Operator: Good morning, everyone. This is the fourth day of the Bharat Connect Conference. I welcome you all to the call of Imagicaaworld Entertainment Ltd. Today, from the management side, we have Mr. Mayuresh Kore, Chief Financial Officer; Mr. Khelan Shah, Corporate Finance; and Mr. Ayush Haria, SGA IR. Before I hand over the call to the management, I will lay out the flow of the event. We will start with brief introductory remarks by the management, followed by a question-and-answer session. Over to you, sir.

Mayuresh Kore – CFO: Thank you, Deepali. On behalf of Imagicaaworld Entertainment, I would like to welcome all the participants and thank you for joining this call. I have Khelan Shah with me from General Manager, Investor Relations. I will put up a small slide on the Q1 results and provide an update on some recent developments. Then I will leave the floor open for the question-and-answer session so that we can make the most of the next 1 hour.

Operator: Any participant... [inaudible]

Mayuresh Kore – CFO: Deepali, we could not hear you.

Operator: No, sir, you can start.

Mayuresh Kore – CFO: Is my screen visible, Deepali?

Operator: Yes, sir.

Mayuresh Kore – CFO: To apprise the participants about the Q1 summary performance for Q1 FY27, it was a healthy Q1 in this financial year. Footfalls increased over the corresponding quarter by 22%, from 9.46 lakhs across our parks to 11.54 lakhs, representing a 22% increase. On the ARPU front, it has been flat during the quarter. It has been a mixed bag across locations, but the idea was to bring footfalls back on track after last year's Q1, when the early onset of the monsoon in the western region had impacted the peak season, which is Q1. Our parks are primarily concentrated on the western side, with Khopoli and Lonavala, as well as the Shirdi parks, located in this belt.

The overall revenue from the park business increased by 22%, from 131 crores, {? 131.95 crores ?} to 161 crores. In our hotel business, it was a mixed bag, with occupancies dipping slightly from 65% to 62%. On the ARR front, there was a small improvement of 1%, from 9,522 to 9,657. The hotel top line also softened by 2%, from 16.23 crores to 15.83 crores. These were the consolidated KPIs.

I will now move to the overall P&L for this year. Accordingly, overall revenues in Q1 stood at 177.60 crores, compared to 148.1 crores in Q1 FY26. On the EBITDA front, EBITDA increased from 72.6 crores to 90 crores in Q1, and the EBITDA margin also increased by a couple of percentage points, from 49% to 50.7%.

I would also like to apprise the audience that Q1 is the key quarter for the company and for this business as such. As of now, we are more waterpark-centric, and hence Q1 plays a very important role. Almost 40-42% of the annual top line comes from Q1. This Q1, I think the monsoon was slightly delayed, but ultimately it was satisfactory overall in this belt. There were only a few days when our Imagica water park was not operated as a precautionary measure because the water supply from the dam had declined. The state government had issued a precautionary directive, and as a safety

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measure, for about 5 or 6 days before the monsoon began, we did not operate the water park. Overall, it has been a decent quarter for us. Khelan, would you like to add anything, or can we move on to the FAQs?

On the recent developments front, a couple of things have happened after Q1. One is the transaction for Shankus Water Park. We can put up the slide on that. To explain the Shankus transaction, Imagica had already announced plans to expand in the Gujarat market. We are already present in Surat, and the Sabarmati Riverfront entertainment hub project had also been announced in the past. In Ahmedabad, there was a plan for a water park. However, at the same time, we received a proposition from one of the leading water parks in the region, called Shankus Water Park. It was one of India's early movers in the water park business, and in 2019, the Shankus management upgraded all the water park rides to the latest rides from Canada.

It is a 25-acre water park on the Mehsana side, approximately 45 minutes to 1 hour from Ahmedabad. This is a joint venture in which we have agreed to take a 50% stake. The idea is that this water park will be expanded by adding dry and amusement elements. Approximately 10 acres of land adjacent to the water park is also part of the transaction, and we will invest about 50 crores to upgrade the water park into an all-weather entertainment destination. It is a very popular destination, and Shankus Dandiya and Shankus Resort are very popular in that area. Hence, this was a strategic decision for us to take a 50% stake in this venture.

