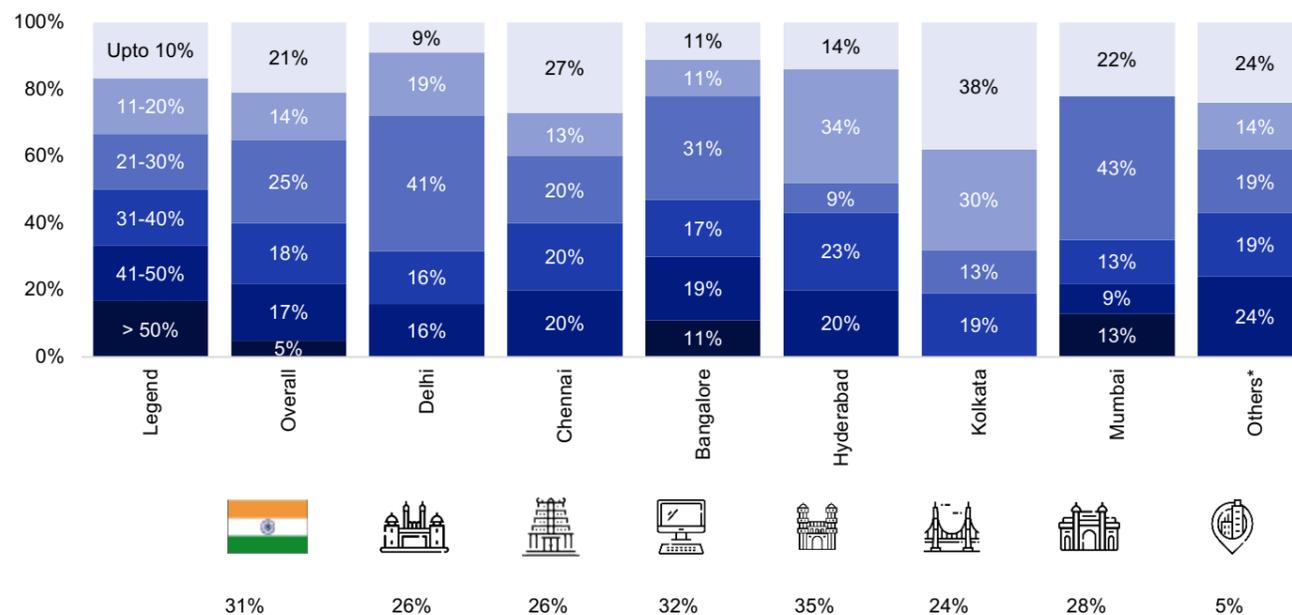
Note: Percentages represent the share of consumers who gave the corresponding response

Source: Consumer Survey 2025, Crisil Intelligence

When consumers were asked to share their estimate of the percentage of counterfeit products in the consumer durable market, it was found that, **according to consumers, on average, 31% of products in the market are counterfeit.** However, when consumers' responses were grouped by city, it emerged that consumers' perception of the market varied across cities.

The following figure presents the findings.

Figure 47: Share of counterfeit products in the consumer durables market as per consumers



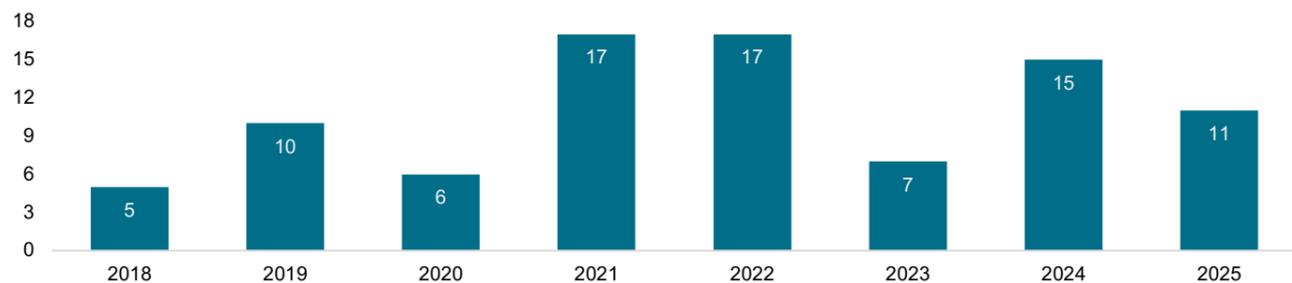
Note: Percentages represent the share of total responses given by consumers; *Ahmedabad, Indore and Jaipur are merged under others because of low responses in this category

