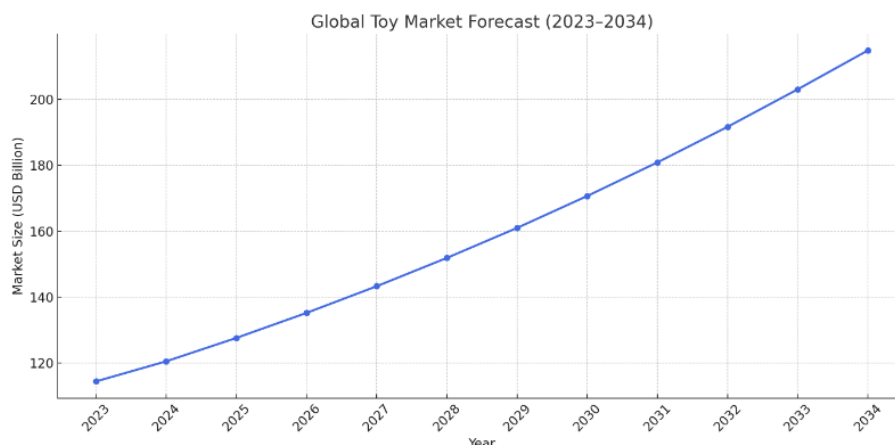


Global Industry:

- The \$115 billion global toy market is growing at just over 4% CAGR, driven primarily by commercial, electronic, and STEM toys.

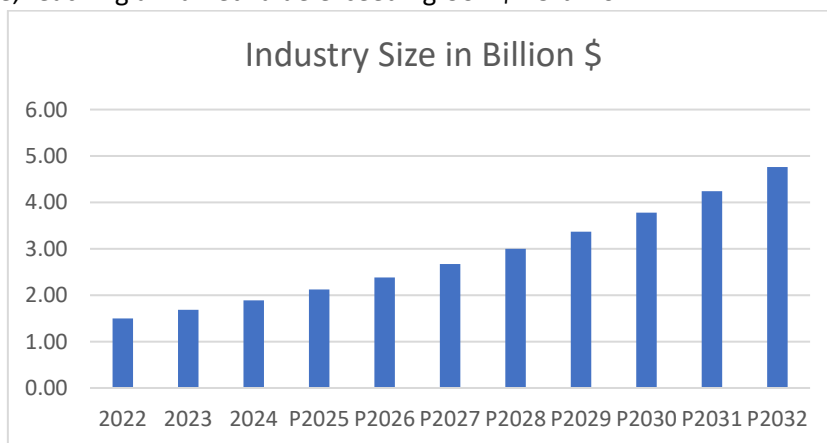


Source: [Toy Market Size – By Product Type, By Capacity, By Price Range, By Usage, By End Use, By Distribution Channel, Forecast, 2025 – 2034](#)

- Latin America and North America together account for 40–45% of global toy consumption, making them the largest and most lucrative markets for toy sales.
- As of 2023, the global population aged 0–14 is approximately 2.02 billion—around 25% of the total population—remaining stable and aligned with projections. Since this age group represents the highest toy consumption, population trends are directly proportional to the size of the toy industry.
- China dominates the toy industry, with approximately 90% of global toy production in Shantou City.
- Currently the shift towards sustainable, non-hazardous and meaningful STEM toys has been seen highly.
- Government support through subsidies, grants, and access to advanced technology has significantly boosted China's toy manufacturing sector, giving it a strong competitive edge in pricing and global market dominance.
- Five years ago, the Chinese government recognized the limited domestic growth potential of the toy industry and began phasing out subsidies and grants. This shift has increased production costs and created opportunities for emerging markets to enter and compete in global toy manufacturing.
- With rapid technological advancements, China shifted its focus from toy car production to the more lucrative and innovative real car manufacturing sector. This shift resulted in decreased emphasis on toy car production, leading to a slowdown in growth for this segment.

Placement of India:

- Valued at approximately USD \$1.8–2.1 billion in 2024, the market is projected to grow at a robust CAGR of over 12% annually over the next decade. By 2032, the industry could nearly triple in size, reaching a market value exceeding USD \$4.5 billion.