Apart from that, we recently announced the signing of a term sheet with Juniper Hotels for selling our Novotel Imagica hotel as a slump sale. We have agreed on a very good consideration of 248 crores. It is on an as-is-where-is basis through a business transfer agreement. The hotel business has been part of Imagica, which was a destination project and the flagship Imagica Khopoli project. The hotel was an add-on element there. However, as we realized that it is the only hotel property in our portfolio, the management decided to exit this business, and the capital released will be used to expand the core business of the company, which has much higher margins. The capital will also help us with upgrades to existing parks. Further investments in the hotel by Juniper will only help strengthen the Imagica offering.

From the consumers' point of view, the hotel will continue to exist; only the ownership has changed. Packages will continue to be offered to customers, such as 2-day or 3-day destination packages and staycation packages. This move will help free up capital for long-term expansion.

With this, I would like to devote most of the time to questions from the participants. I will stop the presentation here. The investor presentation is available on the website and can be downloaded. Any remaining queries can always be addressed through SGA or otherwise, but we will use this session to address the larger queries. I am stopping the screen sharing now.

Operator: Thank you very much, sir. Participants who would like to ask questions may raise their hands. The first question is from Ankit. Please go ahead.

Ankit: Thank you very much for taking my question. Mayuresh, my first question is related to the money we received from the slump sale and also the preferential share allotment that we completed recently, I think 1 week ago or something like that. I believe 130 crores is from that side and 250 crores is from our side, if I understood it correctly. Could you provide more detail on how

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these amounts will be utilized, where we are allocating them, and how much time it will take for them to be allocated? My second question is whether we are considering any further preferential allotment or any other fundraise, or whether we are done for the foreseeable future in terms of funding.

Mayuresh Kore – CFO: Ankit, thank you. Those are very valid questions. I will take the last question first. In terms of equity raising, this was part of last year's fundraise in March, when we completed a preferential allotment. These were warrants priced at 73 rupees per share, which were pending conversion. This was already part of the previously announced preferential allotment, and the end use of the proceeds had also been earmarked and agreed upon about 1.5 years ago.

A large portion of these proceeds will be used to make the last tranche of the payment for the acquisition of the Wet N Joy parks. To recap, the Wet N Joy parks were acquired for a consideration of 630 crores. Over the last 2 years, we have already paid 530 crores through a mix of internal accruals and a small amount of debt. Of this, 100 crores will primarily be used to make the payment due in October. The balance will be used for general corporate purposes, including the ride upgrades we are proposing.

Coming to your second question regarding the proceeds from the slump sale, the transaction will be completed over the next couple of months. We will put it before the shareholders for their approval. Juniper is also a listed company, so it is not a related party. Shareholder approval will take approximately 1.5 months. After that, I think the money should come in by the end of this quarter.

As you are aware, we are currently in expansion mode. We already have 2 projects: Sabarmati Riverfront, which was mentioned previously, and the Shankus expansion into the amusement section. That represents a requirement of about 50 crores. The Sabarmati capex is approximately 130-odd crores. We also have a couple of plans to add 1 or 2 marquee rides to our existing parks. Therefore, the primary utilization of these proceeds will be in the core park business.

On the debt front, we are at a reasonable level, with debt of 350 crores. We can also look at reducing some debt if required, but the final decision regarding debt reduction, if any, will be taken over the next couple of months. Khelan, would you like to add anything?

Khelan Shah – Corporate Finance: The major use of the proceeds will be for expansion, as Mayuresh mentioned. In addition to that, we are also starting our venture into indoor entertainment, which is Hello Parks.

Mayuresh Kore – CFO: We have signed off on almost 2 locations, and the work is starting. The capex is expected to be approximately 8-10 crores per location. That will also be funded from these proceeds. We are evaluating a third location, for which we expect approximately 30 crores to be utilized.

Ankit: Thank you very much for the detailed answer. Based on what you just mentioned, I believe debt should broadly remain at this level, and only perhaps in the coming year, FY28, will we see some reduction in debt. Is that understanding correct?

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Mayuresh Kore – CFO: The normal repayment schedule will continue. It is a 10-year debt, of which, on average, 2 years have already passed. Therefore, repayment is happening regularly, and that reduction will take place. However, a major reduction is not proposed. If surplus cash remains on hand, we may want to use it for that purpose. But as a growing and expanding business entering new geographies, with investments primarily in fixed assets, a moderate degree of leverage will continue.

Ankit: Understood. The last time we met, I think it was on a Google Meet or something similar, we mentioned and discussed the promoter company's interest in an indoor gaming company. I am forgetting the name of that company.