Source: Consumer survey 2025, Crisil Intelligence

Instances of seizures of counterfeit consumer durables

Consumer electronics accounted for 16% of Intellectual Property Rights seizures by US Homeland Security between 2008 and 2017, dropping to 10–11% of total seizures in 2019 and 2020. From 2018 to 2025, ASPA recorded 88 cases of counterfeiting in the Electronics, IT, and Hardware category, with most incidents occurring in the mobile accessories and housing wire segments.

Figure 48: Instances of counterfeiting recorded as per media reports in consumer electronics industry

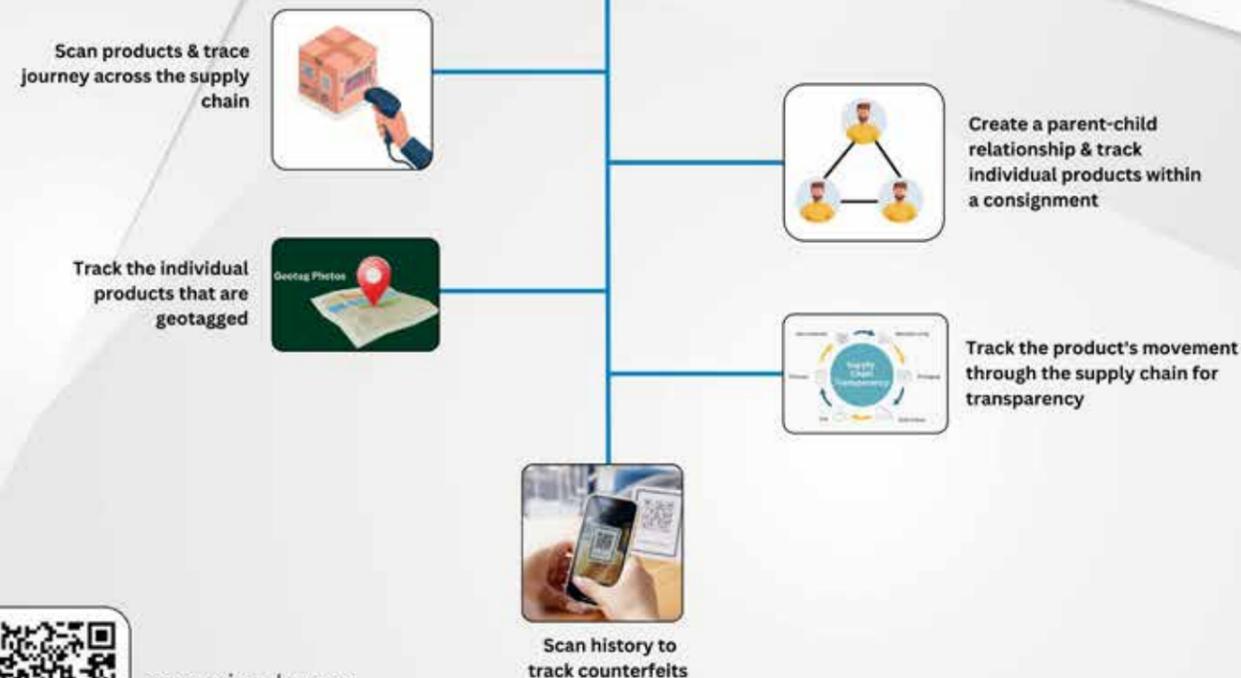


Source: ASPA Counterfeit news repository

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Agro-products

Industry overview

Agro-products are key inputs required for crop protection and better yield during both pre- and post-harvest stages. Judicious use of crop protection chemicals supports sustainable farm management and delivers socioeconomic benefits to meet the challenge of feeding India's population.

Agrochemicals are one of the most reliable resources that have contributed significantly to national food security. Insecticides form the largest segment, accounting for 56% of total pesticides in India, followed by herbicides (23%), fungicides (20%) and other pesticides (1%).

The Indian pesticide and fertilizer industry is on a strong growth trajectory, and market is valued at INR 1.7 trillion in FY25 and expected to grow in the range of 5-6% in FY26. The domestic pesticide industry and exports contribute an equal share. Several factors will drive future growth — increasing population, decreasing arable land, growing demand for high-value agricultural products, and increasing efforts by the industry and government to promote awareness and technology penetration.

