

THE LABEL GUP SHUP



A Regular Publication by
Label Manufacturers Association of India

SOME WORDS OF WISDOM

Ruminations from President Rajesh Nema

As the new president, I feel honored with a huge sense of responsibility.

Under the current team, the association will work towards enriching the label converter community through new learning programs in the technical and non-technical space. The association will also hold events including LMAI Conference, LMAI Awards and support Label Expo India 2022.

I feel that the label community is facing big challenges during these times including health issues, paucity of skilled labor, frequent & exorbitant price rise of raw materials and skyrocketing logistics costs.

The biggest woe is that these costs increase and challenges are not getting translated into increased sale price of labels. We at LMAI are trying to addressing these issues through several webinars under its **'Knowledge – Accelerating Growth'** series which can be both technical and non-technical. The series is designed for owners, directors and senior managers of member companies.

We will also enable learning at the shop floor level through our **'Learn and Improve'** program on the technical aspects of label production.

As regards to the Label Expo India 2022, I feel we will see huge numbers of visitors at Label Expo India with a surge in exhibitors. Label Expo India will showcase latest innovations and will be a great opportunity to meet the label community post-pandemic. I and all members of LMAI are looking forward to an exciting exhibition.



LEARNING - OUR CORE VIRTUE

Hon. Secretary Jaideep Singh Speaks



It's a privilege to be the Hon. Secretary of LMAI and I know that it also comes with a huge amount of commitment to take this organization to new heights.

Learning is an important part of our lives but as businessmen we have very few opportunities. LMAI wants to make learning an integral part of its agenda for the members. Learning can be of many aspects for the members technical and non technical. We would be conducting webinars frequently under our program "Knowledge - Accelerating Growth" with eminent speakers of various topics. we feel this will add immense value to the LMAI members.

We recently held a very important discussion under the series of webinars **Rising prices A frequent Challenge** which was very well attended. The eminent panelist Mr. Saurabh Agarwal from Avery Dennison, Mr. Ajay Mehta from SMI, Mr. Prashant Raveendran from Seljagat and Mr. Manish Desai from Mudrika Labels deliberated on the topic and gave us insights into the actual market situation.

We also would like to take our technical Program "Learn and Improve" to the shop floor of the label convertors where we would get technical experts from the manufacturers or suppliers side and help resolve the technical issues the press operators and supervisors may be facing. This will help the convertor members to improve their efficiencies and ensure an all around growth.

The learning will go hand in glove with the other events of LMAI based on the situation due to covid. If all goes well, we will have meetings at various cities besides our flagship event the LMAI conference.

LMAI FRATERNITY- A GROWTH TO RECKON

Hon. Joint Secretary Anurag Mohan Speaks



It's a moment of joy and happiness to be a part of the team to steer the LMAI for the coming two years. We together see things moving to another level with amazing value for all the members.

Growth is the key mantra at LMAI to ensure that we have a strong convertor community. As has been said by James Cash Penney

**"Growth is never by mere chance -
It is a result of forces working together."**



We have been adding new convertor members to our fold in the last month. We have put together a committee of young and energetic LMAI members who are assisting me in the task of adding new convertor members.

LMAI here would like to appeal to all the members that please approach the convertor members around your location and bring them into our fold as members. The slogan for this is "Each one - Get one". This way we can double our strength and believe me you can enjoy the biggest event LMAI conference with a huge community of members.

Lets get going

"Each one - Get one"

GROWTH - A STRATEGY TO MAKE IT INCLUSIVE

Hon Treasurer Sandeep Zaveri Speaks



LMAI is an organization which I have been working with since its inception. Times have changed and change is the only constant we have seen, LMAI is growing in numbers. We are excited to see the fraternity of convertors growing under the LMAI umbrella.

As Treasurer for the next two years we would like to see LMAI grow and also be inclusive. We are set out as a team to work towards taking the complete fraternity through our Knowledge – Accelerating Growth series and Learn and Improve programs. We will also be working closely with our Associate Members to ensure the complete fraternity is empowered.