Mayuresh Kore – CFO: Dave & Buster's.

Ankit: Dave & Buster's. Are there any plans to now put that business into the listed company, either now or in the coming quarters?

Mayuresh Kore – CFO: Ankit, that is a very relevant question. We are happy to announce that there are now 3 operating centers of Dave & Buster's. To apprise the other participants, this franchise was taken 3-4 years ago by the promoters, just before the acquisition of Imagicaa was also taking place.

These ventures are in indoor entertainment, with a sports-bar-cum-eat, drink, play and watch concept called Dave & Buster's. There are now 3 operational centers at the promoter level. One is in Bangalore, the second is in Infinity Mall, Andheri, Mumbai, and the third is in Pacific Mall, Delhi.

As this was a new business segment for the group, it was initiated at that level. At some point, there will be a discussion at the board of directors' level regarding bringing these projects or this concept into the listed entity. As and when there is further development, we will keep you posted, but it is being evaluated.

Ankit: I have one last question before I return to the queue. This question relates to the water-related incident we faced last quarter. I think this is likely to be an ongoing issue over which we have limited control. From a long-term or medium-term perspective, are we considering a long-term solution to this problem? These state-related restrictions can happen at any time, and we may be asked to close the park. Are we working on some alternative source so that this type of problem does not arise in the future? Our water park needs water, so we cannot operate without it.

Management: To add to that, Ankit, it is somewhat of a myth that a water park requires so much water. We are a ZLD company and reuse almost 90% of our water requirements. The utilization of water in the water park is not that significant. It appears that way, but water is used more on the hotel front. Now that the hotel is also moving out, we have a large reservoir behind the water park. We utilize that water and have sufficient water.

There may be some disruption once every 3-4 years. However, incurring that much capex to accommodate such an event may not be necessary. That is why we utilize the water we have. This was an extreme year with low rainfall, and we were still shut for only 1 week. We were not shut for 1 month or so. We managed the situation as well. This risk will continue to exist, but we are managing it, and it should not be a major problem. We evaluate it every year.

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Mayuresh Kore – CFO: To clarify further, we use a system called the Defender system in the flagship park. Unlike sand-based filtration systems, it results in significant water savings. From the public perception point of view and because of local sensitivities, it can become a challenge at times, but the facts are actually different. We have also explained this to the authorities.

In fact, the water supply we receive from the government for the water park under our contracted water supply amounts to significantly more than what we use. We use hardly 20% of that annual water supply. We use our own rainwater harvesting and our reservoir, in addition to recycling water.

A small degree of that risk will continue; that is not being denied. However, the good part is that as we diversify into different geographies, the risk will also be spread across different locations rather than being specific to one region. Further, the addition of indoor entertainment to the portfolio over the medium term will also hedge some of these possible risks. These risks cannot be denied, but the facts are not as alarming as they may sometimes appear. It is more of a perception issue.

Ankit: Thank you very much, Mayuresh, for the detailed answer. I will return to the queue if required. All the best for the future.

Mayuresh Kore – CFO: Certainly, Ankit.

Operator: Thank you very much, sir. I would request every participant to restrict their questions to 2 only. The next question is from Namit. Please go ahead.

Namit: Thank you for the opportunity. My question is regarding future initiatives. With this capital coming in from the hotel transaction, which may not have been entirely anticipated initially, are you revisiting the business plan to see how this money can be utilized for new initiatives in the business? Thank you.

Mayuresh Kore – CFO: Namit, that is again a valid question. The hotel is not a distress sale or anything of that sort. While it was always a non-core business, what we realized is that the hotel, having now been operational for 12 years, requires further reinvestment and upgrades to the property.

One way to address this was to have a specialized player running a portfolio of hotels, who would have better economies of scale to undertake this, as well as deliver better occupancies and overall synergies. Now that this has released additional capital, it will help accelerate what we have always been saying about expanding into newer geographies.

It also reduces the future leverage that might otherwise have been required. We are A1-rated, so the cost of borrowing is relatively low. At the group level as well, at the Malpani level, leverage is very limited. There was always some leverage that was acceptable and welcome. However, with the sale of the hotel, we may require lower borrowings in the medium term, which is how I would look at it.

It also gives us a war chest in case an opportunity arises. Some of it could be deployed for an inorganic opportunity or for something such as the Dave & Buster's opportunity that Ankit also mentioned, if that conversation comes to the table. It could also support the expansion into indoor entertainment.

