Industry Report on Indoor Amusement Center

June 2026

Prepared for

CSML

Disclaimer

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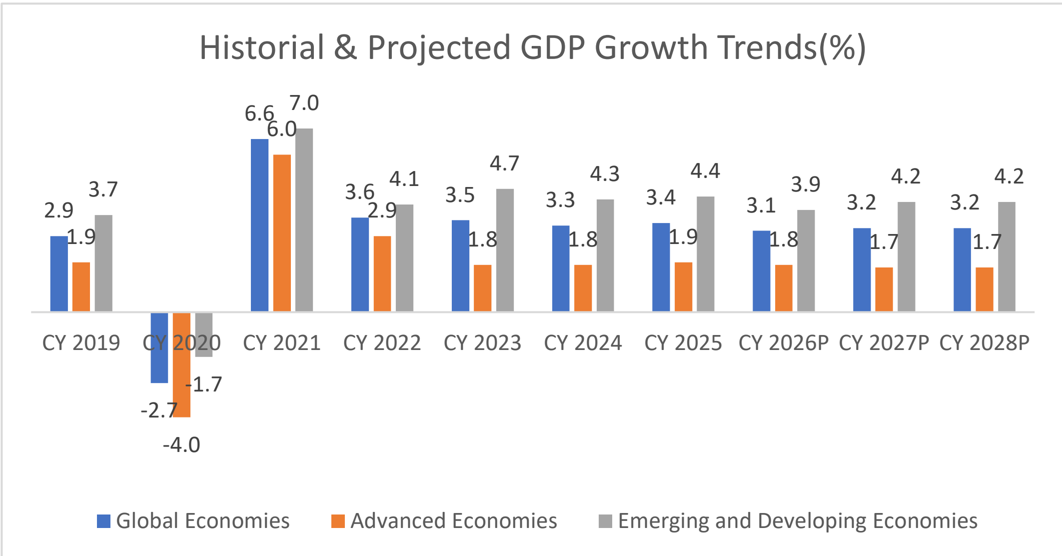
Global Macroeconomic Scenario

According to World Economic Outlook, global growth is projected at 3.1% in 2026 and at 3.2% in 2027 and 2028, slower than the recent pace of about 3.4% in CY 2024–25 and is expected to settle at approximately that rate over the medium term, below the historical average of 3.7% during 2000–19. The forecast for 2026 has been revised downward by 0.2 percentage point, while the forecast for 2027 and 2028 remains unchanged compared with the January 2026 WEO Update. Global headline inflation is expected to rise to 4.4% in 2026 and decline to 3.7% in 2027, reflecting upward revisions for both years.

The conflict involving US, Isreal and Iran is increasingly functioning as a global supply and confidence shock. The International Energy Agency (IEA) describes the current situation as the largest oil supply disruption on record, with flows through the Strait of Hormuz reduced to a trickle and the resulting effects spreading across refined fuels and liquefied natural gas (LNG). At the same time, aviation disruptions and elevated risk premia are weakening services activity and increasing uncertainty around investment decisions. A significant share of global energy flows through the Strait of Hormuz, and shipping disruptions and insurance constraints are therefore translating directly into higher landed costs, supply chain delays, and greater output risks for energy-intensive manufacturing. As a result, the policy environment has increasingly become challenging, while growth support is required but renewed cost-push inflation across energy, freight, and eventually food inputs is limiting the scope for faster monetary easing.



Source – IMF Global GDP Forecast Release, April 2026

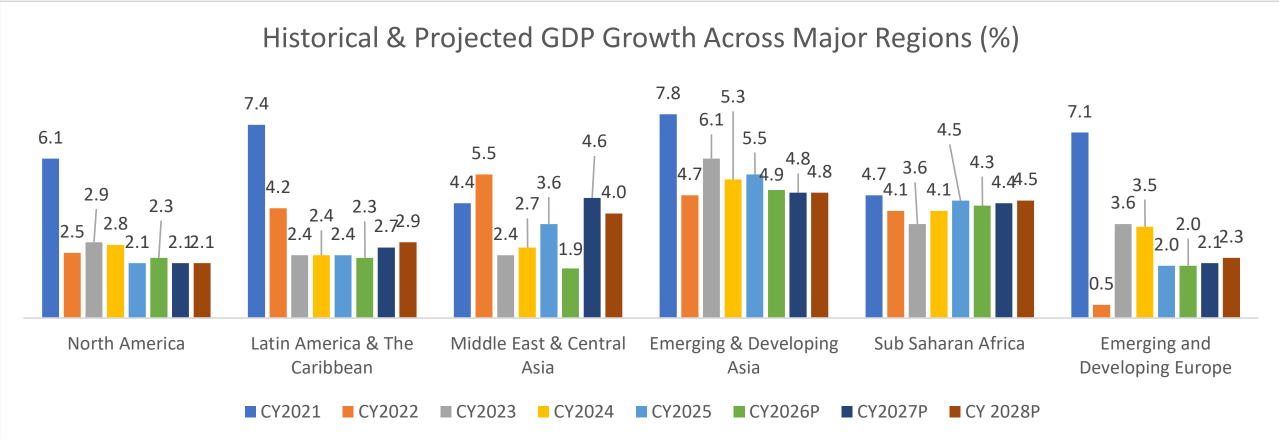
Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict economic criteria and has evolved over time. It comprises 40 countries in the Advanced Economies category, including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected Eurozone members (Germany, Italy, France, etc.). The group of emerging and developing economies (156) comprises all economies not classified as Advanced Economies (e.g., India, China, Brazil, Malaysia).

Historical and Projected GDP Growth

GDP growth across major regions showed a mixed trend during 2024–25. While growth in several regions—including Middle East & Central Asia, Emerging and Developing Asia, Sub-Saharan Africa as well as Latin America and the Caribbean—is expected to slow further in 2026, performance remains uneven across geographies.

In the Middle East and Central Asia, economic growth is projected to decline from **3.6% in 2025** to **1.9% in 2026**, before recovering to **4.6% in 2027 and 4.0% in 2028**, reflecting the region's direct exposure to the conflict and the anticipated rebound thereafter. For commodity-exporting economies directly affected by the conflict, reduced production and export activity are expected to result in a significant downward revision to 2026 GDP growth projections.

Growth in emerging and developing Asia is projected to moderate from **5.5% in 2025** to **4.9% in 2026** and is further estimated to grow at **4.8% in 2027 and 2028**. Within the region, China's 2026 growth forecast has been revised upward by **0.2 percentage point** relative to the October estimate, to **4.4%**, despite a **0.1 percentage point downward revision** from January. This upward adjustment reflects the impact of lower effective U.S. tariff rates on Chinese goods, along with stimulus measures that are expected to offset the negative effects of the shock arising from the Middle East conflict. However, China's growth is projected to slow to **4.0% in 2027**, as structural headwinds continue to weigh on the economy, including the prolonged slowdown in the housing sector, a shrinking labor force, declining returns on investment, and weaker productivity growth.



Source- IMF World Economic Outlook, April 2026

In Latin America and the Caribbean, economic growth is projected to remain broadly stable at 2.3% in 2026 before strengthening to 2.7% in 2027 and 2.9% in 2028. The effects of the Middle East conflict across the region are expected to be uneven, with smaller economies likely to experience a more pronounced negative impact due to their relatively greater vulnerability to external shocks.

Growth in sub-Saharan Africa is projected to remain relatively stable at 4.3% in 2026 and 4.4% in 2027 and 4.5% in 2028. However, this regional outlook masks significant variation across countries, with some economies expected to face more pronounced challenges than others. In particular, oil-importing and non-resource-intensive economies are likely to be adversely affected by the conflict in the Middle East, as heightened external pressures may weigh on economic activity and weaken growth prospects. In emerging and developing Europe, economic growth is expected to slow sharply to 2.0% in 2025 and recover only marginally thereafter, with the region projected to expand at an average rate of 2.0% in 2026, 2.1% in 2027 and 2.3% in 2028.

Global Economic Outlook

The conflict between Israel/the United States and Iran, which began in February, has developed into a global shock to transport, trade, and security planning. As a result, periodic airspace closures across Israel and parts of the Gulf, together with severe disruption to shipping through the Strait of Hormuz, have affected the movement of oil, oil products, and LNG. Consequently, businesses have faced longer and less reliable supply lines, higher freight and insurance costs, and more frequent “stop-go” operating conditions.

The near-term growth outlook has softened as the conflict is affecting both demand and costs. Disruption to the oil channel is coinciding with pressure on the non-oil outlook as travel and services weaken and risk premia rise. Airspace disruption has increased operating costs and reduced travel reliability, while higher jet fuel costs have added to pressure on carriers and freight forwarders.

Investment conditions have also tightened as higher regional risk premia have increased insurance, shipping, hedging, and working capital costs. At the same time, logistics disruption and higher input costs are raising inflation risks. Fertilizer and related input disruption is also creating a lagged risk to food prices.

Asia-Pacific: In Asia-Pacific, the conflict has created sustained stress for business continuity. Even with fighting paused, energy availability, shipping disruption, and insurance costs are expected to continue weighing on operations over the next quarter. Oil prices remain well above January levels despite easing from March peaks, while war-risk insurance, tighter tanker availability, and rerouting costs remain elevated. As a result, several fuel-importing economies—including Japan, South Korea, India, and parts of Southeast Asia—have faced power-conservation measures and fuel rationing, increasing the risk of operational downtime in energy-intensive sectors.

Shipping and supply chains are also facing second-round effects. Many Asia–Europe shipments have been diverted via the Cape of Good Hope, thereby extending lead times by 10–14 days. Although some routes have reopened, schedules remain compressed and insurers remain cautious, which has increased delivery deadline risk across manufacturing, particularly in chemicals, electronics, and pharmaceuticals. Input volatility and fertilizer disruption are also adding to inflation risks and thereby complicating the policy outlook.

Latin America: In Latin America, the U.S.-Israel-Iran conflict has increased energy market pressures, with higher Brent crude prices raising input costs and inflation risks across the region. Consequently, net hydrocarbon exporters such as Brazil, Colombia, and Ecuador are benefiting from stronger external balances, while net energy importers—including Panama, Chile, and much of Central America—are facing higher import costs. Elevated fertilizer prices are also weighing on agricultural output and margins, including in Brazil and Argentina. In response, governments have introduced fuel subsidies and price controls.