Source : CNBC 18 : [How the advent of technology affects Indian toy industry](#)

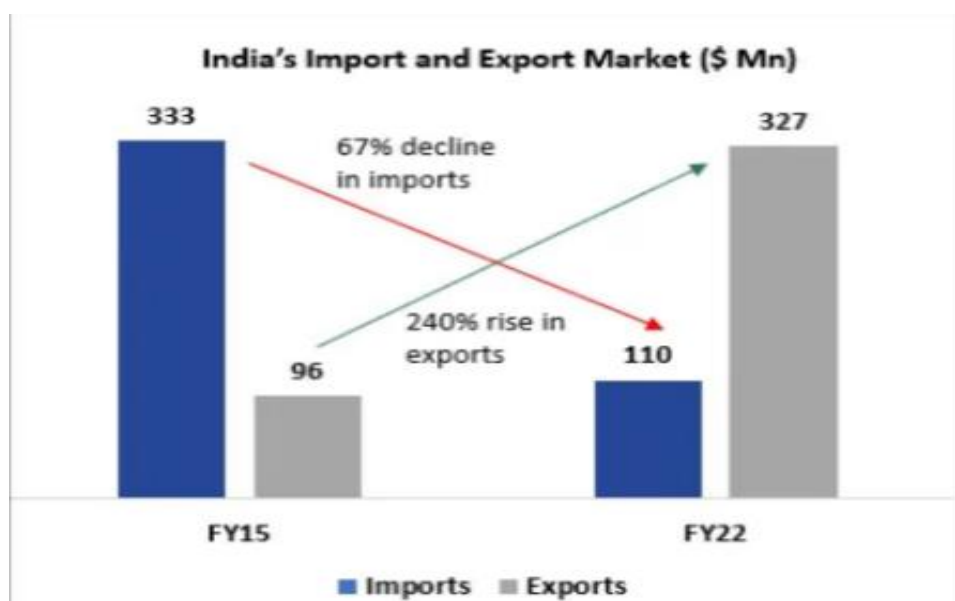
- India has emerged as a significant player in the toy industry, increasing its market share from 0.3% to nearly 2% recently, driven by a strong growth rate of 12–14% CAGR.
- Indias domestic consumption is anywhere around 2 billion\$.
- Few years ago, India recognized the potential to grow its toy manufacturing sector, leveraging its labor-intensive industry to gain a competitive advantage.

	China	India
Labour Cost per hour (\$)	5.8	1.7

- Currently the Indian industry is 90% unorganized only 10% are considered to be part of the organized market.
- Anywhere around 500 -600 million \$ is the size of Electrical & STEM toys which is growing with a CAGR of 13-15% YoY.
- Electrical & STEM category of toys has a high entry barrier, with the unorganized sector facing challenges due to high initial capital expenditure and the need for specialized technological expertise.
- India has approximately 18,000–20,000 touch points which include retail outlets, stationery, gift shops, and toy stores, with around 4,000–5,000 classified as premium toys stores—key channels for selling electronic and STEM toys—alongside a growing presence on various e-commerce marketplaces.

Government control, duties and subsidies:

- Few years back India introduced import duties starting from 20% to 60% to currently standing at 70% on toys and certain components.
- The Directorate General of Foreign Trade (DGFT) introduced the Bureau of Indian Standards (BIS) certification for toys to ensure safety and quality compliance in the sector.
- The DGFT made the BIS certification mandatory by issuing the Quality Control Order (QCO) for both domestic and foreign manufacturers. Renowned brands like Hot Wheels had to halt their sales due to non-compliance.
- Import-Export Scenario of India:
 - India achieved net exporter status in the toy sector by 2020. Between 2014 and 2023, toy exports surged by 240%, increasing from \$96 million to \$327 million, underscoring the sector's remarkable growth.
 - India's toy imports have significantly decreased from \$392 million in FY2018-19 to \$65 million in FY2023-24, largely due to policy interventions aimed at reducing low-cost imports, particularly from China. China's share, which once exceeded 70%, has dropped by around 70% between 2018 and 2022.



Source: KPMG

- The latest budget introduced subsidies and grants totaling nearly ₹3,500 crore, specifically for capital expenditure, moulds, and interest. These will be available exclusively to organized players in the industry.