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Namit: Thank you, Mayuresh, for the very detailed response. This is very helpful. My final question is about the hotel transaction itself. For visitors to the park, the hotel-and-park package, as you rightly said, was an important offering. Now that the hotel will have a different owner, will that limit your flexibility to offer these packages?

Mayuresh Kore – CFO: In fact, the flexibility may increase now that we are not tied to a single hotel. The good part is that just outside, or adjacent to, Imagicaa, Radisson has opened recently, with approximately 116 keys. About 200 meters away, there is Grand Mastiff, with approximately 90 rooms. There is also Novotel Imagica, with 287 rooms.

This leaves the packaging discussion open. With the new owners, we can decide on the preferred rates or something similar. For the customer, a 2-3 day destination offering will always remain available. Accordingly, we will have to take this forward with the new owners.

For them as well, it is not a standalone hotel business. They will continue to depend on the park for a certain level of occupancy at the property. We will arrive at a fair deal in terms of a package.

Namit: Understood. That is helpful, Mayuresh. Let me take this opportunity to compliment you, the entire management team and the promoters, because there are very few cases in India of a successful turnaround. Many compliments, and all the best as you continue on this journey. As you documented in your book, *The Roller Coaster of Hope*, you are well underway on an upward trajectory. All the best to everyone. Thank you.

Mayuresh Kore – CFO: Thank you, Namit.

Operator: Thank you, sir. We have the next question from Satyavrat Mehta.

Satyavrat Mehta: Thank you very much for the opportunity, sir. I hope I am audible.

Mayuresh Kore – CFO: Yes, very much.

Satyavrat Mehta: I have a question about the pricing of the entry tickets to these parks. How does it work, at what frequency do we increase prices, and is anything planned in the near future?

Mayuresh Kore – CFO: Satyavrat, thank you. That is a very relevant question. Pricing is a very important factor in our business. Across the year, there is a calendar with peak pricing and non-peak pricing. It is a mix of pricing that caters to different periods.

The basic principle is to maximize revenue during the peak season and achieve higher occupancy during the lean season. The nature of the business is that Q2 is generally the lowest quarter and Q1 is the highest quarter. There is a high propensity to consume during Q1, so the idea is to maximize revenue during Q1.

Regarding pricing decisions, over the last couple of years, despite the notable increase in tariffs across multiplexes and other locations after COVID, we have so far resisted increasing prices. However, as we speak, we have already embarked on a moderate increase in tariffs. Overall ARPUs can also increase through lower discounts on certain occasions.

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The focus will continue to be equally on non-ticket spending. As more people enter the gates, overall non-ticket revenue, including F&B, also increases. There has been an increase in pricing, and we are actively working on it.

Management {? Kalyan ?}: Pricing is seasonal, so we try to maximize ARPU generation during the season. Rack rates have more or less remained steady. What we are trying to improve in pricing is the efficiency of our discount policies, so that we achieve better realization rather than offering higher discounts. In that respect, we have reduced discounts.

There is scope to increase rack rates, and we will take that decision in the coming quarters. In that way, we are trying to improve ARPUs.

Satyavrat Mehta: Understood, sir. What is the approximate split between the ticket price and the F&B ARPU?

Management {? Kalyan ?}: Ticketing to non-ticketing is approximately 70-30, or 68-32. The split is in that range. We are also looking to improve the non-ticketing front. We are looking beyond the traditional non-ticketing avenues such as F&B and retail, apart from other sources.

Management: As part of the larger scheme of things, we are adding additional sources of revenue. We have added buggy services and additional attractions and mini-attractions, for which we charge customers for the entertainment value. We are trying to increase these offerings so that the non-ticketing portion also increases. Our target is to first reach a 65/35 ratio and ultimately a 60/40 ratio.

Satyavrat Mehta: Understood. On the investments we are making, particularly on the Hello Park side but overall as well, what return on capital do we typically target, assuming peak footfalls and so on? What sort of ROCE do we plan for?

Management: For this business, especially on the outdoor front, ROCE initially appears to be skewed toward the lower end. Eventually, when the park reaches maturity or completes its high-growth phase, ROCE becomes much more attractive.

The ROCE in the outdoor park segment at the mature or growth-phase level should be in the range of approximately 15% or more. Once the ROCE is achieved, further investment is significantly lower compared with a new brownfield project. The business operates in that manner.