Middle East & North Africa: In the Middle East and North Africa, the conflict continues to affect the region directly, with many countries facing missile and drone attacks from Iran in response to attacks by the United States and Israel on Iran. In the short term, economic growth is expected to slow sharply as exports decline, uncertainty constrains spending, and governments delay investment initiatives. The reduction in food imports is also expected to significantly affect countries with limited domestic production capacity. Bahrain, Qatar, and Kuwait remain highly dependent on imports through the Strait of Hormuz and therefore face risks of food shortages and concerns regarding social stability if disruption persists.

Sub-Saharan Africa: In Sub-Saharan Africa, the conflict continues to disrupt energy and fertilizer supply chains, thereby keeping the region under significant external pressure. Higher global oil prices are sharply rising fuel and transport costs for import-dependent economies such as Kenya, Uganda, Ethiopia, and Ghana. Policy responses have varied across the region. Ethiopia introduced emergency fuel subsidies in mid-March to contain domestic price increases, while Kenya is experiencing stronger pass-through from higher fuel costs, which is weighing on aviation, logistics, and export activity.

Global Growth Projection

Growth in advanced economies is projected at 1.8% in 2026 and 1.7% in 2027 and 2028, while the overall impact of the Middle East conflict is expected to remain modest, lowering 2026 growth by 0.2 percentage point relative to the pre-conflict forecast. This limited effect reflects positive terms-of-trade gains in the United States and stronger growth momentum, supported by government measures, in Japan, whereas more significant negative effects are expected mainly in net energy-importing economies, including the euro area and the United Kingdom. In the United States, growth is projected at 2.3% in 2026 and 2.1% in 2027 and 2028, with fiscal policy and the lagged effects of monetary easing in 2025 continuing to support activity, even as higher trade barriers since April 2025 weigh on growth. The 0.1 percentage point downward revision from the January 2026 WEO Update reflects a small negative effect from the war, but this is partly offset by a rebound following the end of the 2025 federal government shutdown, along with stronger productivity growth and positive carryover effects. Although the International Emergency Economic Powers Act (IEEPA) ruling may reduce tariff-related fiscal revenues, its impact on the fiscal balance and activity is expected to remain limited and spread over the forecast horizon. Growth in 2027 is expected to remain solid, supported by tax incentives, including those for corporate investment under the One, Big, Beautiful Bill Act (OBBBA), while technology-driven momentum is projected to moderate and productivity growth is expected to gradually converge toward historical norms.

Growth in emerging market and developing economies is projected to slow to 3.9% in 2026 before recovering to 4.2% in 2027 and 2028, while the Middle East conflict is expected to have a greater impact on this group than on advanced economies, reducing 2026 growth by 0.3 percentage point relative to the pre-conflict forecast. In emerging and developing Asia, growth is expected to moderate from 5.5% in 2025 to 4.9% in 2026 and 4.8% in 2027 and 2028. Within the region, China's 2026 growth forecast has been revised upward to 4.4%, as lower effective U.S. tariffs and stimulus measures offset the impact of the conflict, although growth is projected to slow to 4.0% in 2027 as structural headwinds intensify. India's growth outlook has also improved, with growth revised upward to 7.6% in 2025 and projected to remain at 6.5% in 2026, 2027 and 2028, supported by strong carryover effects and lower additional U.S. tariffs on Indian goods. Meanwhile, several South and Southeast Asian economies are expected to face weaker domestic demand due to lower tourism and remittance inflows, while the Philippines has seen a sharp downward revision for 2026.

In the Middle East and Central Asia, growth is projected to decline from 3.6% in 2025 to 1.9% in 2026, before rebounding to 4.6% in 2027 and 4.0% in 2028, reflecting the region's direct exposure to the conflict. The downturn is expected to be most severe among affected commodity exporters, particularly Bahrain, Iran, Iraq, Kuwait, and Qatar, while the impact is expected to be less severe in other economies. Accordingly, Iran's economy is projected to contract by (-) 6.1% in 2026, before rebounding to 3.2% in 2027 and moderating to 1.5% in 2028. By contrast, Saudi Arabia's growth is projected at 3.1% in 2026, rising to 4.5% in 2027 before easing to 3.6% in 2028. In sub-Saharan Africa, growth is expected to remain broadly stable at

4.3% in 2026, 4.4% in 2027, and 4.5% in 2028, although oil-importing economies are likely to face greater pressure, while Nigeria and South Africa are expected to record moderate but gradually improving growth profiles. In Latin America and the Caribbean, growth is projected at 2.3% in 2026, 2.7% in 2027, and 2.9% in 2028, with Brazil expected to benefit modestly in the near term from its position as a net energy exporter, while Mexico is projected to recover gradually to 1.6% in 2026, 2.2% in 2027, and 2.1% in 2028.

In emerging and developing Europe, the sharp slowdown in growth to 2.0% in 2025 is expected to reverse only marginally, with the region projected to expand at an average rate of 2.0% in 2026, 2.1% in 2027, and 2.3% in 2028. Within the region, Russia's 2026 growth forecast has been revised upward by 0.3 percentage point relative to January, to 1.1%, as higher commodity prices are expected to support activity. This momentum is projected to continue, with growth remaining at 1.1% in 2027 before moderating slightly to 1.0% in 2028. By contrast, Türkiye's 2026 growth forecast has been revised downward by 0.8 percentage point relative to the January 2026 WEO to 3.4%, as weaker-than-expected growth in 2025 and higher oil and gas prices are expected to weigh on activity.

Key factors impacting Global Macroeconomic landscape

- Geopolitics continues to constitute a major source of global macroeconomic and business risk. The Russia–Ukraine war remains a persistent driver of instability, as Russia has intensified large-scale missile and drone attacks on Ukrainian cities and infrastructure, while Ukraine has stepped up strikes on Russian ports, refineries, and export infrastructure, reportedly contributing to a reduction in Russian oil output in April. The Israel–Iran–U.S. confrontation has emerged as the most significant near-term external shock to the global economy, with the IMF warning that disruptions to the Strait of Hormuz and regional energy infrastructure could materially weaken global growth and raise inflation; under its April 2026 reference forecast, global growth has been lowered to 3.1% and inflation raised to 4.4%, with materially worse outcomes under prolonged disruption scenarios. In parallel, the Pakistan–Afghanistan border conflict remains a significant regional flashpoint, although China-mediated talks are seeking to secure a ceasefire and reopen border crossings after months of cross-border attacks and trade disruption. At the same time, U.S. strategic activism continues to influence regional risk perceptions: Washington has removed sanctions on Venezuela's interim leadership and deepened engagement with Caracas, tensions over Greenland have re-emerged amid renewed U.S. rhetoric and ongoing diplomatic discussions with Denmark and Greenland, and U.S.–Nigeria security cooperation has continued to deepen in response to regional instability and counterterrorism concerns. In addition, resource nationalism and strategic competition over rare earths and other critical minerals have become increasingly operational concerns rather than distant strategic risks. The IEA's April 2026 assessment notes that demand for magnet rare earths has doubled since 2015 and is projected to increase by more than 30% by 2030, while supply chains remain highly concentrated, with China accounting for around 60% of mined output, more than 90%

of refining, and nearly 95% of permanent magnet production, thereby heightening global exposure to export controls, supply concentration, and industrial policy interventions

- The period of relatively frictionless trade supported by multilateral liberalisation and free trade agreements is increasingly giving way to regionalisation, nearshoring, friend-shoring, and diversification of production networks. Rising tariffs, policy uncertainty, and strategic realignment are creating a more fragmented trade environment and raising the premium on resilience over pure efficiency
- Technology adoption and sustainability have become core strategic priorities. Organizations are advancing digital transformation by embedding AI, automation, and cybersecurity into their operations to enhance productivity and safeguard critical assets. AI adoption is emerging as a visible driver of optimism, particularly within the information and communications sectors.

India Macroeconomic Analysis

India's economic growth outlook for 2025 has been revised upward by 1.0 percentage point from the October estimate to 7.6%, supported by stronger-than-expected performance in the second and third quarters of the fiscal year and sustained momentum in the fourth quarter. For 2026, the growth projection has been moderately increased by 0.3 percentage point (including a 0.1 percentage point upward revision from January) to 6.5%, primarily driven by the carryover effect of the strong 2025 performance and the reduction in additional U.S. tariffs on Indian goods from 50% to 10%, which more than offsets the adverse impact of the Middle East conflict. Growth is expected to remain steady at 6.5% in 2027. Across several South and Southeast Asian economies, disruptions linked to the Middle East conflict are anticipated to reduce tourism activity and remittance inflows, thereby weakening domestic demand and moderating overall economic performance.