Dependency on China:

- China dominates the toy industry, with approximately 90% of global toy production.
- It is the opportunity for India to enter the industry because:
 - China has long dominated pricing in the toy market, but India's rise is offering competitive pricing alternatives, due to labour intensive industry benefit.
 - China set the industry quality standards, making it challenging to challenge their product quality.
 - China previously set delivery cycles but now India offers competitive alternatives with better options.
 - China, as the largest producer, showed little interest in after-sales support, a gap that Indian brands have capitalized on by offering services like product recalls, replacements, and repairs.
 - The global "China +1" strategy to reduce reliance on China has positioned India as a favourable hub, thanks to its strategic geography and lower labour costs, even below China's.
- Product cost breakup for major electrical toys and comparison of 2 economies:

Costs	China	India	Remarks
Plastic Polymers [30%]	Procure from China	Procure from India	India procures domestically for favourable payment terms and quality, with costs similar to China's.
Electrical Parts [30%]	Procure from China	Procure from China	Certain parts are not feasible to manufacture in India due to high capex costs, making the overall costs comparable to China's.
Labour [30%]	Procure from China	Procure from India	India has labour costs that are nearly 25% of China's, making it a cost-effective manufacturing hub.
Other Parts [10%]	Procure from China	Procure from India	Ancillary Parts

Summarizing the table above India has an advantage by producing better quality goods than China and with pricing advantage.

Toy Industry Classification Framework:

1. Candy to Confectionary Toy Market:



Source: [Candy Toys Market Insights - Product, Application & Regional Analysis with Forecast 2026–2033](#)

- Candy toys are small, low-cost toys typically packaged with candy or chocolate. While they may not offer extended play value, they have a strong psychological appeal for children—often driving greater excitement and desire for the toy itself than for the accompanying candy. This emotional engagement makes candy toys an effective tool for impulse purchases and brand recall.
- Impulse-Driven Sales: Often placed near checkout aisles to capture spontaneous buys from children and parents.
- Regulated Category: Subject to strict food safety and child safety regulations, particularly in markets like the U.S., EU, and India.
- One of the most well-known candy toys in World is *Kinder Joy*, owned by the Ferrero Group, which combines a sweet treat with a surprise toy.

Candy Toy Corporate Private Limited (CTC) – India's Emerging Player

- Notable Indian player in this segment is ***Candy Toy Corporate Private Limited (CTC)***, which focuses specifically on manufacturing and distributing candy-toy combinations tailored to the Indian market.
- Candy Toy Corporate Private Limited (CTC) has emerged as a rapidly growing player in the Indian toy industry over the past five years. The company has demonstrated remarkable business transformation.
- The company exports its products to over 40 countries, including regions in Europe, the United States, Africa, Turkey, Japan, and the Middle East.
- As per the discussion with key investors, there were some points which were highlighted as to why the firm is a pick in the Candy toy Sector:
 - Inventory obsolescence is minimal, and even in cases where stock remains unsold, the impact is negligible due to the product's long shelf life and durable plastic composition.
 - Less returns due to negligible value.
 - Easy to manufacture, don't need much technical know-how in terms of engineering POV.

- **Financials of the company:**

Figures in Cr.

Particulars	31 Mar, 2022	31 Mar, 2023	31 Mar, 2024
Revenue	48.6	72.69	116.55
Revenue Growth	1790%	50%	60%
EBITDA	7.85	12.22	24.37
PAT	4.85	7.2	15.79
PAT Margin	10%	10%	13.5%

- As per unaudited figures of FY24-25 the company is set to record a staggering revenue of 250 crores, with EBITDA margin at 25-27%.

Source: [Candytoy partners with Reliance Retail to supply confectionery toys](#)

- CTC holds strong potential to challenge and possibly surpass established players such as FUNSKOOL in the Indian toy market.
- **Fund Raising & Valuation:** CTC has undergone only 1 round of fund raising

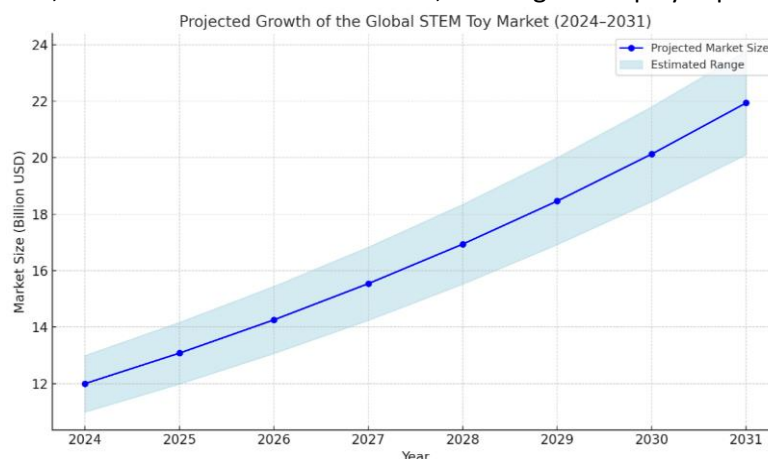
Fund Raised	Valuation	Key Investors
110 Cr.	850-900 Cr.	Abakkus Asset Managers Sixth Sense Ventures Girik Capital Param Capital Research Viney Equity Market & Others