Counterfeiting in the industry

Counterfeiters exploit demand-supply gaps in the agrochemicals market during peak seasons, lack of monitoring by authorities, high cost of branded agrochemicals and lack of awareness among farmers.

Types of counterfeiting

There are three main types of counterfeit products:

- **Fake pesticides:** These may contain talc, diluted pesticides, banned materials or restricted substances such as untested or proprietary active substances. These are often sold in white bottles with minimal information on the labels that exclude any information on precautions to be taken during their use. Counterfeit pesticides are inferior formulations; they either fail to kill pests or kill pests but leave by-products that may harm the soil.
- **Counterfeit of genuine branded products:** These are sophisticated copies of legitimate branded products, with high-quality labelling and packaging. Most contain a copy of the original active substance; however, their efficacy is often diminished owing to a high level of impurities and process by-products. It is often difficult to distinguish such products from genuine ones. Mostly, farmers are fooled into buying them unknowingly in the absence of proper education and awareness. In various cases, counterfeiters purchase genuine, empty bottles from farmers for as high as 25% of the MRP mentioned on the original bottle. The counterfeiters then put substandard ingredients into the bottle and resell it.
- **Illegal parallel imports:** These are legitimate parallel traded products substituted with illegal generic copies, repackaged and sold as legitimate products.

Modus operandi of counterfeiters

Counterfeiting is growing faster than the market for agrochemicals which is leading to higher penetration of counterfeit products.

Though usage of counterfeit agrochemicals may reduce crop yields by 3-4% or cause pests to develop resistance, most farmers are unaware of the benefits of genuine agrochemicals which are generally priced higher. So, many farmers do not ask for specific agrochemical products or brands during purchase and often ignore the absence of key details on products being sold to them. As a result, they end up purchasing counterfeit agrochemicals, which either contain banned ingredients or contain active ingredients in suboptimal proportions. In addition, the margin on counterfeit products is 30-35%, which makes it a lucrative for distributors and retailers.

Point of entry in the supply chain

As part of this study, Crisil conducted a survey wherein retailers participated and shared their insights on counterfeiting in the agrochemicals industry. In this survey, retailers were asked to give their viewpoint on how counterfeit agrochemical products entered the market. According to the retailers, 40% of counterfeit agrochemicals are sourced locally whereas the remaining 48% of counterfeit agrochemicals are sourced from other states.

Laws against counterfeiting for the industry

India does not have adequate legislation to properly prosecute counterfeiting. Moreover, the responsibility of enforcement is divided between regional and national authorities which leads to weak coordination and delayed action.

India's proposed Pesticide Management Bill, 2020, which is supposed to replace the Insecticides Act of 1968, is the country's most important development related to pesticides in recent years. The bill, which has been in circulation and discussion since 2008, would set up a Central Pesticides Board to advise the central and state governments on pesticides, and regulate their production, sale and use. It will issue licenses to the manufacturers and retailers of pesticides, empowering the central government to ban hazardous pesticides. However, activists and concerned scientists argue that the bill has several significant gaps.

Key markets that sell counterfeit products

UP, Bihar, MP and Jharkhand are the most affected states. The problem of non-genuine/illegal pesticides has spread across India, with hardly any region not affected by it. UP, Bihar, MP, Jharkhand, Karnataka, Haryana, Maharashtra, Tamil Nadu, and Andhra Pradesh are most affected by the menace of counterfeit pesticides.

Measures taken by retailers against counterfeiting

As part of this study, Crisil conducted a survey wherein retailers shared the measures they take to ensure that they receive genuine products from their suppliers. The following figure presents the findings from the survey.