Country	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026 P	CY 2027 P	CY 2028P
India[1]	–5.8%	9.7%	7.6%	9.2%	6.5%	7.6%	6.5%	6.5%	6.5%
China	2.3%	8.6%	3.1%	5.4%	5.0%	5.0%	4.4%	4.0%	4.0%
United States	-2.2%	6.1%	2.5%	2.9%	2.8%	2.1%	2.3%	2.1%	2.1%
Japan	-4.2%	2.7%	0.9%	1.4%	-0.2%	1.2%	0.7%	0.6%	0.6%
United Kingdom	-10.3%	8.6%	4.8%	0.4%	1.1%	1.3%	0.8%	1.3%	1.6%
Russia	-2.7%	5.9%	-1.4%	4.1%	4.3%	1.0%	1.1%	1.1%	1.0%
Germany	-4.1%	3.9%	1.8%	-0.9%	-0.5%	0.2%	0.8%	1.2%	1.2%

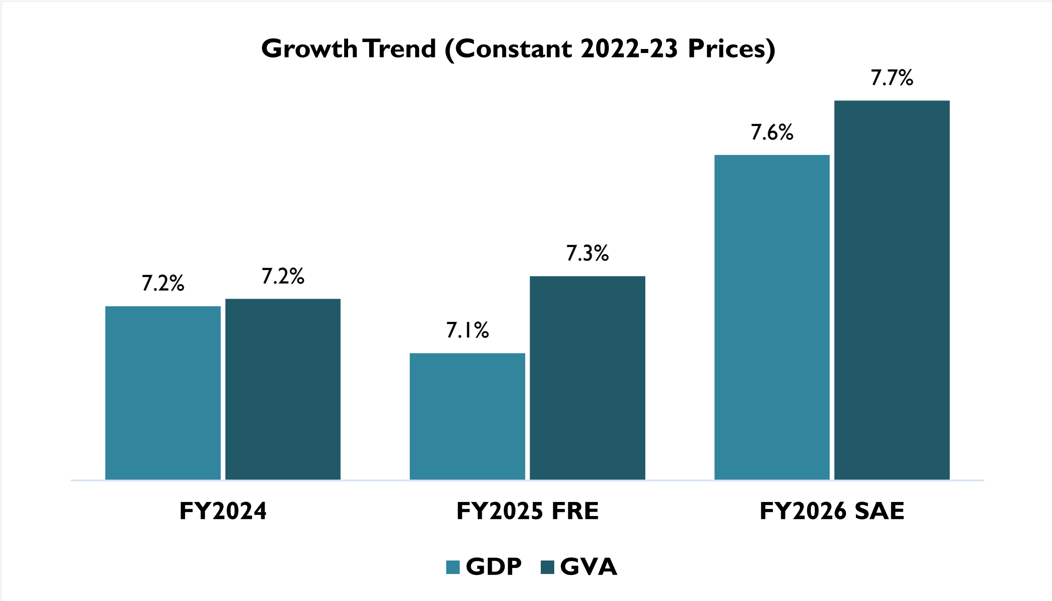
Source: World Economic Outlook, April 2026

Historical GDP and GVA Growth Trend

India Real GDP (GDP at constant prices) for FY 2025–26 is estimated to reach INR 322.58 lakh crore, compared to the First Revised Estimate (FRE) of INR 299.89 lakh crore for FY 2024–25. This represents a growth rate of 7.6% in 2025–26, higher than the 7.1% growth recorded in 2024–25.

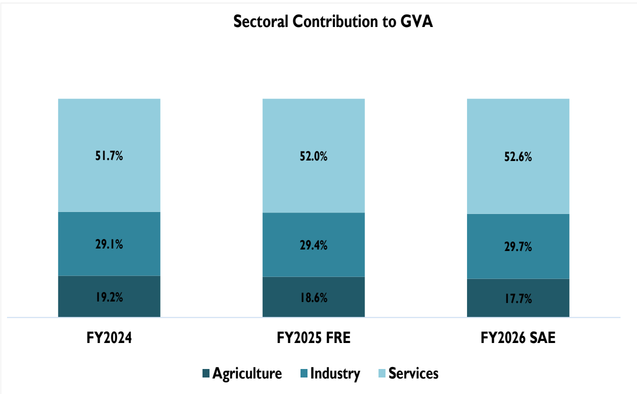
Similarly, Real GVA for FY 2025–26 is projected at INR 294.40 lakh crore, up from INR 273.36 lakh crore in FY 2024–25. This indicates a growth rate of 7.7%, compared with the 7.3% growth achieved in the previous year.

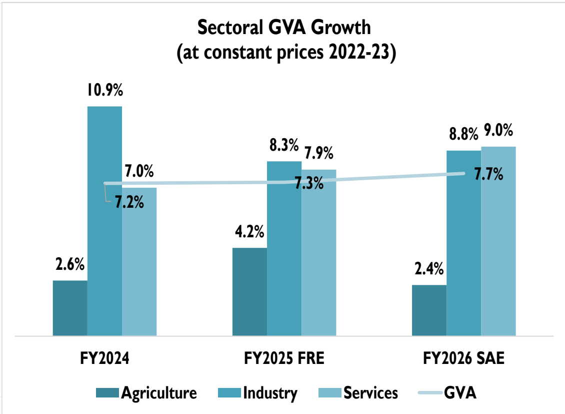
[1] For India, data and forecasts are presented on a fiscal year basis, and GDP from 2022 onward is based on GDP at market prices with fiscal year 2022/23 as a base year



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics: FY2025, FRE is First Revised Estimate, SAE is Second Advance Estimate

Sectoral Contribution to GVA and Annual Growth Trend





Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook
FRE is First Revised Estimate, SAE is Second Advance Estimate

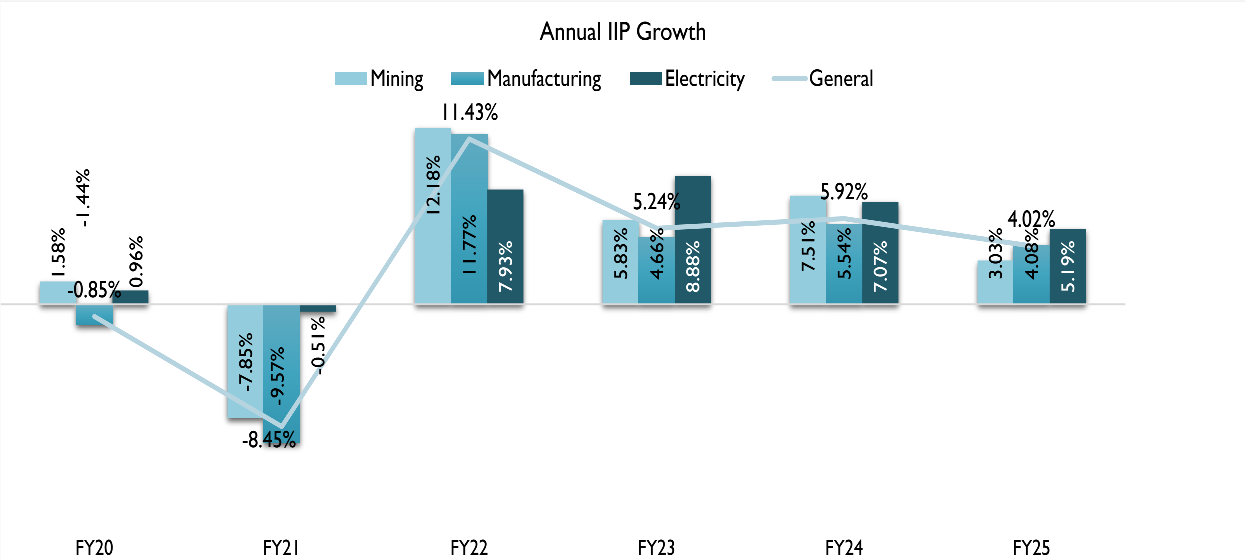
Sectoral analysis of GVA reveals that the industrial sector experienced steady growth momentum in FY 2026, recording a 7.7% y-o-y growth against 7.3% year-on-year growth in FY 2025. Within the industrial sector, growth moderated across sub-sectors with mining, and construction activities growing by 4.08%, and 7.08%, respectively in FY 2026, compared to 11.69%, and 7.30% in FY 2025. Growth in the utilities sector too moderated to 1.52% in FY 2026 from 2.87% in the previous year. The industrial sector's contribution to GVA increased marginally from 29.4% in FY 2025 to 29.7% in FY 2026.

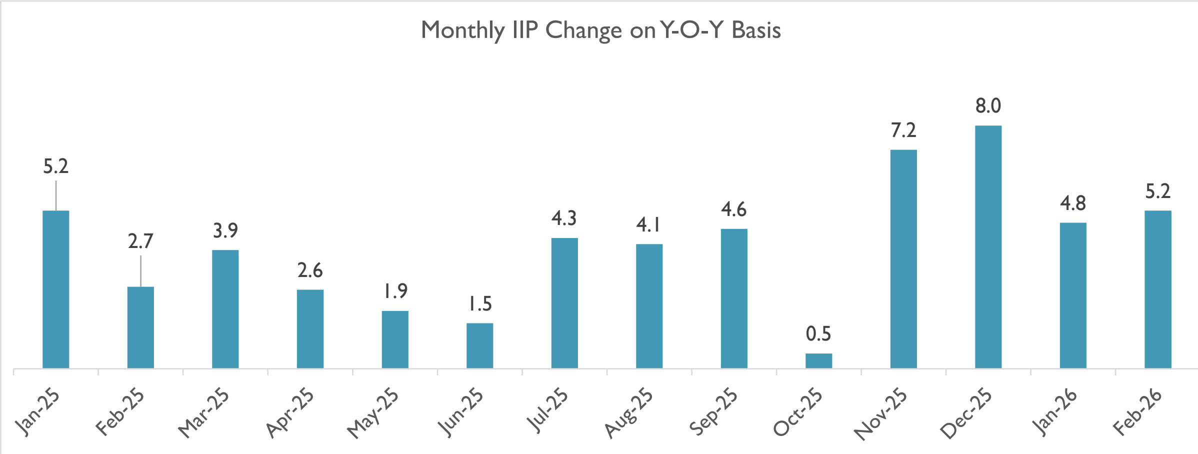
The services sector continued to be the main driver of economic growth. It expanded by 9.0% in FY 2026 from 7.9% in FY 2025. The services sector retained its position as the largest contributor to GVA, rising from 51.7% in FY 2024 to 52.0% in FY 2025, with a further increase to 52.6% in FY 2026.