- **Value building for a brand:**
 - In June 2022, the company launched its own brand, **Hoppin Candytoy**. Since its debut, the brand has gained strong market traction.
 - Now widely available across 1,400 Reliance Retail stores nationwide.
- CTC has established a manufacturing unit in Jebel Ali, Dubai, United Arab Emirates. This facility, spanning approximately 10,000 square feet, was set up with an investment of ₹35 crore and is designed to cater to markets in the UAE, Oman, Kuwait, and Saudi Arabia.
- The company also collaborates with 11 contract manufacturers to meet its growing demand. (demand for contract manufacturing is growing).
- Product Portfolio of CTC:



2. STEM TOYS:

- STEM toys—standing for Science, Technology, Engineering, and Mathematics—are designed to be both educational and engaging.
- These toys promote critical thinking, creativity, problem-solving, and hands-on learning, helping children develop essential skills in a fun and interactive way.
- STEM toys play a vital educational role, fostering essential skills such as critical thinking, problem-solving, and logical reasoning.
- They also encourage adaptability, resilience, and creativity—traits increasingly valued in the modern world.
- STEM toys represent one of the fastest-growing segments in the global toy industry, expanding at a compound annual growth rate (CAGR) of approximately 9% year-on-year.
- Currently valued at \$11–13 billion, the global STEM toy market is projected to grow to \$22–25 billion by 2031, fuelled by rising parental emphasis on educational content, early childhood skill development, and the demand for interactive, learning-based play experiences.



- India's STEM toy industry is still in its nascent stage, currently valued at approximately \$100 million. However, it is experiencing robust growth, with a projected CAGR of 14–17%. By 2031, the market is expected to expand significantly, reaching a value between \$250–300 million.
- Supporting this growth trajectory, the Government of India has taken policy-level initiatives to integrate toy-based learning into school curriculum. This legislative push is expected to sustain long-term demand and foster industry expansion.

Skillmatics – India's Emerging Player:

- **Skillmatics** stands out as a market leader in this segment.
- The company has significantly expanded its global footprint through strategic retail partnerships with leading global retailers such as Walmart, Target, and Hamleys. Today, its products are available in over 20,000 retail stores worldwide, reflecting the brand's growing international presence and consumer reach.
- **Financials of the company:** Figures in Cr.

Particulars	31 Mar, 2022	31 Mar, 2023	31 Mar, 2024
Revenue	37.5	47.7	82.4
Revenue Growth	66%	27%	73%
EBITDA	3.3	(1.6)	0.4
PAT	2.3	(1.9)	0.4
PAT Margin	6%	(4%)	0.5%

- **Fund Raising & Valuation:**

Fund Raised	Valuation	Key Investors
231 Cr.	1000-1050 Cr.	Surge Ventures Sequoia Capital Sofina Ventures Ambit & Others

- Skillmatics has a strong presence in US markets making the brand stronger than ever, the firm decided to keep its manufacturing units in India showcasing the opportunity India has as compared to China in the current times.
- **Product Portfolio of Skillmatics:**



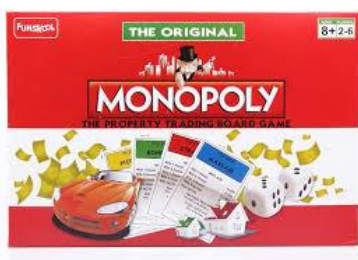
3. Promotional & Stem Toys:

Funskool (One of the largest toy firms in terms of revenue):

- Funskool is almost a 3-decade old business, serving different categories of the industry:
 - Promotional Plastic Toys
 - Board games & Puzzles
 - Building portfolio in STEM toys
 - Not present in premium electronic segment
- Funskool is a Joint Venture between Hasbro & MRF Tyres.
- Funskool is into manufacturing of plastic toys of good quality, apart from that they manufacture other board games and worldwide famous games like; Jenga, Monopoly etc
- The company offers a diverse range of toys under its own brands like Giggles, Play & Learn, Handycrafts, Games, and Fundough.
- It also manufactures and distributes products under license from international brands such as Hasbro, Disney, Warner Bros., Takara Tomy, and Ravensburger (licensed toy market in demand).
- **Financials of the company:** Figures in Cr.