Figure 49: Measures taken by retailers in the agro-products industry



Note: Percentages represent the share of total responses by retailers

Source: Retailer survey, Crisil Intelligence

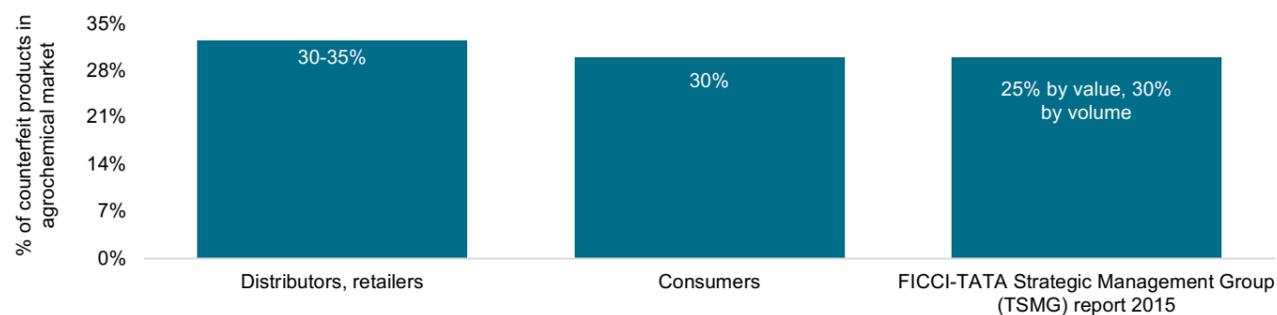
Extent of counterfeiting

Though it is very difficult to estimate the extent of counterfeiting in any industry, this section attempts to provide some indication of how widespread counterfeiting is in India's agrochemicals industry.

The issue of counterfeited agrochemicals is prevalent across various countries. In 2020 status report of the European Union Intellectual Property Office (EUIPO) the sales of legitimate pesticides decreased by an average of 4.2% across the EU due to the presence of counterfeits. This equates to a loss of direct sales of EUR 0.5 billion per year.

As per a FICCI study on counterfeit pesticide in India; 2015, non-genuine/illegal pesticides account for ~25% by value and ~30% by volume of the domestic agrochemical market in India. The following figure lays out the estimates of the extent of counterfeiting by different stakeholders.

Figure 50: Extent of counterfeiting in the agro-product industry



Source: Consumer survey 2025, Crisil Intelligence

Solutions adopted by brand-owners (manufacturers) against counterfeiting

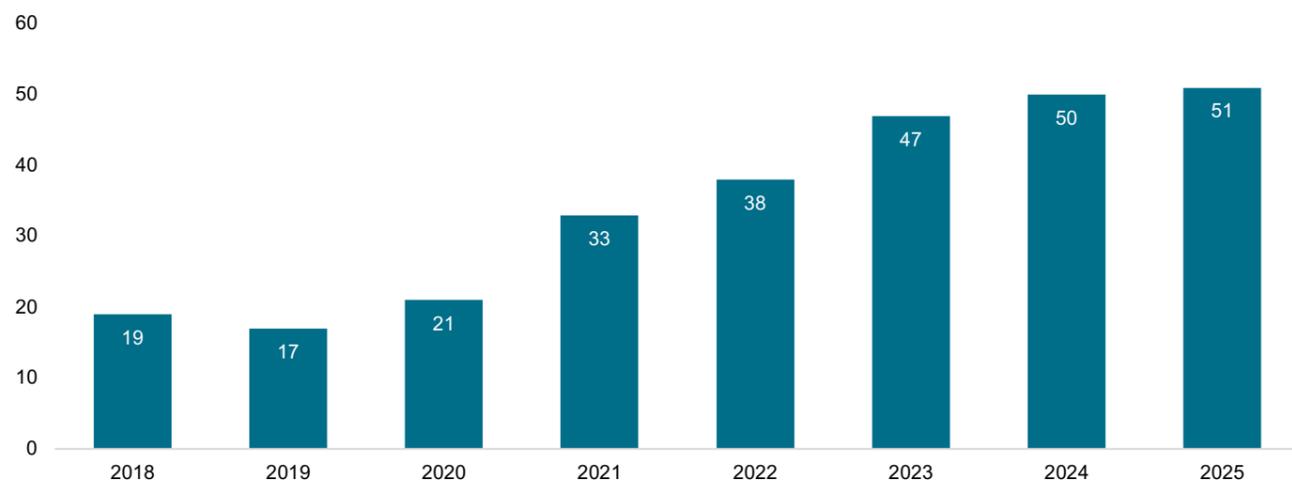
Farmers do not have any tool/medium to differentiate genuine pesticides from fake ones at the time of purchase. Due to lack of awareness and illiteracy, they rely on the visual appeal and can only check the quality of products with the marking of ISI/AGMARK. However, with advancement in digital technology, it has become easy for unethical manufacturers to produce fake ISI/AGMARK products as well.