We have seen quite a few of the members renew their subscriptions yearly. During the pandemic we saw a dip in our collections. As the times have improved and we all are doing good, we would request the members who have not paid their subscriptions till now to do on a priority basis.

We are heading towards some exciting times and I am sure that due to unpaid subscriptions you would not like to miss these exciting opportunities.



The office of Development Commissioner (MSME) Ministry of MSME is operating a new scheme called "Promotion of Information and Communication (ICT) in MSME Sector." Under the scheme financial support in form of subsidy upto maximum of Rs.,3 Lakhs would be given to MSME in three years on yearly basis.

The prime objective of the scheme is to motivate MSME to adopt ICT tools and applications in their production and business process mainly through cloud computing services with a view to improve their competitiveness in national and international markets.

ICT scheme is being implemented through a specialized institution called Telecommunication Consultants India Ltd TCIL New Delhi.

Under the scheme TCIL will empanel various cloud computing service providers (CCSP's) who will deliver services to MSME in the area of their interest.

In this regard a meeting has been called by DC MSME with prominent Industrial Associations , representative of Software Industry and other stakeholders.

The small units will be encouraged to use cloud computing and a licensed platform would be provided for ease and economical procurement of proprietary software by MSME.

AMAZING ACHIEVERS - HONOURED



NITIN PATIL

NUMEX BLOCKS INDIA PVT LTD

Mr. Nitin Patil has been awarded a silver at the 13th Global Flexo Innovation Awards. LMAI takes this opportunity to Congratulate him and his team at Numex Blocks.



NIRAV SHAH

LETRA GRAPHIX PVT LTD

Mr. Nirav Shah has been recognized on the Forbes magazine in the October 2021 edition. LMAI takes this opportunity to Congratulate him and his team at Letra Graphix.



MANISH DESAI

MUDRIKA LABELS PVT LTD

Mr. Manish Desai has been recognized " Best of Plastics 100 companies in India for the year 2021" . LMAI takes this opportunity to Congratulate him and his team at Mudrika Labels.

Knowledge - Accelerating Growth



Rising Prices a Frequent Challenge - A webinar Hosted by LMAI

Written by

Harveer Sahni

Chairman Weldon Celloplast Limited

Frequent increase in paper prices have been adversely impacting the printing and packaging industry in recent times. The print industry has been at the receiving end not just because of the price rise but also due to shortages of paper and that too at a time when demand is rising. The printers have suffered because of long lockdowns due to Covid-19 pandemic; they had hardly heaved a sigh of relief as the situation started to improve when prices began their upward movement followed by shortages or unavailability of critical inputs, adding to their operational problems. The self-adhesive label printing and converting industry is an extension of the sheetfed or unsupported web printing industry. Unfortunately, the impact of the present situation on label printers is more severe, given the complex nature of their major raw materials, the self-adhesive or pressure sensitive adhesive labelstock. Unlike the single layer substrate that paper or board is, the labelstock is a laminate with many inputs. The face materials vary from various kinds of paper substrates, films, foils, etc., then there is a range of pressure sensitive adhesives like emulsion and hotmelts in variants like permanent, removable, for low and high temperature applications that are formulated with various polymers, plasticizers, emulsifiers, and other chemicals. Lastly the release base papers and silicone formulations. All these inputs are facing price increases. Realizing the impact and seriousness of the situation, LMAI (The Label Manufacturers Association of India) initiated by the current President Rajesh Nema, organized a webinar titled "Knowledge - Accelerating Growth" on 30th October 2021. The panelists included Saurabh Agarwal-Avery Dennison, Ajay Mehta- SMI Coated Products, Prashanth Raveendran- Seljagat Printers and Manish Desai- Mudrika labels. The webinar was moderated by Jaideep Singh Secretary LMAI and coordinated by Anurag Mohan Management committee member.