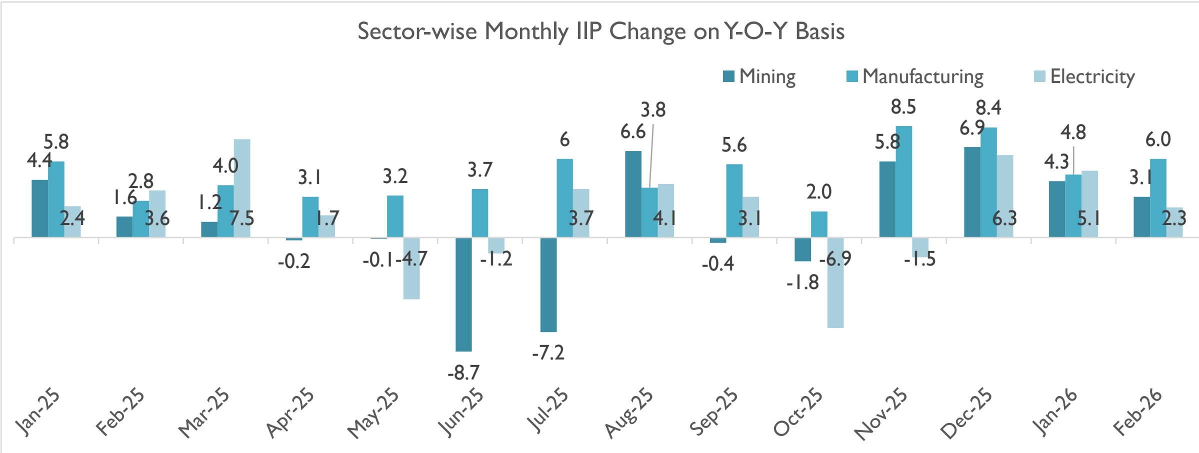
The agriculture sector saw an acceleration in growth, increasing from 2.66% in FY 2024 to 4.18% in FY 2025, before moderating to 2.42% in FY 2026. However, its contribution to GVA declined marginally from 19.2% in FY 2024 to 17.7% in FY 2026. Overall, Gross Value Added (GVA) growth rose to 7.7% in FY 2026 from 7.3% in FY 2025.

Annual & Monthly IIP Growth

Industrial sector performance as measured by the IIP index exhibited moderation in FY 2025, recording a 4.02% y-o-y growth against 5.92% increase in the previous year. The manufacturing index showed moderation, increasing by 4.08% in FY 2025 compared with 5.54% in FY 2024. The mining sector index also moderated, growing 3.03% in FY 2025 compared with 7.51% in the previous year, while the Electricity sector index moderated by 5.19% in FY 2025 compared with 7.07% in the previous year.





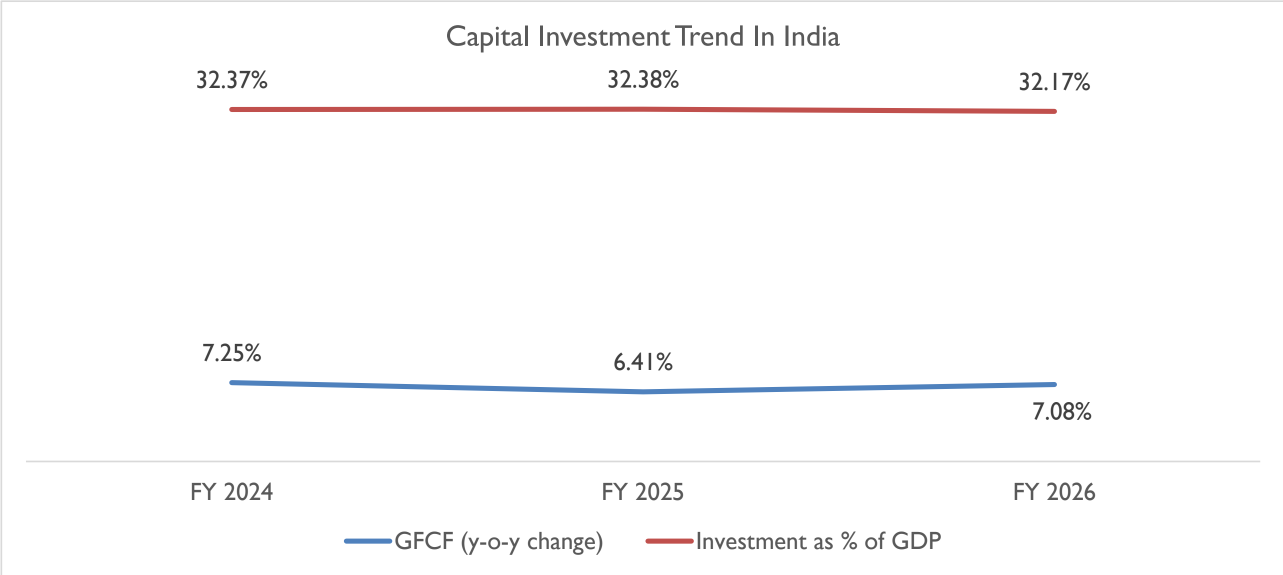


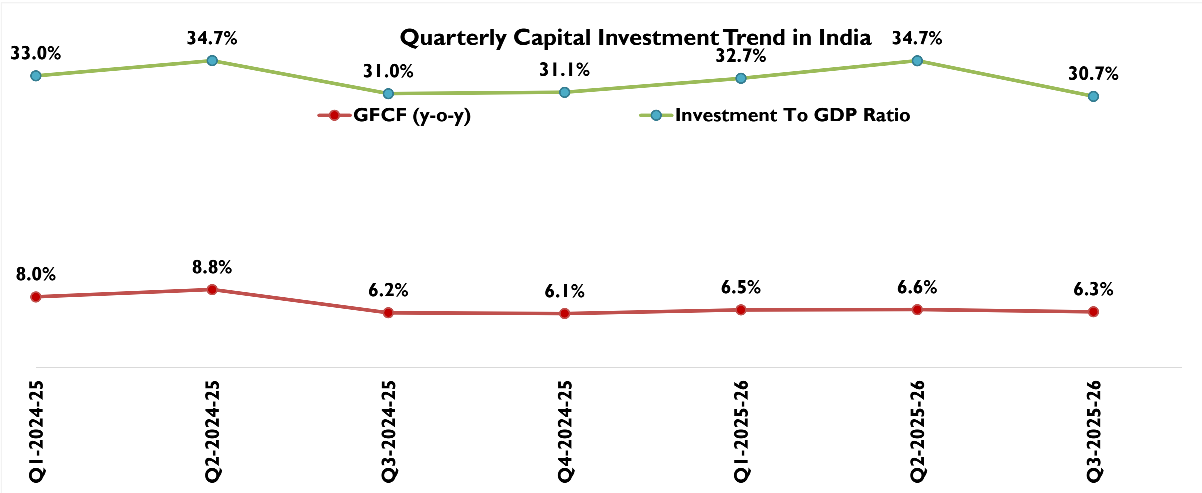
Source: Ministry of Statistics & Programme Implementation (MOSPI)

The IIP growth rate for the month of February 2026 is 5.2 percent which was 4.8 percent (Quick Estimate) in the month of January 2026. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of February 2026 are 3.1 percent, 6.0 percent and 2.3 percent respectively.

Annual and Quarterly: Investment & Consumption Scenario

Other major indicators, such as Gross Fixed Capital Formation (GFCF), a measure of investment, increased during FY 2026, registering 7.08% year-on-year growth compared with 6.41% in FY 2025, bringing the GFCF-to-GDP ratio to 32.17%.