Once the first 5, 6 or 7 years are completed, it becomes an annuity-type business, where revenue is generated repeatedly without major investments in the business. That is the outdoor park business.

The indoor business has a different business model. There, we target IRRs in the range of 18% to 20%, or even 22%. It is a low-capex, high-opex and faster-payback model. That is what we are targeting in the indoor park business.

Satyavrat Mehta: So the indoor park business will have a higher ROCE compared with the outdoor park business?

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Management: Exactly. It achieves that faster because the capex is lower. However, the life of the project is shorter in the indoor park business. When you are operating in malls, you may be there for 5 years, 7 years or perhaps 10 years. After that, you move to another location. Refurbishment, changes and rotation take place in the range of 8-10 years.

In an outdoor park, after 7 or 8 years, it becomes an annuity business. You are not investing as much. You may reinvest only 2% to 3% or 5% of capital to improve the location and add attractions for repeat visits. Overall, after that, the business operates like an annuity business.

Satyavrat Mehta: Understood, sir. I will return to the queue. Thank you very much.

Operator: Thank you, sir. We have the next question from Dikshant. Please go ahead.

Dikshant: Hello, am I audible?

Management: Yes, Dikshant.

Dikshant: I am relatively new to the company, so I wanted to understand whether we disclose park-wise KPIs.

Management: Sorry, Dikshant, could you repeat that?

Dikshant: Do we disclose the KPIs on a park-wise basis?

Management: Yes. From this quarter onward, we have initiated disclosure on a catchment-wise basis. Earlier, we provided the figures for all the parks on an overall basis.

From this quarter onward, you will find the KPIs divided into catchments. There is the Mumbai-Pune catchment, which includes the Khopoli-Lonavala parks. We have the rest-of-Maharashtra catchment, which includes Shirdi, the Sai Teerth park and the Shirdi water park. Then we have the Gujarat catchment and the Central India catchment, where the Indore park, which was launched last year, is located.

You will find the footfalls, ARPU and revenues disclosed there, Dikshant. This is based on what we envisage because, as we grow and expand and add Shankus, we now have 9 parks in our portfolio, and we plan to add 1 park each year. Accordingly, we have moved to catchment-based KPI disclosure.

Dikshant: Thank you. That is helpful. Adding 1 park a year is a good expansion rate. What is the biggest challenge you generally face while adding a new park?

Management: The biggest challenge is obviously obtaining land parcels that are appropriate and available at a price that makes commercial sense. That has been the challenge we are facing.

We are constantly engaging with the respective state governments, which have, incidentally, been very receptive. We do not require land in industrial belts, MIDCs or similar areas. Accordingly, it requires more effort to identify suitable land.

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We prefer land offered by governments through PPP arrangements or long leases. We also remain open to acquiring land privately. However, the key challenge is that in metros, because of competition with real estate, it is difficult to match the land prices.

In B cities and C cities, land pockets and parcels are still available, and efforts are accordingly underway. We remain focused on identifying suitable land in the Delhi NCR belt and in the southern belt for a reasonably sized park that would justify the investment in a metro city.

That is the challenge. Execution is a strength of the group. As you have seen in the last few years, the Indore park was launched by the group within a very short timeframe. We also opened various Dave & Buster's centers, which involved a US franchise. It is challenging to work with an international franchise and match the standards, F&B requirements and specifications. However, the group has demonstrated its ability to execute.

Therefore, execution is a lesser challenge. The greater challenge is finding land with the right location and clear title in the country today.

Dikshant: That is helpful. I also wanted to understand how the rainfall pattern affects you. Does higher rainfall affect you, or do lower and irregular rainfall also affect you? Is the impact limited to the district where the park is located, or does it extend to the nearby catchment areas?

Management: That is a good question, Dikshant. The best conditions for this business are a decent summer and a normal weather calendar. For any business, extreme flooding or extreme drought is not healthy.

For us, given that we have more water parks in the portfolio, a strong summer is helpful. This does not mean a drought situation, but a reasonably strong summer in the catchment is more important than the conditions only at the location of the park, because that drives the instinct to visit.

For example, yesterday itself, we saw the October heat beginning to emerge. That is very favorable for water parks because visiting a water park is an instinctive decision. There can also be a lot of repeat visits to water parks because the urge arises, especially in the Indian subcontinent, which largely has a tropical climate. Those are conducive conditions for our business.