Integrated with track-and-trace technologies, tools such as security hologram seals and labels, tamper-evident security films, low-cost transponder tags, and light-sensitive ink designs can help farmers and enforcement authorities identify genuine and fake pesticides. However, educating them on these tools is crucial and needs to be done on a mass level.

Instances of seizures of counterfeit agrochemical products

ASPA recorded 276 instances of fake agrochemical products between 2018 and 2025, and it has increased by ~2.5 times compared to number of incidents reported in 2018 and 2025. Notably, fertilizers accounted for approximately 40% of these incidents, highlighting this segment as particularly vulnerable to counterfeiting within the agrochemical sector. This concentration suggests that fertilizers, due to their widespread use and high demand, are a primary target for counterfeiters.

Figure 51: Instances of counterfeiting recorded as per media reports in Agro-product industry



Source: ASPA Counterfeit news repository

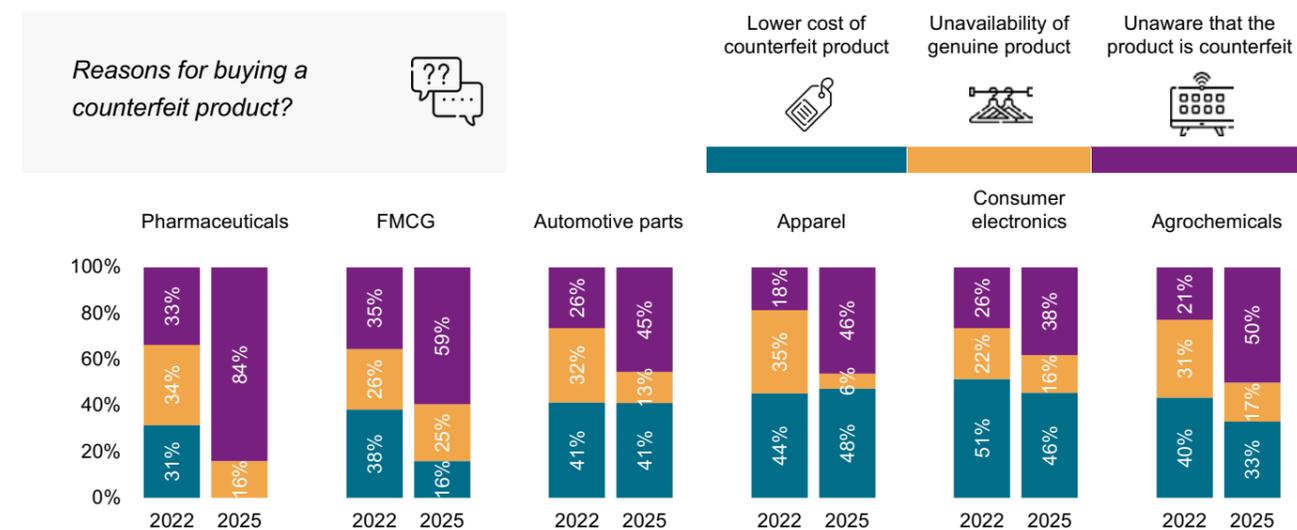
Summary What changed between 2022 and 2025

According to the consumer survey that Crisil conducted in 2025 as part of this study, 62% of consumers always check for authenticity of a product before purchasing. Also, the survey revealed that consumers identify a counterfeit product based on the presence or absence of certain authenticity markers such as holograms (34% of consumers), QR code (23% of consumers), and other digital Id (13% of consumers).

Further, the attitude of consumers towards counterfeit products has been changing. In 2022, most consumers did not seem to mind counterfeiting as much. According to the consumer survey that Crisil conducted in 2022, 89% of consumers admitted that they were aware of the presence of counterfeit products in the market, yet 72% of consumers did not perceive counterfeit products to be very harmful unless those products were from the pharmaceuticals sector or the FMCG sector. Moreover, in 2022, 31% of consumers reported that they had willingly purchased a counterfeit product.