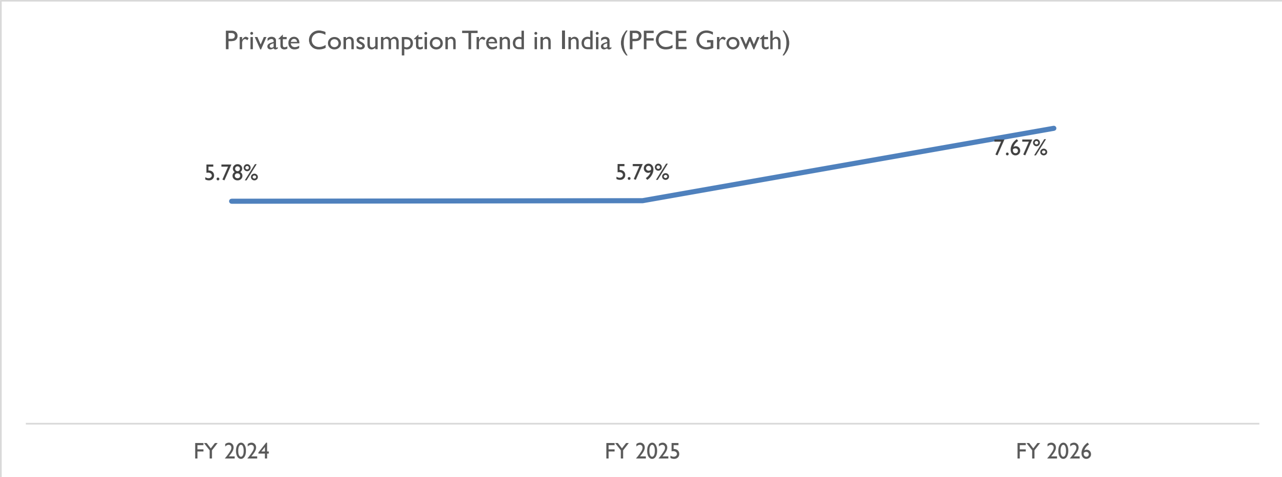


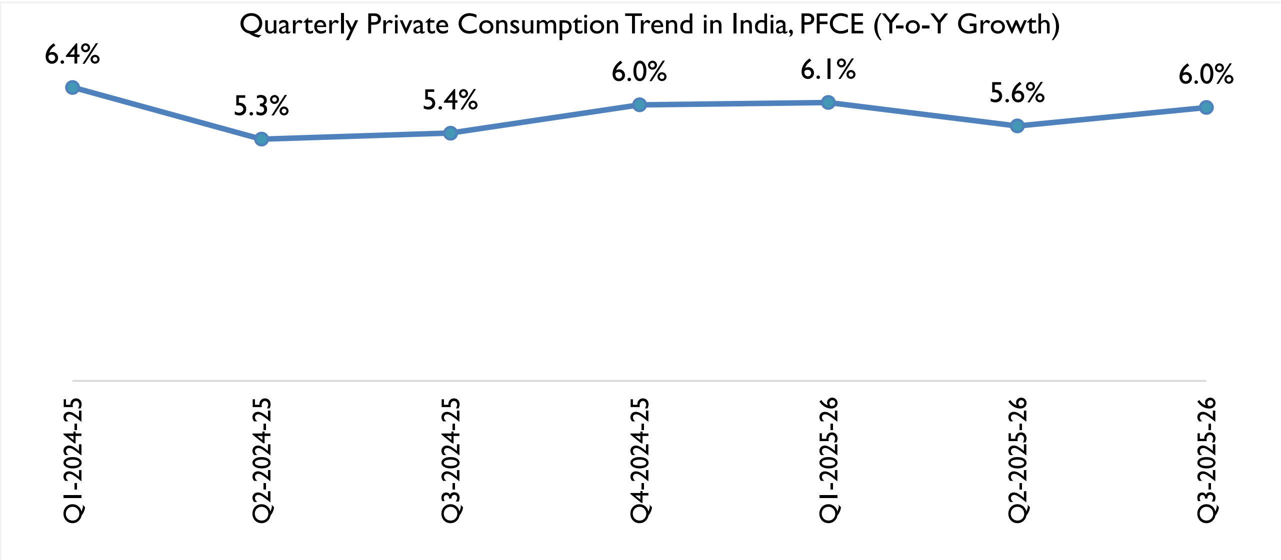


Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook

On a quarterly basis, India's capital investment indicators display a pattern of moderate but uneven momentum. The Investment-to-GDP ratio remained above 30% throughout the period but shifted within a narrow and cyclical band—rising from 33.0% in Q1 FY 2024-25 to 34.7% in Q2, before softening to 31.0% and 31.1% in Q3 and Q4, respectively. The ratio recovered to 32.7% in Q1 FY 2025-26 and 34.7% in Q2, before easing to 30.7% in Q3, indicating fluctuating capital deployment across quarters. Meanwhile, GFCF (y-o-y) growth also exhibited volatility. After rising to 8.8% in Q2 FY 2024-25, growth moderated to 6.2% in Q3 and 6.1% in Q4, reflecting a deceleration in both government and private investment activity. Growth improved marginally to 6.5% in Q1 FY 2025-26 and 6.6% in Q2, but eased to 6.3% in Q3, signalling a plateauing in investment momentum. Overall, the data suggests that while investment levels remain healthy, quarterly volatility persists, underscoring the dependence on fiscal spending patterns and the still gradual recovery of private capital expenditure.

Private Consumption Scenario





Sources: MOSPI, CMIE Economics Outlook

Private Final Consumption Expenditure (PFCE), a practical proxy for household spending, recorded growth in FY 2026 relative to FY 2025. Quarterly Private Final Consumption Expenditure (PFCE) has reported 6.0% growth rate during Q3 of FY 2025-26 as compared to the 5.6% growth rate in the corresponding period of the previous financial year.

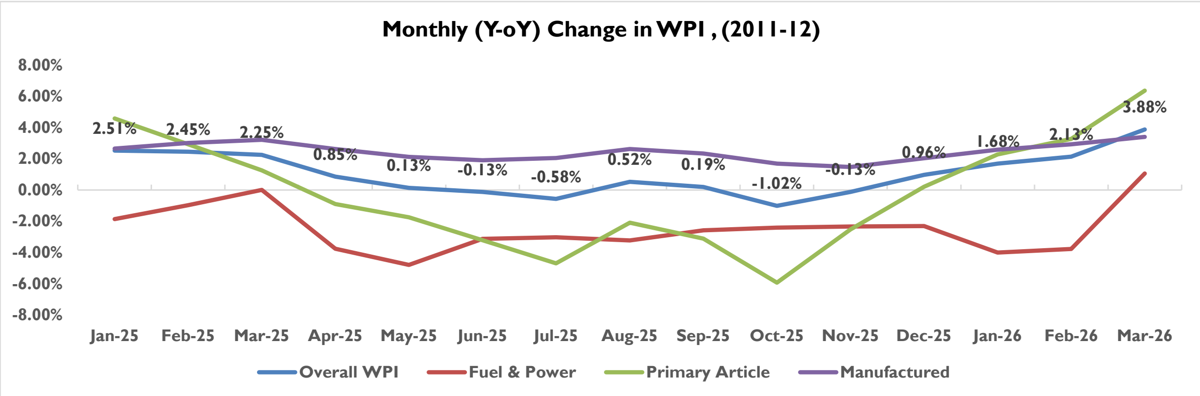
Inflation Scenario

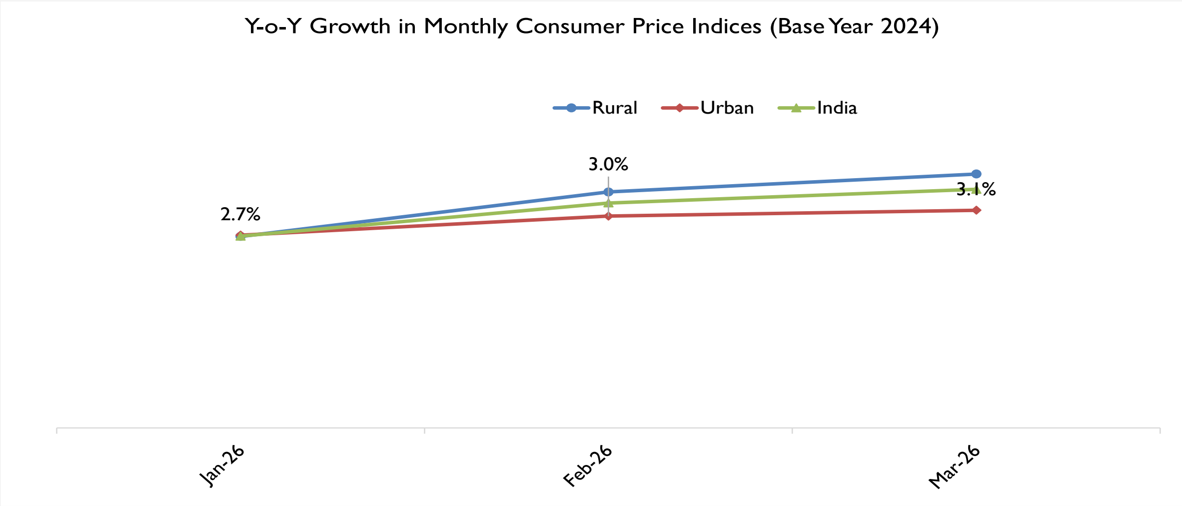
The annual rate of inflation based on All India Wholesale Price Index (WPI) number is 3.88% (provisional) for the month of March 2026 (over March 2025). Positive rate of inflation in March 2026 is primarily due to increase in prices of crude petroleum & natural gas, other manufacturing, non-food articles, manufacture of basic metals and food articles etc.

Primary Articles (Weight 22.62%): - The index for this major group increased by 2.28 % from 192.9 (provisional) for the month of February, 2026 to 197.3 (provisional) in March, 2026. The price of crude petroleum & natural gas (36.16 %) and minerals (0.12%) increased in March, 2026 as compared to February, 2026. The Price of food articles (- 0.85%) and non- food articles (-0.22 %) decreased in March, 2026 as compared to February, 2026.

Fuel & Power (Weight 13.15%): - The index for this major group increased by 4.13 % from 147.6 (provisional) for the month of February, 2026 to 153.7 (provisional) in March, 2026. The Price of mineral oils (8.77 %) increased in March, 2026 as compared to February, 2026. The Price of electricity (-5.07%) decreased in March, 2026 as compared to February, 2026.

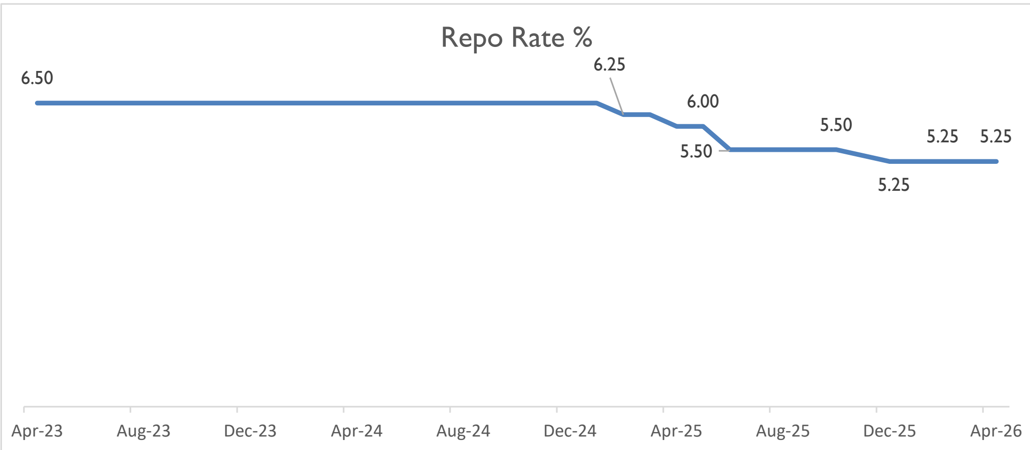
Manufactured Products (Weight 64.23%): - The index for this major group increased by 0.88 % from 148.2 (provisional) for the month of February, 2026 to 149.5 (provisional) in March, 2026. Out of the 22 NIC two-digit groups for manufactured products, 16 groups witnessed an increase in prices and 6 groups witnessed a decrease in prices. Some of the important groups that showed month-over-month increase in prices were manufacture of food products; chemicals and chemical products; basic metals; textiles and other manufacturing etc. some of the groups that witnessed a decrease in prices were manufacture of machinery and equipment; beverages; fabricated metal products, except machinery and equipment; computer, electronic and optical products and wearing apparel etc in march, 2026 as compared to February, 2026.





Source: MOSPI, Office of Economic Advisor

With effect from January 2026, the National Statistics Office (NSO) introduced a revised CPI series with base year 2024=100, drawing revised item weights from the Household Consumption Expenditure Survey (HCES) 2023-24. Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of March, 2026 over March, 2025 is 3.40%(Provisional). Corresponding inflation rates for rural and urban are 3.63% and 3.11%, respectively. On the monetary policy front, the RBI had cumulatively raised the repo rate by 250 basis points between May 2022 and February 2023, bringing it to 6.50%, where it was held steady through January 2025 to anchor inflationary expectations. With inflation moderating below target and growth requiring support, the RBI's Monetary Policy Committee (MPC) commenced an easing cycle in February 2025, delivering a cumulative 125 basis points of rate cuts through four reductions — 25 bps each in February 2025, April 2025, and December 2025, and a larger 50 bps cut in June 2025 — interspersed with pauses in August and October 2025. The repo rate currently stands at 5.25%, following the MPC's decision to hold rates unchanged at its April 2026 meeting.