Some of our parks, such as Imagicaa and Sai Teerth, are indoor parks, so I would not say that they are as dependent on outdoor conditions. However, sentiment is affected to some extent if there are too many disruptions, such as a flood or a drought.

Dikshant: Understood. Thank you. I have one last question. I can see that there is a lock-in on some shares. What is it related to, and when does it end?

Management: Sorry, there is some echo, Dikshant. Could you repeat the last question?

Dikshant: I wanted to understand the reason for the lock-in of the shares and when it ends.

Management: The lock-in of the shares relates to the promoters, I think, and the warrants that were issued. Approximately 80% is locked in for 3 years and 20% for 1 year for the promoters. Are you asking about the lock-in period for the promoter warrants that were issued?

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Dikshant: Yes. On the BSE, it shows that approximately 7.8% of the shares are locked in.

Management: Last year, we conducted a preferential issue in which the promoters also participated. For the promoters, 80% of that issue is locked in for 3 years and 20% is locked in for 1 year. I think the 20% would have been unlocked, but the 80% continues to be locked in.

In addition, I am not sure what date you checked, but just last week we also received the warrant subscription for the pending portion of the preferential issue. That is again locked in, with 20% for 1 year and 80% for 3 years. This is a SEBI ICDR requirement. There is no other pledge or lock-in; it is only the ICDR requirement.

Dikshant: Thank you. That is very helpful.

Operator: Thank you very much, sir. There is a question in the chat box asking what the debt would be by FY28 and seeking future guidance on margin growth going forward.

Management: Are you asking about the debt?

Operator: Yes. What would the debt be by FY28?

Management: By FY28, the debt should remain in a similar range of approximately 350-odd crores, considering that we have received a kitty of approximately 250 crores from the sale of the hotel. That, along with internal accruals, should take care of the requirements for the next 2 years.

Unless we sign up a new large geography, such as Delhi NCR, a little additional debt may be required. That would be a 2-year or 3-year project. Therefore, by FY28, if a new geography is signed in addition to what has already been announced, debt of approximately 400 crores could increase proportionately.

Operator: What about the guidance, targets, EBITDA margin, footfall and spend per head?

Management: EBITDA margins for outdoor parks would remain in the range of approximately 40% to 45%. We will also be expanding in indoor entertainment, where margins would be in the range of approximately 30-odd percent, or 25% to 30-odd percent.

Operator: Regarding the FY26 profit decline, which park or new site caused the losses? Were they due to startup costs, depreciation or interest? When will they break even?

Management: In FY26, the reduction in the top line was due to the Q1 impact, and that flowed directly through to EBITDA. The recently launched indoor park was possibly in its first year in FY26, so we missed the Q1 ramp-up effort there.

However, in Q1 FY27, as shown in the presentation, you can see that the Central India belt has bounced back. There was no significant underperformance by any single location. It was clearly the early onset of the monsoon in Q1 that caused the impact, leading to lower EBITDA. Otherwise, things are on track.

Operator: The next question is regarding the {? 8.25 crore ?} tax refund. Has the state appealed the Bombay High Court order? What is the timeline, and how would the money be used—for paying off

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debt, dividends or capex? Has any of it been booked or received?

Management: {? 8.25 ?}... I do not know where this number came from, but we receive an annual GST refund from the state government for our parks. This applies to Imagicaa Theme Park and Imagicaa Water Park under the state policies.

The refund has been extended, but the amount is actually a component of the GST paid. The amount refunded depends on how much GST is paid. Collectively, the GST refund for the Khopoli parks is approximately 7-8 crores every year. This benefit will continue for the next few years. Overall, the entire...

Management: The entitlement is much higher. I think you are referring to the entitlement. Because of the significant investment made, the entitlement exists, but the refunds are based on the actual GST paid and will therefore be a variable number. Whatever net GST you pay is refunded by the state government. The approximate amount is 7-8 crores a year, and that will continue for the next few years.

Operator: There is also a question regarding your philosophy: do you buy land or prefer to lease it?

Management {? Kellen ?}: We prefer to lease, especially through PPP projects, because the lease cost is lower and the government participates more in the growth of the business. Their involvement also helps us. In addition, the project cost is reduced by almost 20-22%. This helps us achieve faster payback and ROCE. Therefore, we prefer a PPP project.