Ajay Mehta spoke on the gravity of the situation due to rise in prices with price increases being announced by paper mills frequently despite not getting their full requirements of materials. Forward contracts are made with paper mills but those are for quantities required and mills in general, charge prices prevailing at the time of dispatch. However still, the increasing international freight rates, reduced availability of raw stocks with mills and the upswing in demand impacts adversely. While the mills give a date whereafter new enhanced prices will be applicable, but the adhesive suppliers do not even give time for price increase and announce the new price with immediate effect. Paper mills supplying release base papers are either facing shortages of pulp so have lesser materials to offer or they to recover the losses incurred during lockdowns are directing their materials to markets where they get higher value for their products. He cautioned that by modest estimates, the label industry will stand to lose over Rupees 250 Crores annually and there is no way this loss can be absorbed, they have no alternative but to pass on the price increase to the printers. They do get resistance from some quarters but there is no way to compromise on this if one has to survive and keep the company in sound health.

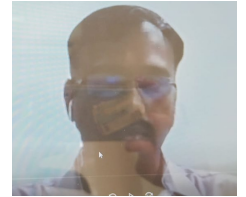
Manish Desai of Mudrika Labels mentioned that print buyers strongly resist the price increases by expressing that there are other printers ready to supply at lower rates, however according to him they must be persistent as there is no other option. The possibility to downscale the product specification by lowering substrate grammages and adhesive coat weights to keep the prices stagnant is not the right step and will lead to inferior quality and rejections at the customer's quality control. Moreover, since many print buyers are now mentioning the standard brand labelstock usage in labels supplied to them, printers do not have the option to consider alternate suppliers. He suggested to the labelstock manufacturers that since they interact with print buyers to get their materials approved, they should in turn also impress upon to approve price increases in tune with raw material price escalations. It would also be prudent for labelstock manufacturers to make forward contracts with raw material suppliers such that they in turn can give some breathing time for printers to settle down with new prices. Price rise is an ongoing process in growing economies and eventually the industry settles down with it in 3-4 months, unfortunately now it is at a challenging time and too frequent. He further added that amongst their customers, with privately owned companies it is easy to get price approvals as one can deal directly with senior management and justify the need for higher prices. Contrary to this, it takes 3 to 6 months to get approval from multinational companies as they have multiple layers of management and the price approval is a long-drawn process and by the time the approval comes, the prices may already have increased some more.





Saurabh Agarwal of Avery Dennison mentioned “The significant increase in demand post the improvement in pandemic impact, especially in the large economies of the world, while the supply environment continuing to remain constrained has been the single biggest reason for the serious inflationary pressures. The rising oil and energy prices and the prevailing ocean freight crisis intensifies the impact and is now impacting almost every region. At Avery Dennison, all our efforts are geared to continue serving our customers in the best possible way during these volatile times, while at the same time keeping them informed of the prevailing situation.”

Prashanth Raveendran of Seljagat Printers was more focused stating that they have reached a level of success by continuously investing in the finest equipment to manufacture labels to international standards and creating innovative products. He said, not getting the appropriate and remunerative price for their products will hamper their growth and not justify their huge investments. He stressed that if some print buyers do not understand the situation and do not agree to give the right prices, unfortunately and sadly we will have to forego such orders. After all, we have to service our financial commitments.



To get a wider view on the topic the author interacted with some more industry constituents. Priyank Vasa of Ahmedabad based Unick Fix-a-Form says, “The recent price hikes and inflation in raw materials has got us wondering how long we can sustain a healthy margin while continuing to offer the best rates and quality to our customers. Production efficiency has been impacted in the past two years because of the pandemic. Looking at the current situation, it is tough to offset increasing cost of raw materials with an improved efficiency. Labels have become a commodity, unlike older days where one could reap the benefits of developing a product for years altogether. Product diversification could be the key which could offer a good balance between profitability and volume. Current market conditions do not offer many niche segments where business could thrive. Sustainability of the margins will take the driving seat vs the volumes. Expansion models must be feather light as nature of our industry needs repetitive investments that come with an interest burden.”