Sources: CMIE Economic Outlook

Growth Outlook

The Union Budget 2026–27 sets out a quantitatively strong push to build resilient supply chains and develop next-generation industrial capacity. The record ₹12.2 trillion capital expenditure outlay is aimed at easing logistics bottlenecks and enhancing India's cost competitiveness. Employment measures extend across both urban and rural India in one sweep. In cities and large towns, capex is channelled into "connectors" such as the seven proposed high-speed rail corridors and upgraded Tier-2 and Tier-3 infrastructure, thereby creating construction, logistics, and service jobs while cutting commute times. In smaller towns and villages, job creation is expected to be supported by mega textile parks, the Mahatma Gandhi Gram Swaraj Initiative's push for khadi and handloom, training for tourist guides, and new waterways and coastal shipping. Together, these steps broaden the wage base instead of providing a short-term bump.

This domestic push is complemented by targeted measures to strengthen strategic supply chains. Dedicated rare earth corridors in Odisha, Kerala, Andhra Pradesh, and Tamil Nadu; customs exemptions for capital goods used in critical mineral processing and battery cells; and the India Semiconductor Mission 2.0 aim to pull manufacturing deeper into components and materials. If executed well, these measures could reduce import dependence in magnets, batteries, and chip inputs and lift the share of higher-productivity manufacturing jobs — thereby raising household incomes durably.

Alongside these domestic measures, India is also seeking to strengthen its external trade architecture through major trade agreements. The conclusion of the India–EU FTA negotiation marks a major strategic milestone, as it offers near-universal market access for 99.5% of India's exports by value and integrates India more deeply into a USD 24 trillion economic bloc. By providing duty-free entry for key labour-intensive sectors, expanding services access, and establishing a mobility framework for Indian professionals, the deal is expected to improve market access, support export competitiveness and high-value job creation. It is likely to promote a predictable, rules-based environment for long-term trade and investment flows.

In a similar vein, India–Oman Comprehensive Economic Partnership Agreement (CEPA)[2] has been framed as a comprehensive arrangement covering trade in goods and services, investment, professional mobility, and regulatory cooperation, with the objective of strengthening bilateral economic integration between India and Oman. Bilateral trade between the two countries stood at USD 10.61 billion in FY 2024–25, providing the economic basis for the agreement. Under the CEPA, India has secured 100% duty-free market access in Oman across 98.08% of tariff lines, covering 99.38% of India's export value, thereby improving export competitiveness across sectors such as engineering goods, pharmaceuticals, agriculture and processed food, electronics, textiles, plastics, and gems and jewellery. At the same time, India has adopted a calibrated liberalisation approach by offering tariff concessions on 77.79% of its tariff lines, covering 94.81% of imports

[2] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2213203&reg=3&lang=1
The Comprehensive Economic Partnership Agreement (CEPA) between India and Oman marks a meaningful step forward in the economic relationship between the two countries. The agreement brings together trade in goods and services, investment, professional mobility, and regulatory cooperation under a single, coherent framework aimed at deepening bilateral economic integration.

from Oman by value, while retaining safeguards for sensitive domestic sectors. The agreement also provides gains in services, with Oman undertaking commitments across 127 services sub-sectors, alongside improved provisions for professional mobility, including an increase in the Intra-Corporate Transferee ceiling from 20% to 50% and commitments for a defined category of Indian professionals. Overall, the CEPA is presented as a framework intended to support trade expansion, improve market access, and strengthen long-term economic cooperation between India and Oman.

However, these gains remain exposed to external geopolitical risks. The escalation of the Middle East crisis represents an external shock for India, transmitted primarily through energy markets, logistics, and trade-linked business exposure. The Gulf–Levant 11[3] (GL 11) economies account for around 15% of India's merchandise exports and 21% of its imports, with trade concentrated in high-value categories such as mineral fuels, precious metals, and electronics; disruptions in this region therefore have an outsized impact despite its modest share of global GDP.

Export exposure is unevenly distributed across India, with risks concentrated in specific districts that serve as production hubs. Discretionary exporters, such as gems and jewellery firms in the districts of Surat, Jaipur, and Mumbai; apparel manufacturers in Tiruppur; automotive producers in Ahmedabad; and electronics assemblers in Kanchipuram and Kolar, are vulnerable to demand slowdown and order deferrals in Gulf markets.

At the same time, Perishable agricultural exporters, including grapes from Nashik, bananas from Solapur, and bovine meat from Ghaziabad, face acute risks from shipping delays and logistics disruptions. Dun & Bradstreet data show that over 4,500 Indian exporters and around 1,800 importers relied on the Strait of Hormuz trade route in 2025, exposing them to working capital stress, payment delays, and production interruptions, while, for import-dependent industries, delays in critical inputs raise the risk of temporary shutdowns and sustained energy price volatility amplifies margin pressure across manufacturing and services.

[3] For the purposes of this report, the analysis is confined to a defined group of countries referred to as the Gulf–Levant 11 (GL-11). This group comprises Bahrain, Iran, Iraq, Israel Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. These economies are treated collectively because they are either directly involved in, or immediately exposed to, the current crisis through geographic proximity, security linkages, energy production and transit, or their role as regional trade and financial hubs

Key Growth/Demographic Drivers for Economic Growth

Government focus on infrastructure development

The infrastructure sector has received a strong boost in Budget FY'27, marked by a record INR 12.2 trn[4] public capital expenditure allocation, reinforcing the government's focus on making assets more efficient and sustainable. The introduction of the landmark Infrastructure Risk Guarantee Fund aims to provide partial credit guarantees to lenders and revitalise private sector participation in large-scale projects. By lowering project risk premiums and easing borrowing costs, this mechanism is likely to help crowd in private capital and accelerate construction phase financing across the sector. The transport and logistics sector, in particular, will buoy infrastructure growth. Railways have received a substantial boost in allocation, which will help support the planned development of seven new high-speed rail corridors and a Dankuni-Surat DFC[5], which aims to cut logistics costs and improve national connectivity. Moreover, the rollout of 20 new National Waterways, new ship repair hubs and a scheme to double the share of coastal and inland water transport from 6.0% to 12.0% by 2047[6] will together build a greener, more efficient multimodal freight network. Urban transformation continues through targeted development of Tier-2 and Tier-3 cities – with populations over 0.5mn – alongside the creation of City Economic Regions, each supported by multi-year, challenge-based financing to establish new growth hubs and reduce pressure on metros. A broader ecosystem of reforms strengthens medium-term sector prospects. The government aims to scale domestic construction and infrastructure equipment manufacturing, reducing import dependence and improving execution capability in tunnelling, metro construction and road building machinery. The monetisation of CPSE assets will be accelerated through dedicated REIT[7] structures, helping unlock liquidity for redevelopment and new project pipelines. Additional support flows through region-specific initiatives, such as industrial corridor expansion, and tourism development in cultural and Buddhist heritage zones will further reinforce construction demand.

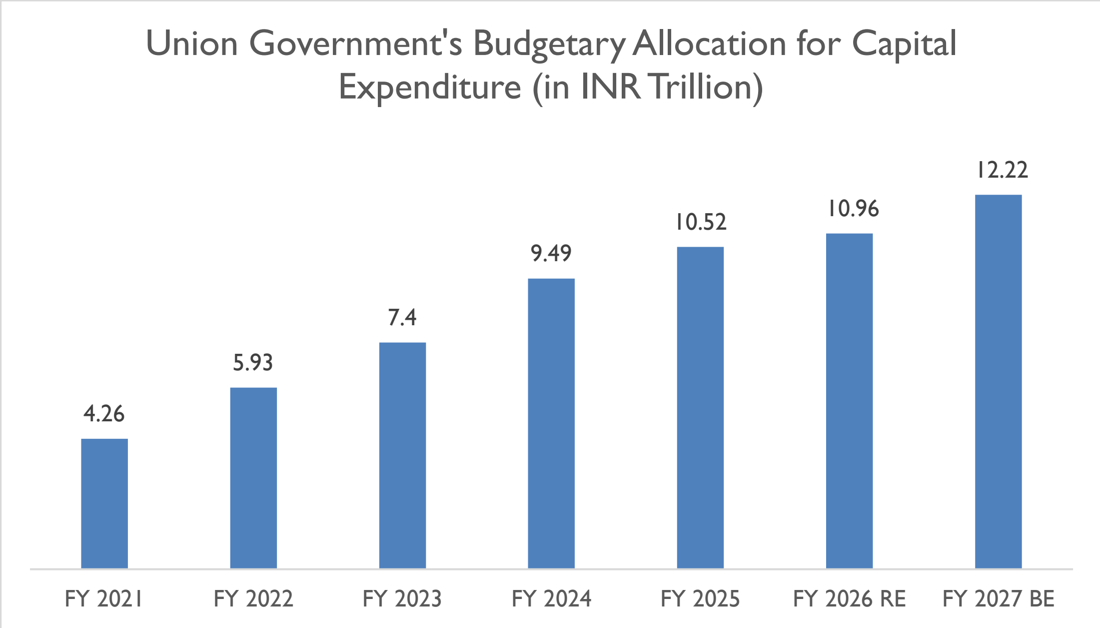
Together, these measures will strengthen India's infrastructure ecosystem through higher public investment, improved risk mitigation tools and wider multimodal connectivity – creating a constructive environment for sustained growth in construction, logistics and urban development.

[4] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222521&reg=3&lang=1#:~:text=Reinforcing%20the%20role%20of%20public,productive%20capacity%20across%20the%20economy.