In contrast, in 2025, most consumers did not seem to be very tolerant of counterfeit products. According to the consumer survey that Crisil conducted in 2025, 89% of consumers admitted they had purchased a counterfeit product at least once in their lives, yet 50% of respondents stated that they would never consider purchasing a counterfeit product. Moreover, in 2025, only 13% of consumers reported that unavailability of genuine products could lead them to purchase counterfeit products, whereas in 2022, 36% of consumers reported the same. Further, in 2025, 51% of consumers maintained that they could buy a counterfeit product only if they were unaware about its counterfeit nature, whereas in 2022, 27% of consumers maintained that stand. The above-mentioned figures signal that in 2025, most consumers wanted to purchase a genuine product than settle for a counterfeit one.

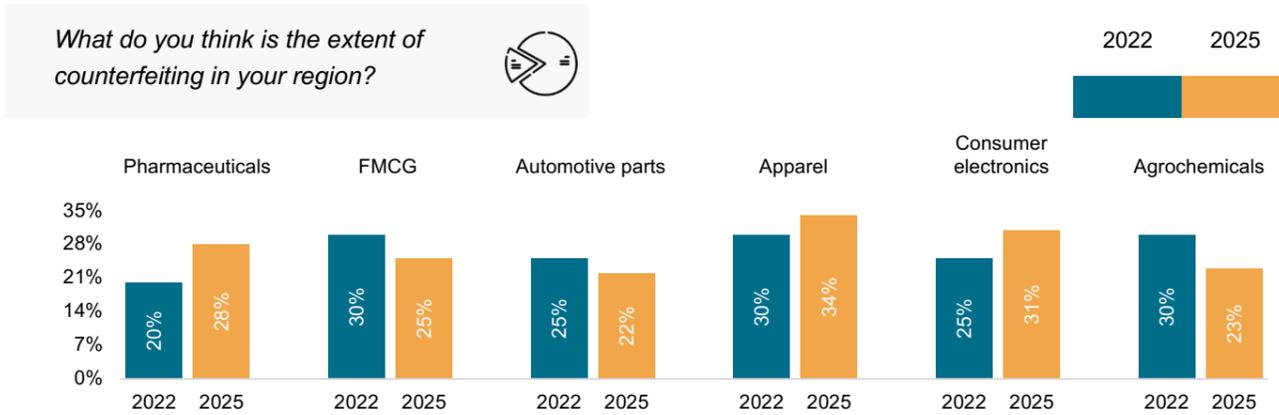
Figure 52: Reasons for buying a counterfeit product, 2022 v. 2025



Source: Crisil Consumer Survey 2022, Crisil Consumer Survey 2025

In addition to the attitude of consumers, their perception of the extent of counterfeiting in the market has also changed between 2022 and 2025. However, these changes are very moderate as illustrated in the following figure.

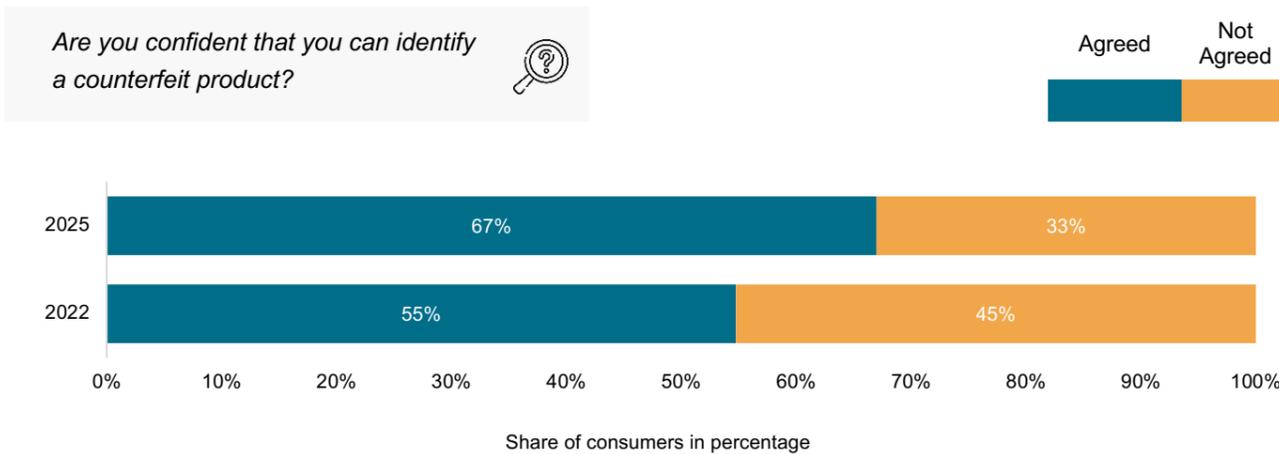
Figure 53: Extent of counterfeiting, 2022 v. 2025



Source: Crisil Consumer Survey 2022, Crisil Consumer Survey 2025

Moving on from the attitude and perception of consumers, the following figure focuses on the confidence of consumers in identifying a counterfeit product.