Mahendra Shah of Renault Paper Palghar, a part of Manohar Packaging group says, “We call ourselves manufacturers of labels but technically, we are just converters without any consumer brand-value which can be encashed at a later part of our entrepreneurial tenure. Our current or past investments do not last long, due to fast changing technology. If you do not capitalize your investment in the first one thousand days, your time and energy is wasted in just recouping the investments done. Really, is this why we became entrepreneurs? Competition was always there and will remain in future, the only difference is the mindset. Now with fast evolving technologies we need to achieve the return on our investment at a faster pace. As first-generation entrepreneurs, we took harsh calls and succeeded, with this huge price impact on our inputs now, we all need a fearless attitude to go for price increases from our customers before it is too late. We may lose some customers but with clear thoughts I am sure we can all make our business profitable and sustainable.”



Anuj Bhargava of Kumar labels asserts that the price increase must be passed on and it is an imperative for survival. Another point he mentioned is that the industry is not realizing that people are a necessity in a company to work efficiently and the cost of people has dramatically increased post covid. So that cost combined with the enhanced raw material costs is a “Killer.” If label printers do not pass on the impact of the combined cost increase, then definitely it is a formula for suicide

The PSA or self-adhesive labels industry is already at crossroads whereby evolution is leading to a lot of demand growth going off to different evolving technologies like shrink sleeves, in-mold labels, wraparound labels and direct on product digital printing. Expansion in capacities coupled with commercial and other offset printers, facing pressure from the online communication, also investing in label manufacturing is bringing about intense competition and pressure on profit margins. Label manufacturing also has another challenge which is becoming a matter of concern and that is the waste management. Adhesive coated waste matrix and the release liner that form more than 50% of the laminate is either going to landfills or being incinerated. Facing pollution controls and attending to environmental concerns the printers must now invest in measures that support sustainable and environmentally safe production processes. At such a time when input prices are going up putting margins under pressure, their woes keep on escalating, prompting them to get together as an industry and ponder over workable solutions to counter the concerns that are arising. The positive side is that in a large country India with a huge young population, the growth is evident and there will be enough for all label manufacturing technologies.

SUSTAINABILITY- INDUSTRY UPDATE on GOI REGULATIONS

Vivek Kumar , AVERY DENNISON (Director-Segment Development and Tapes, South Asia)

With regards to new notifications issued by The Ministry of Environment Forest & Climate Change (MoEFCC) on how to tackle plastic waste-related pollution and to ensure the safe disposal of plastic waste, we would like to share few important points with you so that you are aware of the changes and maintain compliance with the laws.

- Carry bags made of virgin or recycled plastic, shall not be less than seventy-five microns (75) in thickness with effect from 30th September 2021 and one hundred and twenty microns (120) in thickness with effect from 31st December 2022.
- Plastic sheet or like, which is not an integral part of multi-layered packaging and cover made of plastic sheet used for packaging, wrapping the commodity shall not be less than fifty microns in thickness except where the thickness of such plastic sheets impair the functionality of the product.
- Sachets using plastic material shall not be used for storing, packing, or selling gutkha, tobacco, and pan masala.
- The manufacture, import, stocking, distribution, sale, and use of the following single-use plastic, including polystyrene and expanded polystyrene, commodities shall be prohibited from 1st July 2022:
 - Earbuds with plastic sticks, plastic sticks for balloons, plastic flags, candy sticks, ice-cream sticks, polystyrene [Thermocol] for decoration.
 - Plates, cups, glasses, cutlery such as forks, spoons, knives, straw, wrapping or packing films around sweet boxes, invitation cards, and cigarette packets, plastic or PVC banners less than 100 microns, stirrers.
- Take steps to minimize generation of plastic waste and segregate plastic waste at source in accordance with the Solid Waste Management Rules, 2000 or as amended from time to time.
- Do not litter the plastic waste and ensure segregated storage of waste at source and handover segregated waste to the urban local body or gram panchayat or agencies appointed by them or registered waste pickers', registered recyclers, or waste collection agencies
- Manufacture and use of multi-layered plastic which is non - recyclable or non - energy recoverable or with no alternate use of plastic if any should be phased out in two years' time.
- Mandatory registration under Extended Producer Responsibility (EPR). It is the responsibility of every producer, manufacturer, importer, and brand owner to register on the EPR portal on the CPCB website and have a solid plan to channelize their plastic waste.