[5] https://prsindia.org/budgets/parliament/demand-for-grants-2026-27-analysis-railways

[6] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221817&reg=3&lang=1

[7] https://www.hindustantimes.com/real-estate/budget-2026-eyes-dedicated-reits-for-cpse-asset-monetisation-what-it-means-for-investors-101769942312710.html#google_vignette



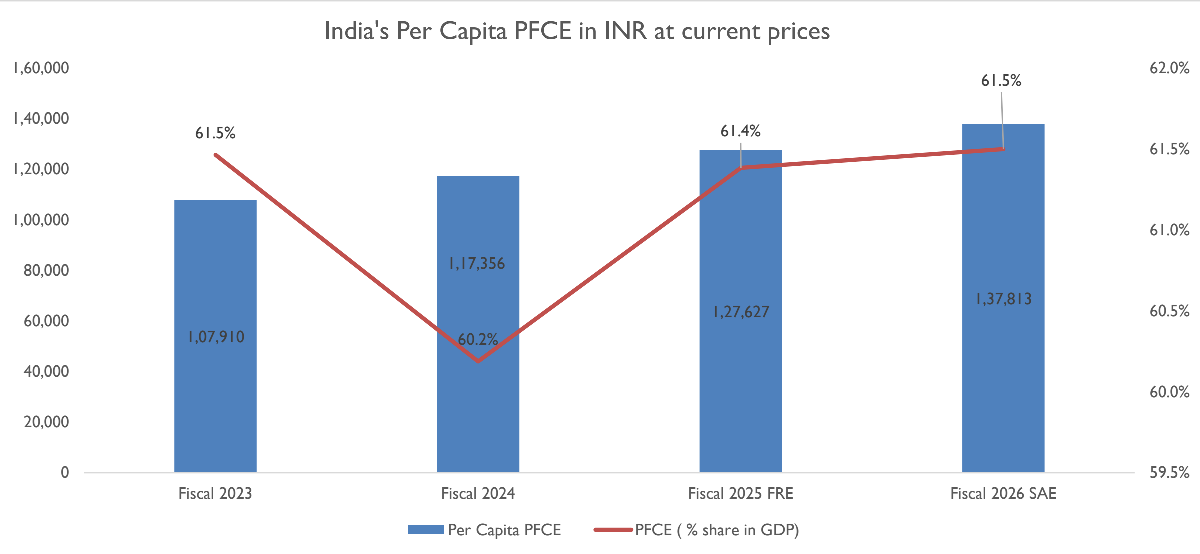
Union Budget, Government of India
Note: BE (Budget Estimates) and RE (Revised Estimates)

Development of Domestic Manufacturing Capability

The Government launched the Production Linked Incentive (PLI) scheme in early 2020, initially aimed at improving domestic manufacturing capability in large-scale electronic manufacturing and gradually extended to other sectors. At present it covers 14 sectors, ranging from medical devices to solar PV modules. The PLI scheme provides incentives to companies on incremental sales of products manufactured in India. This incentive structure is aimed at attracting private investment into setting up manufacturing units and thereby strengthening domestic production capabilities. The overall incentive outlay earmarked for the PLI scheme is estimated to be INR 2 trillion. If fully realised, the PLI scheme could add nearly 4% to annual GDP growth, by way of incremental revenue generated from the newly formed manufacturing units.

Strong Domestic Demand

Domestic demand has traditionally been one of the key drivers of the Indian economy. After a brief lull caused by the Covid-19, domestic demand is recovering. Consumer Confidence surveys by the Reserve Bank and other institutions point to an improvement in the Consumer Confidence Index, which is a precursor of improving demand. India has a strong middle-class segment, which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is reflecting in the private final consumption expenditure (PFCE) metric. The PFCE at current prices is on steady rise from FY 2022 onwards. Between FY 2015 and FY 2026, PFCE in India increased by nearly 2.5 times. Its share in GDP also increased from 58.1% to about 61.5% in FY 2026 (as per the first advance estimates).



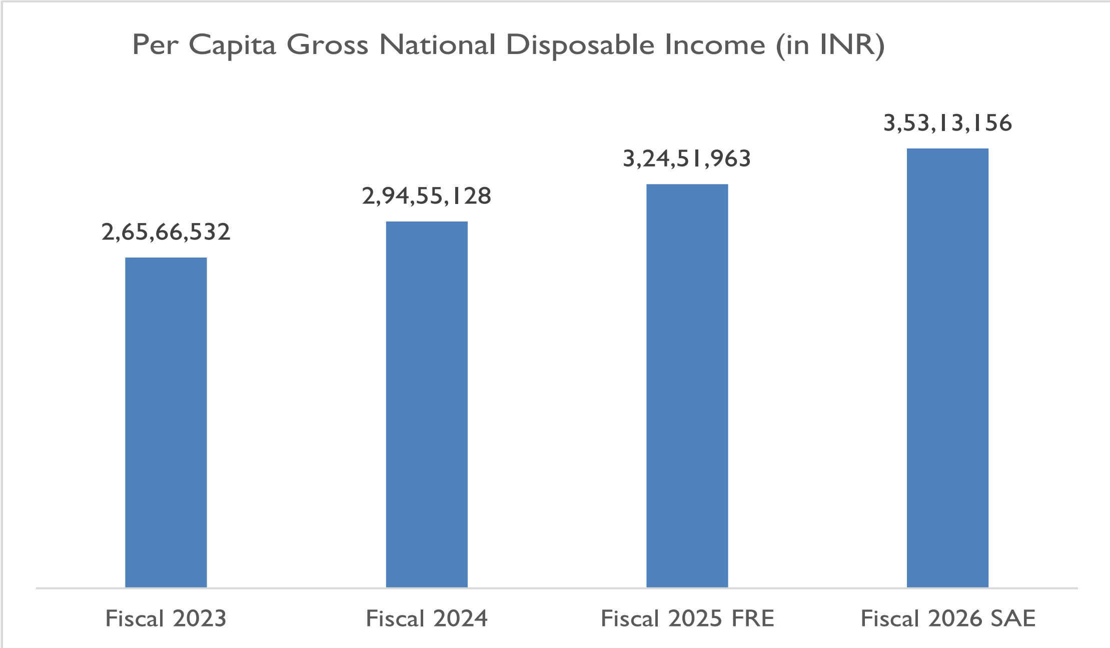
Source: Ministry of Statistics & Programme Implementation (MOSPI)

FRE is First Revised Estimate, SAE is Second Advance Estimate

There are two factors driving this domestic demand: first, the large pool of consumers; and second, the improvement in purchasing power.

- The share of middle class increased from nearly 14% in 2005 to nearly 30% in 2021 and is expected to cross 60% by 2047 [8]. This expanding middle class household segment is fuelling India's growth story and would continue to play a key role in propelling India's economic growth.
- Consumer-driven domestic demand is majorly fuelled by this growth in per capita income. As per National Statistics Office (NSO), India's per capita net national income (at constant prices) stood at INR 1,37,813 per person in FY 2026 against INR 1,27,627 per person in FY 2025 and INR 76,379 in FY 2018. This increase in per capita income has impacted the purchasing pattern as well as disposable income. The Gross National Disposable Income during FY 2023-26 has increased from INR 2,65,66,532 to INR 3,53,13,156.

[8] As per the survey conducted by People Research on India's Consumer Economy. Households with annual income in the range of INR 5 – 30 lakh are considered as middle-class households.

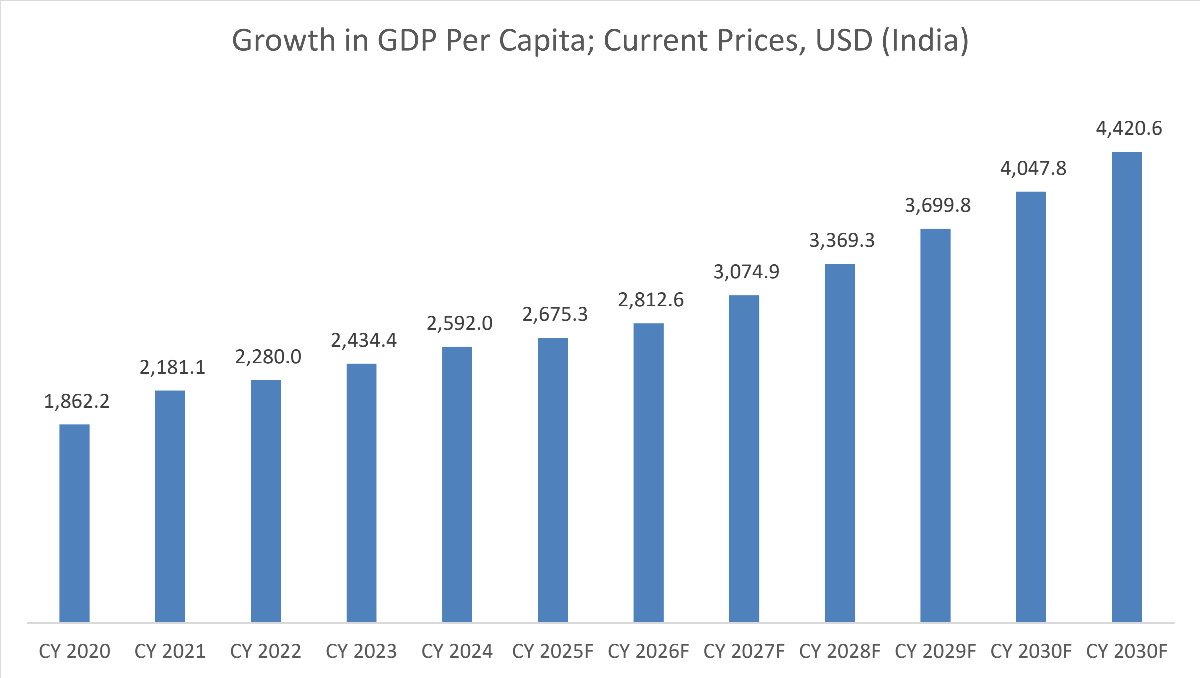


Source: Ministry of Statistics & Programme Implementation (MOSPI)
FRE is First Revised Estimate, SAE is Second Advance Estimate

India's Per Capita GDP Trends

India is poised to become the world's third-largest economy with a projected GDP of USD 5 trillion within the next three years, driven by ongoing reforms. As one of the fastest-growing major economies, India currently holds the position of the fifth-largest economy globally, following the US, China, Japan, and Germany. By 2027-28, it is anticipated that India will surpass both Germany and Japan, reaching the third-largest spot. This growth is bolstered by a surge in foreign investments and a wave of new trade agreements with India's burgeoning market of 1.4 billion people. The aviation industry is witnessing unprecedented orders, global electronics manufacturers are expanding their production capabilities, and suppliers traditionally concentrated in southern China's manufacturing hubs are now shifting towards India.