Figure 54: Confidence in identifying a counterfeit product



Source: Crisil Consumer Survey 2022, Crisil Consumer Survey 2025

As seen in the above figure, the share of consumers who reported that they feel confident in their ability to identify a counterfeit product has increased between 2022 and 2025. Additionally, in 2025, when consumers were asked what they were most likely to do if they received a counterfeit product, 50% of consumers said that they would lodge a complaint with a relevant body, while 32% of consumers said they would discard the product. These responses also indicate that unlike 2022, when most consumers did not seem very bothered by counterfeiting, 2025 represents how far consumers have come in terms of awareness, confidence, and action-oriented behavior against counterfeiting. However, it must be noted that the 2022 and the 2025 consumer surveys primarily focused on big cities and that the conditions in tier II and tier III cities may be different, especially considering that counterfeiters often use unorganized markets to thrive.

Annexure

Anti-counterfeiting associations in India

Several associations in India are helping combat counterfeiting activities. Some of the prominent ones are as follows:

FICCI CASCADE (FICCI Committee Against Smuggling and Counterfeiting Activities Destroying Economy)

The Federation of Indian Chambers of Commerce and Industry (FICCI) established the Committee Against Smuggling and Counterfeiting Activities Destroying Economy (CASCADE) on January 18, 2011, with the primary objective of creating awareness among consumers and citizens about the dangers of smuggled, contraband, and counterfeit products. CASCADE focuses on capacity building of law enforcement agencies, including judges, police, and customs officers, to enable them to effectively tackle the issue of counterfeiting. The committee also conducts research and proposes law reforms to strengthen the existing regulatory framework.

CASCADE works towards enforcing intellectual property (IP) related laws and provides a platform for sharing best practices from around the world to combat contraband, smuggled, and counterfeit products. The committee organizes regular workshops to disseminate enforcement techniques, procedures, and strategies to its members and offers knowledge support to industry members, empowering them to protect their businesses from the threats posed by counterfeit products. Through interactions with law enforcement authorities, CASCADE emphasizes the importance of sustained awareness and stringent action against counterfeit goods, aiming to mitigate the impact of smuggling and counterfeiting on the economy and promote a safe and secure business environment in India.

Authentication Solution Providers' Association (ASPA):

Formed in 1998 as a non-profit organization, the Authentication Solution Providers' Association (ASPA) has a rich heritage of over two decades of supporting the research and development, promotion, adoption, and awareness of Authentication & Traceability solutions (ATS) as effective tools to curb counterfeiting and illicit trade to save lives. It is the only body of its kind in India with wide participation from industry stakeholders and is recognized globally as a self-regulated organization promoting ethical practices across the industry. For more visit: www.aspaglobal.com

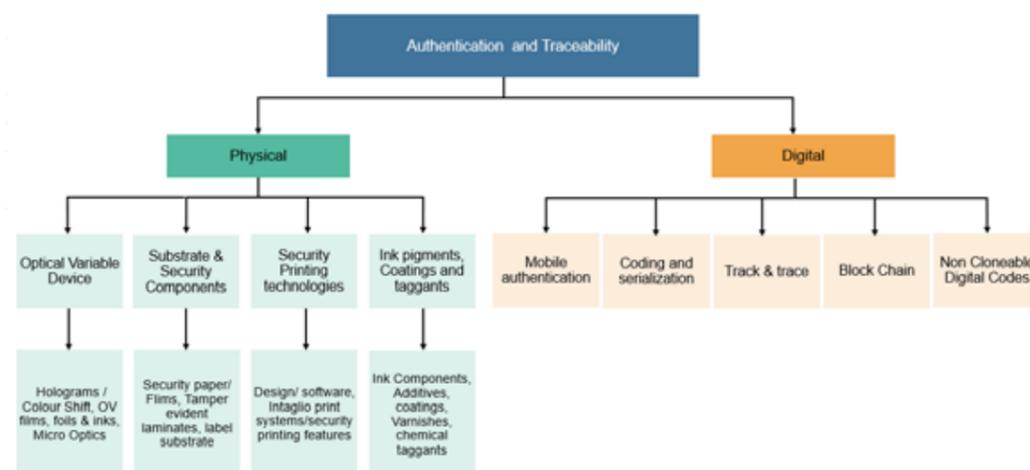
CII National Committee on Intellectual Property Rights:

The CII-National Committee of Intellectual Property Rights is re-constituted annually and is represented by leaders from Indian Industries in various sectors such as auto, pharma, media and entertainment, manufacturing, publication, ICT and software.