However, the first important consideration is the location. The location should have good value and should provide suitable catchment connectivity. All those parameters need to be evaluated properly. After that, we may prefer a PPP project, or we may acquire the land.

Operator: We have the next question from Siddharth. Please go ahead. Siddharth, are you there?

Siddharth: Hello, am I audible?

Management {? Kellen ?}: Yes, Siddharth.

Siddharth: I wanted to understand, within the Dave & Buster's expansion you are considering, what kind of formats are you looking at in indoor entertainment? There are various formats that we could expand into, such as golf-based entertainment or a bowling format. What exactly are we looking at over the next 2-3 years as a strategy?

Management {? Kellen ?}: As a strategy, we are primarily looking at unique concepts. Dave & Buster's consists of arcade games and has a strong history and brand in the US. Bringing it to India helps us in terms of brand presence. The competition here is somewhat crowded, but being Dave & Buster's gives us an additional USP.

Its gaming consoles and arcade games are of very high quality. This gives us a premium and luxurious offering. Hello Park is a completely different segment. It is a segment for children aged 4-14 years. It also requires lower capex than Dave & Buster's.

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Hello Park offers a more phygital experience for children. It is based more on screens and interactive activities. In that way, Hello Park is a unique concept. It is also a very good brand.

Other similarly unique concepts are what we are looking at, whether through a franchise or, if required, through an acquisition of the brand. That is where we are focusing.

Siddharth: Just to add to that, do we have an exclusive tie-up with Dave & Buster's in India? My question is slightly different: does that restrict us from undertaking similar formats?

Management: As Kellen mentioned, Dave & Buster's is an eat, drink, play and watch concept. It combines a sports bar with arcade games, bowling and an F&B offering. That segment comes with a scale of approximately 20,000–25,000 square feet of space, so it represents a larger type of expansion.

Hello Park is clearly a different segment, with nothing overlapping with Dave & Buster's. Dave & Buster's is an exclusive franchise for a certain format, and naturally, we will not enter into the same format with somebody else. I would say that it is implied that we may not be able to do a similar type of concept, or rather, we do not intend to.

If we were to do so, we would scale up Dave & Buster's. When I say “we,” it is currently still at the promoter level. The decision to bring it into the listed space is still {? under works ?}.

Hello Park is clearly children's phygital entertainment, and it is already in the listed entity through a wholly owned subsidiary. We are present in that space. Apart from this, if there is anything else interesting in indoor entertainment, we will continue to evaluate it.

Management {? Kellen ?}: Both Dave & Buster's and Hello Park have exclusive rights for the Indian market.

Siddharth: Understood. Just to add, are we considering any capex or a certain number of centers for both businesses 3 years from now? Is that disclosed today, or can you share something?

Management {? Kellen ?}: For Hello Park, we are aiming for 2–3 centers a year. We have already signed up 2 locations, and the LOIs have been signed and announced. We are also evaluating a third location.

At one location, we have started the interior work. We expect that location, in Hyderabad, to begin operations around Diwali or in Q3 of this year. After that, we will move on to other locations. That is the plan for Hello Park.

Over the next 3 years, we are looking at approximately 8–10 centers in this space. For Dave & Buster's, 3 locations have already opened. We are trying to scale up those locations, and there is also a discussion about bringing the business into the listed space. Once that is crystallized, we will evaluate the next steps.

Siddharth: Understood. Thank you very much for your answers.

Management {? Kellen ?}: Thank you.

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Operator: Thank you very much, sir. Due to time constraints, we will have to close the call. On behalf of Arihant Capital, I would like to thank the management for sparing time and sharing insights about the company. If participants have any further questions, they may contact the Arihant Capital team. Any closing comments, sir?

Management: Thank you. I think we had a healthy 70-plus attendees on this call. Thanks to the Arihant Capital team for this interesting conversation because it provides an opportunity for investors to reach out to the management from wherever they are.

We remain open to engaging with the investor community. The idea is for Imagicaa, under the Malpani Group, to become India's number one entertainment platform, by a large distance, because of the multiple formats in which we have demonstrated our capabilities and our intent.

The idea is to enter the discretionary spending category, which shows disproportionate growth once the economy reaches the level at which we are currently operating. With a large young population across various geographies in the country, there is significant headroom for growth, and these are exciting times.

We hope to see greater participation from the investor fraternity in this stock. Thank you.

Operator: Thank you very much, sir.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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