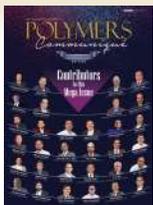


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# The Indian Toy Story

## An Industry Gearing Up for Global Prominence

“The current Indian government has provided tremendous support to our industry in terms of subsidies and grants and the government is providing us with the right platform to become as established as some of the biggest toy industries in countries like China and Japan. Even though the competition is really stiff, India is developing well in specific areas like educational toys and we are hopeful to become a force to reckon with very soon,” opines Gaurav Mirchandani, in dialogue with POLYMERS Communiqué.

**Q. What, according to you, are the three most important attributes that have contributed to the exponential growth of your company in such a short span of time?**

Firstly, we operate in a niche market and our top-most priority is to give the best quality products - our toys to our customers - the children. Secondly, we strive to bring innovation and interactive nature into the toys. We have been very clear right from the beginning that we want to provide toys so that children can engage with and do some kind of activity like solving a puzzle etc. rather than simply playing with them. This encourages physical and mental stimulation in children. And the third most important attribute is the support of the Indian government. Before we got involved in this business, most of the toys were imported from China. However, since PM Narendra Modi has taken charge, the government has developed extremely profitable policies to support the Indian toy industry. The import duty, which was earlier just 5 per cent, has now been increased to 60 per cent.

This has given a real boost to the home toy industry as manufacturers now feel more encouraged to produce toys in India itself rather than importing them from other countries. So, a combination of these three factors has resulted in our success.

**Q. From food packaging to making toys, what made this shift happen?**

Actually, it is the other way around. We were first in the toys business and then we introduced our own confectionery brand. We started our toy factory back in 2016-17, and later we started with Hoppin, our brand of confectionaries.

**Q. How do you see the current trends in the Indian toy market? What are the top three reasons for the toy industry not getting its due in terms of development and infrastructural investment?**

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**Gaurav Mirchandani**  
Director,  
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Indore

is tremendous. It is really vast in terms of the kind of products it manufactures. The sheer varieties and categories of toys that are produced - Barbie dolls, electronic toys, promotional toys etc. - make it a unique industry, posing several challenges.

However, the Indian toy industry has done tremendously well in a very short span of time. And the credit goes to the Indian government which has provided amazing support in terms of policies and subsidies. There are definite challenges ahead of the Indian toy industry like if we need electronic elements in the manufacturing of toys, we still depend on importing those items from countries like Japan, Taiwan and China. But I am hopeful that we will be able to overcome such challenges very soon. Currently, the Indian toy industry is doing really well in terms of growth.

**Q. Do you have any plans of diversifying into a different vertical or launching your own toy brand?**

Since we are into B2B business, we don't want to venture into something that our clients are already doing. For example, if we are supplying to Kinder Joy, we don't want to get into the chocolate or 'namkeen' sector. However, we have got into our own confectionary brand where we are making candy toys. These are attractive little toys attached to candy. So, we are doing something similar to what the brands like M&M'S in the USA and Kinder Joy in Europe are doing. However, instead of doing it in the chocolate sector, we are bringing candy and toys together for the Indian market.

**Q. What is the importance of facets like the quality and treatment of feedstock for manufacturing toys?**

The single most important facet of this business, even before the

price, is the safety and hygiene of our kids. And we make no compromises in this aspect. We ensure that whichever polymer we use in our toys is completely food grade, certified by the Bureau of Indian Standards (BIS) and EN71 for export to the US. We understand that children have the tendency of putting toys in their mouth. Whether it is candy toys, promotional toys or freebies, we ensure that they are absolutely safe and hygienic. So, even if the kids do put them into their mouth, there are no harmful effects involved.

Having said that, I request parents that they should ensure their kids keep the toys away from their mouth as, despite all attempts to keep them safe and hygienic, they are treated with some sort of chemicals. To ensure the safety of our customers, we also provide a list of instructions to be followed.

**Q. Being carbon neutral and ensuring a sharp focus on ESG are the new norms, how do you ensure these are included in the business proceedings?**

Even though there isn't a huge amount of carbon emulsification involved in this industry, we make sure that we do whatever we can in our capacity to reduce our carbon footprint. One of the main things that we have adapted is the use of solar energy. Our plant is laden with solar panels and is well used across the plant.



**Q. What about the use of recyclates in your industry?**

We don't use any kind of recycled material in our industry because we don't know where it comes from. The source of such recycled material could be from anywhere and we wouldn't know their process of recycling, the back-date of the polymer etc. To ensure the best quality, we only use virgin materials that are approved by our laboratories. Additionally, if you are not using the virgin material, it will not pass the standards set by BIS. Since most of our customers are children within the age group of 2 - 5 years old with a tendency to put everything in their mouth, we prefer using virgin material over recyclates.

**Q. What are your thoughts on the global competitiveness of Indian toy manufacturers?**

China is our biggest competitor in the current scenario. And it is not just India, but the global toy industry is facing stiff competition from China as major industry development has been done there and they are currently the world leaders in the toy industry. However, as I mentioned earlier, the current Indian government has provided tremendous support to our industry in terms of subsidies and grants and the government is providing us with the right platform to become as established as some of the biggest toy industries in countries like China and Japan. Even though the competition is really stiff, India is developing well in specific areas like educational toys and we are hopeful to become a force to reckon with very soon.

**Q. If you had to list down an aspect of your brand that is not known by the industry, what would it be?**

One aspect that has never been highlighted about our brand is that we have provided a lot of support to women employees in

our city by employing them in our factory. They are assigned the regular work of toy making that has enabled them to live a more respectable and financially independent life. Women empowerment is something that we all very strongly believe in and, thus, we have been continuously working towards empowering as many women as possible in the city. And this aspect played a really significant role in the success of our business.

**Q. What is the one failure or challenge you faced that has taught you a lot?**

I wouldn't call it a failure, but more of a challenge that we have faced as part of the toy industry. There is no price protection for manufacturers like us. So, if there is a sudden hike in the price of a polymer, it completely puts everything out of gear due to lack of price protection. Since there are only a handful of manufacturers who provide

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polymers, there are limited options and thus no control over the prices. This is a huge challenge that we must look into.

This is even more significant in the current scenario since we are competing with the global market as well. For instance, when we started exporting two years back, the polymer in China was available at Rs. 80 per kg, while in India the same polymer cost us Rs. 130. This price difference hurts the toy industry and the government must take some steps to regulate the price.

**Q. How have the Government of**

**India initiatives like 'Atmanirbhar Bharat' and 'Make in India' helped the toy industry?**

It has helped us tremendously. One of the most significant moves has been the closing down of imports which has encouraged the local manufacturers to make everything in India and not depend on foreign markets. Earlier, the duty structure was such that importing from foreign markets was an easier option. However, the taxes and other duties have made importing a lot more expensive. So, the local manufacturers are producing everything in India, giving the industry a big boost.

**Q. Who do you look up to as a mentor?**

Someone whom I really look up to is Dr. Ratan Tata. If I can emulate even 1 per cent of what he has done for our country, it would be a great honour. ■

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