Common ways to check authenticity

Authentication can be defined as the process of ensuring that packaging, product, or another item is (or is not) genuine. Generally divided into digital authentication (codes, databases, transaction history, etc.) and sensory authentication (holograms, inks, taggants, etc.).

Figure 55: Common ways to check authenticity of a product



Source: ASPA

Table 4: Authentication and Traceability solutions

Authentication & Traceability methods	Remarks
Optical variable device (OVD)	OVDs are visible security features that change depending on the viewing angle. Examples of changes are colour shifts, optical variable inks (OVI) and Optical Variable (OV) foils.
Substrate and security components	A security substrate constitutes the starting point of virtually all systems. In the liquor industry, the security label used are paper- or polyester-based. Paper is a standard substrate, and its application allows users for easy integration of other anti-counterfeiting features.
Ink pigments, coatings and taggants	Security inks are a perfect media of usage for brand protection and product authentication. Like almost all types of labels and packaging subjected to a printing process of some sort, these security inks add an effective solution to security problems.
Mobile authentication	Mobile product authentication service includes a scratch-off label affixed to product packaging or alphanumeric code printed on the product packaging. These codes can be checked by simply sending an SMS to a mobile number printed on the pack. In return, the consumer receives a message providing the authenticity of the product. These codes can be printed using inkjet or laser printers or applied via labels that may include one or more physical security features.
Coding and serialization	Unique coding (also known as serialisation) technologies track and trace objects, products, assets, and individuals throughout the value chain by capturing and transferring data. They can provide the essential information (e.g., location, vibration, temperature, humidity, arriving time, speed, and vehicle status) in an automated and timely manner. This enables detection of counterfeits or diversion of genuine goods into the grey market.
Block chain	Block chain helps tackle counterfeiting by identifying provenance (i.e., proof-of-origin) of a product. This is because block chain provides a secure and trusted tracking system from one end of the supply chain (the creation or mining of raw materials) all the way to the other end (where the end user enjoys the finished product). Since block chain can identify provenance, legal enforcement agencies can more conclusively establish the counterfeit nature of suspect products, and companies can protect their bottom line.

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- <https://www.who.int/news/item/28-11-2017-1-in-10-medical-products-in-developing-countries-is-substandard-or-falsified>

Glossary of terms

- Counterfeiting: A counterfeit is an item that uses someone else's trademark without their permission. Counterfeits are most called 'fake goods' or 'knockoffs.' These products are unauthorized replicas of the real product.
- Authentication: the process or action of proving or showing something to be true, genuine, or valid
- Tampering: interfering with (something) to cause damage or make unauthorized alterations
- Substandard: below the usual or required standard
- API (Active Pharmaceutical Ingredient): the biologically active component of a drug product (tablet, capsule, cream, injectable) that produces the intended effects
- Spurious: not being what it purports to be; false or fake
- Infringing goods: any counterfeit goods or any goods which infringe any third party's intellectual property rights
- Provenance economy: an economy where the production of infringing goods takes place as well as an economy that functions as the port of transit through which infringing goods pass prior to reaching the destination

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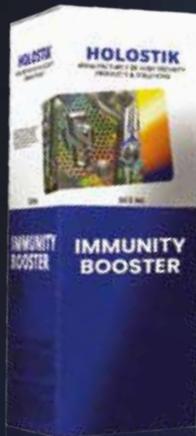
Market Leaders

Anti-Counterfeiting Solutions

- Security OVDs (Holograms)
- High Security 3D Speciality Labels
- Holographic & UV Embossed Folding Cartons
- Holographic & UV Packaging Films
- Holographic Security Shrink Sleeves and much more...

Digital Solutions

- Supply Chain Management
- Track and Trace
- Product Authentication
- Warranty Management
- Inventory Management and much more...



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