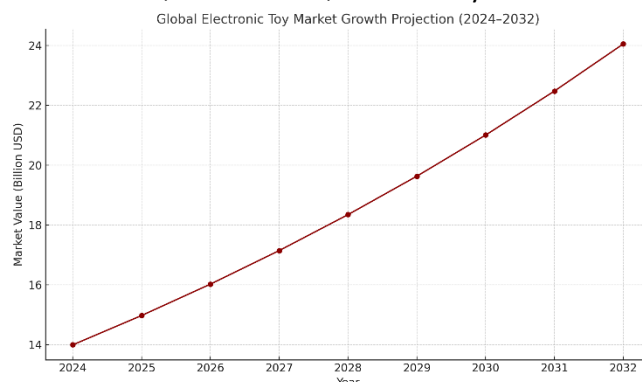
Particulars	31 Mar, 2022	31 Mar, 2023	31 Mar, 2024
Revenue	232	238	255
Revenue Growth	35%	2.5%	7%
EBITDA	20.8	22.3	27.8
PAT	8.2	9.2	13.2
PAT Margin	3.5%	4%	5%

- In the past 5-6 years company has been unable to grow and moreover remained stagnant whereas the industry has doubled down.
- Few possible reasons for no growth:
 - No design or concept upgradation.
 - Visit to the factory, makes us learn that the team is too old and obsolete to evolve along today's generation.
- Product Portfolio of Funskool:



4. Complex Electronic Premium Toy Segment:

- Electronic toys are playthings that incorporate electronic components such as batteries, circuits, sensors, sound chips, or microcontrollers to enhance interactivity. These toys often feature lights, sounds, movements, or voice recognition, offering a more engaging and immersive experience compared to traditional toys.
- This segment is experiencing rapid expansion, growing at a CAGR of 13–15%, significantly outpacing the global electronic toy market, which is growing at around 7% CAGR. Globally, the market is projected to rise from \$14 billion to \$24 billion by 2032.



- Electronic toys represent one of the largest segments within the Indian toy industry, accounting for approximately 25–30% of the market and contributing nearly \$500 million in value.
- Manufacturing electronic toys is a technically intensive process, involving complex product design, precision mould engineering, and meticulous planning for mass production. Success in this space requires not just innovation but also the ability to deliver high-quality manufacturing at competitive pricing—especially in comparison with Chinese manufacturers.
- In India, only a few companies possess fully integrated manufacturing capabilities for electronic toys. This makes the segment highly specialized, where product quality and cost efficiency determine long-term viability.

Mirana Innovations– India's Emerging Player:

- Mirana Innovations, manufactures RC cars, Interactive Robots, Train sets, Hover air football
- Mirana is on the lookout of expanding its portfolio in electronic toys with implementation of AI & VR in toys.
- Entire 4,000–5,000 premium toy stores in India are covered by Mirana & distributors. The products are available at renowned retailers like Hamleys and Toycra, as well as on e-commerce platforms such as Amazon, Flipkart, Myntra, Blinkit, and Zepto.
- **Financials of the company:** Figures in Cr.

Particulars	31 Mar, 2022	31 Mar, 2023	31 Mar, 2024
Revenue	1.34	6.24	17.14
Revenue Growth	-	365%	175%
EBITDA	-1.45	-9.72	-9.67
PAT	-1.74	-8.30	-12.28
PAT Margin	-130%	-133%	-72%

- **Fund Raising & Valuation:**

Fund Raised	Valuation	Key Investors
60 Cr.	180-190	Riverwalk Info Edge Ventures Accel

- **Licensed Products:** This segment is rapidly gaining global popularity, driven by increasing demand for toys themed around real-life vehicles, movie action heroes, popular characters, and entertainment franchises.
 - Licensed toys involve the manufacturing of products tied to specific intellectual properties and have become a major growth area in the toy industry.
 - Globally, the licensed toy market is growing at a CAGR of approximately 5%, while India is witnessing accelerated growth in this segment, with a CAGR of 11–13%, signalling a strong opportunity for domestic players.
 - Mirana is actively capitalizing on this trend, recognizing the potential of the licensed toy segment and aligning its strategy to tap into this high-demand category.

- Product Portfolio of Mirana Innovations:

[Offroad Remote Control](#)



[RC Crawler](#)



The Mirana Duster 4WD 4x4 RC Car ranks #1 in Remote- & App-Controlled ATVs on Amazon

[Mirana Block Rider train](#)



Hold the #1 position in the gifting in Amazon category

[Moon Walker](#)



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