KOPPAL TOY MANUFACTURING CLUSTER
KARNATAKA, INDIA

INDIA's FIRST TOY MANUFACTURING CLUSTER
INDIA – ROBUST ECONOMY

• **One of the World’s Fastest Growing Economies.** World’s 5th largest economy in 2019¹

• **Massive Domestic Market** – India to be the world’s third largest consumer economy by 2025. 129 Million urban mass consumers² are leading India’s consumer story. Estimated to grow by four times by 2025.

• **Expanding Economic Influence** - India and China will be the biggest manufacturing hubs of the world by 2030³. Centre of global maritime trade to move from the Pacific to the Indian Ocean Region.

• **Strengthening Indian Infrastructure** - Over the next two decades, infrastructure investments of more than USD 1.5 Trillion are planned⁴.


INDIAN TOY MARKET

• Indian Toy Industry expected to grow at CAGR of 13.3% (2019-2024) to USD 3.3 Billion*¹

• Global Toy Industry expected to grow at CAGR of 4.6% (2019-2025) to USD 139.2 Billion#²

• Market Gap: 85-90% of the demand for toys in India is met through imports

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¹Source: Statista
²Source: Goldman Sachs Group
³Source: Lloyd’s Register Marine & University of Strathclyde, Glasgow
⁴Source: Press Information Bureau, Government of India
⁵Source: World Bank
#Source: Grand View Research (2019), Toys & Games Market Size, Share & Trends Analysis Report By Application, By Product (Outdoor/Sports, Video Games), By Distribution Channel, And Segment Forecasts, 2019-2025

For more information, please visit [India’s First Toy Manufacturing Cluster](#)
GROWTH DRIVERS

- **Huge Customer Base** – India is the second largest populated country in the world with a population of around 1.3 billion. India to have world’s largest youth population by 2020
- **Rising Disposable Incomes** - For the past several years, India has experienced high GDP growth levels and is now one of the largest economies in the world
- **Diverse Product Category** – Each toy category has both inexpensive and high-end versions catering to various consumer segments
- **Booming Online Sales Channels** - With the evolution of smartphones and other digital media, online sales channels have appeared to be one of the fastest growing distribution channels
- **Strategic Location** - Strategical location for exports to western and eastern markets
- **Regulatory Framework**: 100% FDI permissible through Automatic Route

ADVANTAGE KARNATAKA 4th Largest Economy in India

ADVANTAGE KARNATAKA

- 1st in IT & ITeS Exports
- 4th largest skilled workforce
- More than 400 research and development firms
- Home to several premier institutions
- Among top 15 startup ecosystems of the world
- 400 of Fortune 500 companies have their outsourcing operations in Karnataka.

ECONOMIC OVERVIEW

- USD 216 Billion (2018-19)
- 1st in attracting investment intentions since 2016
- 3rd in terms of attracting FDIs
ABOUT PRODUCT SPECIFIC INDUSTRIAL CLUSTER DEVELOPMENT PROGRAM

Government of Karnataka has launched its flagship scheme for development of nine product specific clusters in different districts of the State. Koppal District has been identified for development as Toy Cluster.

OBJECTIVES:

- Increase production capacity by adopting qualitative & mass production methods
- Encourage co-working with self-sustained and state-of-art ecosystem to drive competitiveness
- Improve operational efficiency by having suppliers and R&D centres in close proximity
- Develop Koppal as the Centre of Excellence for Toys Research and Design
- Encourage investors to use cost efficient and advance technology
Koppal Toy Cluster

- Karnataka is the third-largest market for toys in India, accounting for a share of 9.12%*
- Karnataka Toy Market grew at a CAGR of 17.54% (2010-17)*
- Projected Growth rate 17.3% (2017-23)* estimated at US$ 310.7 Million by 2023

CAGR
(2010-2017)

17.54%
15.80%
WHY KOPPAL?