Other than the above, we do not have any indication of impact to pressure sensitive label stock materials that is laid out in the current notification.



Vivek Kumar (Director-Segment Development and Tapes, South Asia)

Been with Avery Dennison with more than 10 years (around 20 years of overall experience) in different industries and functions like marketing, supply chain and consulting. In my current role, I am responsible for driving segment/industry engagement to position Avery Dennison as a brand of choice for delivering products and solutions to make packaging more enriching and functional. Sustainability leadership is an integral part of this with the help of brand and ecosystem connect.



<https://www.youtube.com/channel/UCijRzG8YWU810LyKjrGNtNA>



COVID 19

Fight with Precaution

Dear Members,

Are we heading for another Pandemic Lock down, to another new variant " Omicron " surfacing from South Africa ?

I don't think so. All we need to do is to complete our two doses of vaccination and follow Protocols that we did in the past to fight against the virus.

We cannot take this lightly, but instead be prepared and advice our colleagues and friends to abide by the strict Protocols necessary to restrict the spreading of the virus.

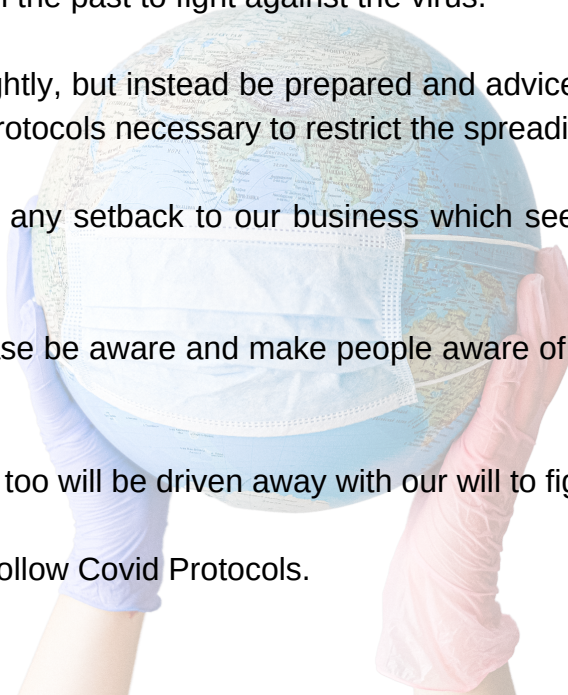
We cannot now afford any setback to our business which seemed to be slowly regaining it's Pre Covid status.

As a good Citizen please be aware and make people aware of the necessary actions to be taken for prevention.

Hopefully this calamity too will be driven away with our will to fight to Survive.

Humbly request all to follow Covid Protocols.

Regards,
Team LMAI



Dear Lmai Friends,

We invite each of you to contribute your articles, achievements or any special things you have been doing with the Labels. This would be informative and help the fraternity to come closer to each other.

Amazing things are happening in our teams. If your team has evolved a best practice and the same has added value to your organizations please share with the fraternity.

Lets all work to the overall good of the industry.

All articles submitted for publication in Gup Shup will be Edited, Published or Rejected on the sole discretion of Lmai Management team in charge of publication.

Hum Sath Sath He