Toy Story - Koppal

Kinhal town in Koppal, famous for Kinhal toys, has an immensely rich artistic heritage most well-known for exquisite carvings in wood. The toys have been granted Geographical Indication (GI) by the World Trade Organization (WTO). The famous mural paintings in the Pampapateshwara Temple, and the intricate work on the wooden chariot at Hampi, are said to be the work of the ancestors of the Kinhal artisans of today.

KOPPAL TOY MANUFACTURING CLUSTER

Location:

- Koppal is located at a distance of 357 km from the state capital Bengaluru, which is a key economic hub of the state as well as the country.

Strategically located right in the center of key markets

Strategic Position:

Koppal district is strategically positioned to cater to 50% of domestic toy market

Presence of Supporting Ecosystem:

- Design Institutes: NID, Bengaluru
- R&D Institutes: IIT Dharwad & CIPET, Bengaluru
- Training Institutes: VTU NASD, NTTF, GTTC Polytechnic
**Road connectivity:**

Koppal is well connected through NH 67 and NH 50

- Bengaluru: 357 Km via NH 48
- Hyderabad: 391 Km via NH 44
- Mumbai: 697 Km via NH 48
- Pune: 554 Km via NH 48
- Chennai: 710 Km via NH 48

**Seaport connectivity:**

- Access to ports like JNPT, Mumbai, Vishakhapatnam, Chennai, Krishnapatnam & Tuticorin

**Air connectivity:**

- Domestic Airport: Jindal Vijaynagar 73 Km & Hubli 125 Km
- International Airport: Bengaluru 373 Km & Hyderabad 391 Km

**Railway connectivity:**

- Bengaluru- Bellari- Gadag- Hubballi railway line
- Koppal Railway station
- Major Station: Hubli
INFRASTRUCTURE

Land Banks:

1) Aequus Pvt. Ltd.:

World class plug & play self-sustained ecosystem for Toys Manufacturing by M/s Aequus SEZ Ltd. - 15 Km from Koppal Town

- 1.56 Million Sq. M of industrial space with self-sustained ecosystem
- Special Economic Zone (SEZ) + Domestic Tariff Zone (DTA)
- Built to suit facility available for Investors
- Located on NH 367 with good logistics connectivity
- Facilities designed to cater to both large MNCs and small and medium size enterprises
- Industrial infrastructure complete with Power, water, internal roads, connectivity, waste disposal
- Common Facilities: Customs, Security, Canteen, Centre of Excellence, Occupational Health Centre

INTEGRATED MANUFACTURING FACILITY

AEQUUS SEZ SITE DISTRIBUTION PLAN

NH BUFFER AREA 30,983.82 Sq mts. (7.66 Acres)

DTA AREA 304,683.45 Sq mts. (75.29 Acres)

SEZ AREA 1,187,243.33 Sq mts. (293.37 Acres)

PARKING AREA 31,964.77 Sq mts. (7.90 Acres)

LABOUR COLONY 5,245.64 Sq mts. (1.30 Acres)

Total site AREA 1,560,121.01 Sq mts. (385.51 Acres)
1 Raw water Storage
2 DTA Canteen
3 Estate Office
4 Occupational Health Centre
5 Electrical Substation
6 DG Yard
7 HSD Yard
8 SEZ Canteen
9 Centralized Kitchen
10 Scrap Yard
11 Treated Water Store
12 STP
13 Fire Station
14 Tanker/ Water Sump
15 DTA Entry
16 DTA Security
17 DTA 20 M Road
18 Weigh Bridge
19 Truck Parking
20 Customs Office
21 SEZ Entry
22 SEZ Security
23 SEZ 20 M Road
24 Admin Block
25 Rain Water Collection
26 Water Treatment Plant
27 Labour Recruitment
28 Temple
29 Sewage Holding Area
2) State Development Corporation (For SME's)

Industrial Estate at Basapura - 8 km from Koppal Town
- 0.42 Million Sq. M
- Developed Land
- 470 plots of various sizes available
- Common Facilities: Business Centre, Roads, Parking, STP
- Power, water - Readily available

SOCIAL INFRASTRUCTURE IN KOPPAL:

- **Population**: 13.89 Lakhs,
  **Literacy Rate**: 68.1%
  **Working Population**: 36%
- **Colleges**: 1 upcoming engineering institute,
  1 medical school, 5 polytechnic colleges,
  7 degree colleges, 52 Industrial Training Institutes
- **Schools**: 68 high schools
- **Hospitals**: 26 Private Healthcare Centres
  including nursing homes, 29 Primary Healthcare Centres
- **Nearest big city** – Hubli located 120 Km from Koppal Town

Hampi World Heritage Centre - 44 Km From Koppal Town
# PACKAGE OF SPECIAL INCENTIVES FOR KOPPAL TOY CLUSTER

Approved vide Government Order No. CI 22 SPI 2019 dated 5.3.2019

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Incentives</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Manufacturing Units</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Capital Investment Subsidy</td>
<td>30% on Fixed Assets (Land, Building, Machinery, ETP &amp; Dormitory). Subsidy to be release in 5 annual instalments linked to achievement of annual sales turnover</td>
</tr>
<tr>
<td>2.</td>
<td>Reimbursement of Stamp duty &amp; Registration charges</td>
<td>100%</td>
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<tr>
<td>3.</td>
<td>Reimbursement of Land conversion fee</td>
<td>100%</td>
</tr>
<tr>
<td>4.</td>
<td>Interest Subsidy on Term loan</td>
<td>5% subject to a maximum of USD 1 Million per annum on Term Loan for 5 years</td>
</tr>
<tr>
<td>5.</td>
<td>Power Tariff Subsidy</td>
<td>INR 2.00 (US 2.8 cents) per unit for 5 years</td>
</tr>
<tr>
<td>6.</td>
<td>Electricity duty reimbursement</td>
<td>100% for 5 years</td>
</tr>
<tr>
<td>7.</td>
<td>ESI &amp; EPF Reimbursement (Employers Contribution)</td>
<td>75% for 5 years capped at 20% of VFA</td>
</tr>
<tr>
<td>8.</td>
<td>Wage subsidy (only for direct employment and continuous employment of at least 6 months)</td>
<td>USD 21 per month for 5 years</td>
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<tr>
<td>9.</td>
<td>Freight Subsidy (Only for exports)</td>
<td>Only for Rail/ Road freight charges to sea port as below: Year 1 &amp; 2: 75% Year 3, 4 &amp; 5: 50%</td>
</tr>
<tr>
<td>10.</td>
<td>Rent subsidy for units within SEZ</td>
<td>Reimbursement of 50% of rent of maximum INR 5.00 (US 7 cents) per sq. ft. per month for 3 years (minimum lease period should be 10 years)</td>
</tr>
<tr>
<td>11.</td>
<td>Skill development Assistance</td>
<td>USD 175 per candidate per training course of minimum 30 days or actual, whichever is less</td>
</tr>
<tr>
<td>12.</td>
<td>Assistance for common facility centres</td>
<td>1. Subsidy of 25% for Common Facility Centres established for the use of multiple units on chargeable basis in the cluster. 2. 25% cost reimbursement on Certifications. 3. Centre of Excellence, CIPET Centre, NID Centre: Subsidy of 50% on fixed investment.</td>
</tr>
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**B. Developers (Minimum 0.2 Million Sq M of Industrial Park to be developed)**

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<tr>
<td>1.</td>
<td>Capital Investment Subsidy</td>
<td>1. 10% on fixed capital investment in Factory, buildings and Infrastructure facilities. 2. 25% for Common Facility Centres</td>
</tr>
<tr>
<td>2.</td>
<td>Interest Subsidy on Term Loan</td>
<td>5% subject to a maximum of USD 1.4 Million per annum on Term Loan for 5 years.</td>
</tr>
<tr>
<td>3.</td>
<td>Subsidy on CETP &amp; CSTP</td>
<td>50% on fixed capital investment subject to a maximum of USD 3.5 Million</td>
</tr>
<tr>
<td>4.</td>
<td>Reimbursement of Labour Welfare Cess</td>
<td>100% for 5 years</td>
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KEY CONTACTS

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