To achieve its vision of becoming the world's third-largest economy by 2027-28, India will need to implement transformative industrial and governmental policies. These policies will be crucial for sustaining the consistent growth of the nation's per capita GDP over the long term.

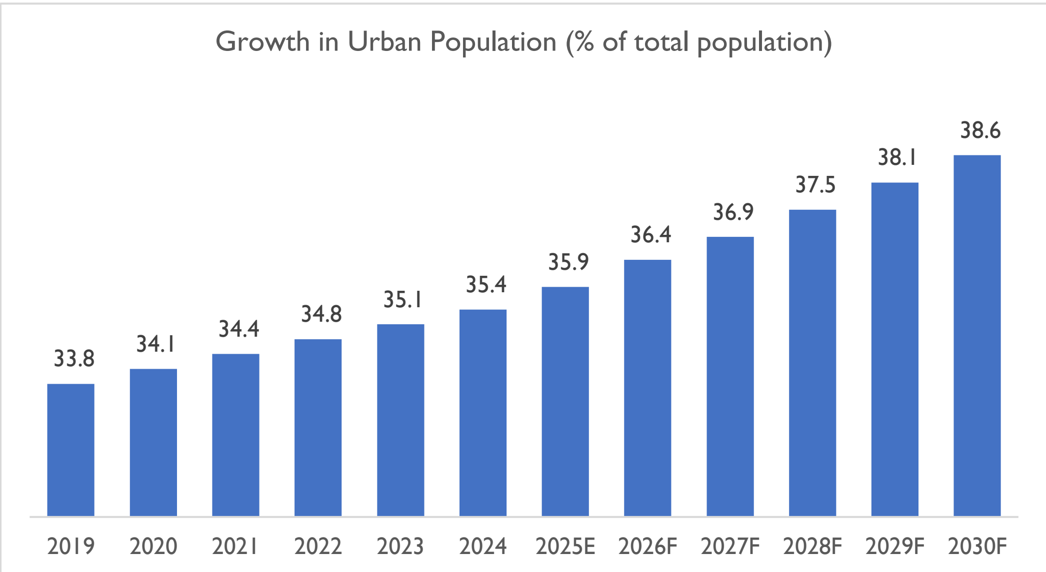


Source: IMF

From CY 2024 to CY 2031, India's per capita GDP is projected to grow at a compound annual growth rate of 7.9%. This growth will be driven by the service sector, which now accounts for over 50% of India's GDP, marking a significant shift from agriculture to services.

Increasing Urbanization

As per the Handbook of Urban Statistics 2022, India's urban population has been on a steady rise. Urban dwellers accounted for over 469 million in 2021 and are projected to rise to over 558 million by 2031 and further exceed 600 million by 2036.



Source: World Bank, [9] Dun & Bradstreet Research and Estimates

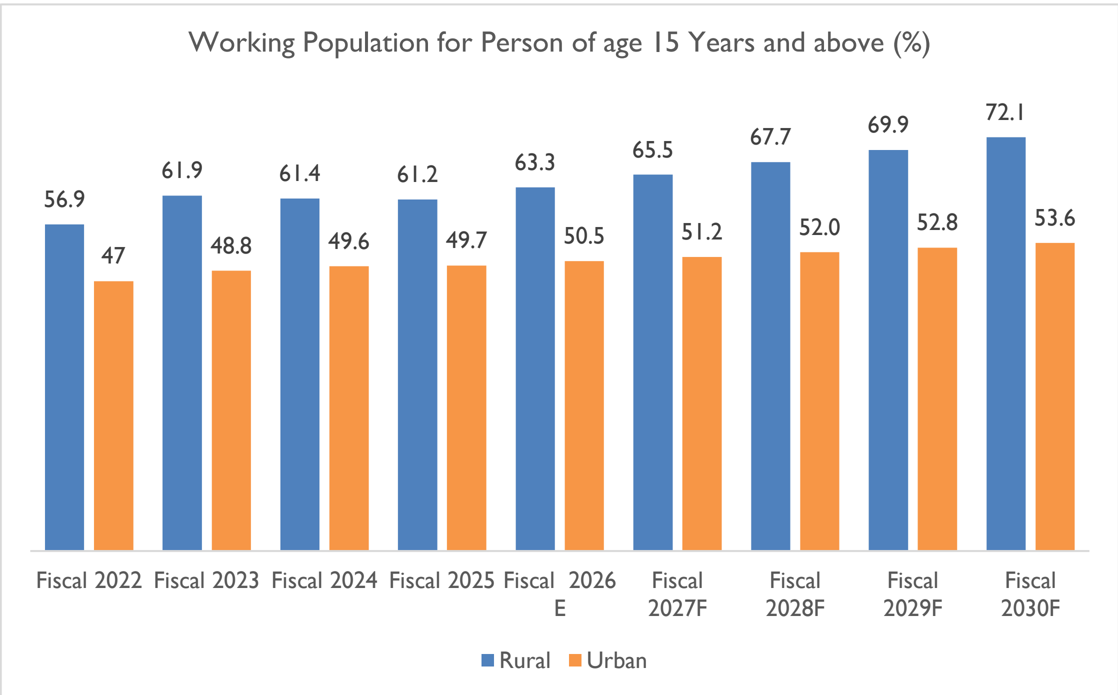
[9] https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?end=2022&locations=IN&skipRedirection=true&start=1960&view=chart

The share of urban population in total population has been rising steadily. In 2019, 33.81% of the total population was urban. By 2025, it had reached 35.9%, showing an increase over a span of five years of about 2.10%. The share of urban population is further forecasted to cross 38.6% by 2030. This increase in urban population is set to demand drastic changes in infrastructure development. Cities are a major driver for the construction industry. With cities expanding rapidly, there will be an increased need for improved housing, water supply, sewage systems, and electricity. Urban planning will need to account for higher population densities, necessitating the development of smart cities with integrated technology for efficient management of resources and services. The Smart Cities Mission targeted at 100 cities is aimed at improving the quality of life through modernised, technology-driven urban planning. This transformation will also require significant investment in public health, education, and recreational facilities to enhance the quality of urban living. The surge in urban population will also propel demand for improvement in multimodal transport infrastructure for freight and passenger travel requirements.

Rural vs. Urban Working Population by Age Group

As India continues to experience economic growth and development, the working population in both rural and urban areas is increasing. In the case of the urban population, this growth is reflected in the increase from a share of 47% in FY22 to 49.7% in FY25, whereas in rural areas, it grew from 56.9% in FY22 to 61.2% in FY25.

This growth is driven by a combination of factors, including demographic changes, economic policies, and the expansion of various industries. The rise in employment opportunities across sectors such as agriculture, manufacturing, services, and information technology has contributed to the overall increase in the working population, thereby fostering economic stability and enhancing the standard of living for many Indians.



Source: Periodic Labour Force Survey (PLFS) Annual Report, Dun & Bradstreet Research and Estimates

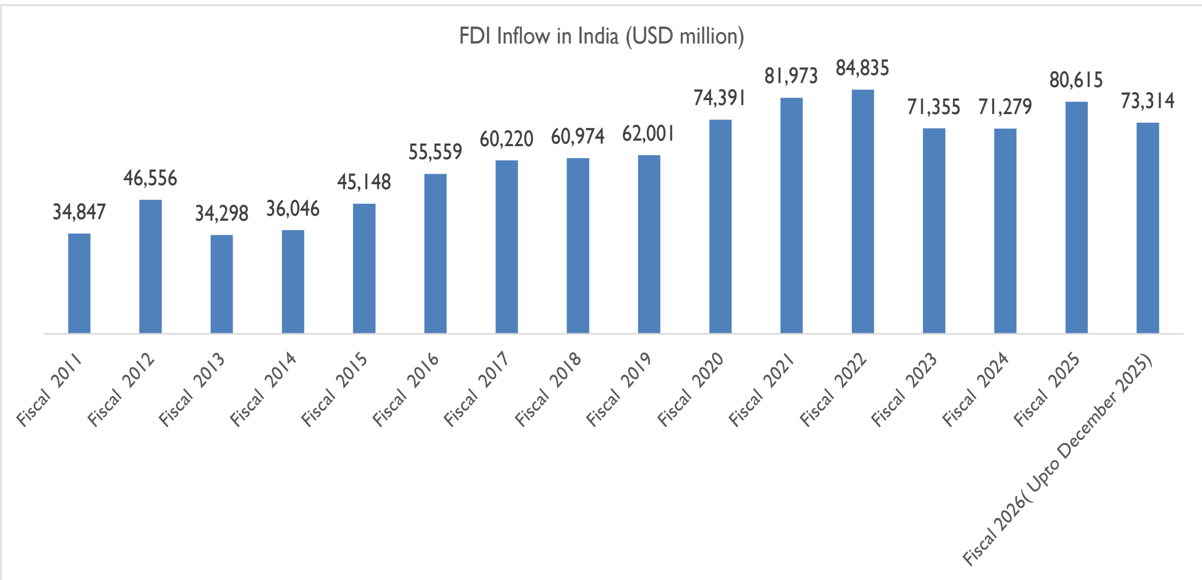
Note: 2025 refers to the period January 2025 – December 2025 and likewise for 2024, 2023 and 2022

In urban areas, the working population is growing rapidly due to the proliferation of jobs in sectors like IT, finance, retail, and healthcare. Additionally, the development of infrastructure, such as improved transportation networks and housing, has made urban centers more accessible and desirable for the working population. In rural areas, the working population remains substantial, primarily due to the dominance of the agricultural sector. Government initiatives aimed at rural development, such as improved access to education and skill development programs, have also played a crucial role in enhancing employment prospects in these regions.

The dominance of the rural working population over its urban counterpart can be attributed to the labour-intensive nature of the agricultural sector, which ensures a consistent demand for human labor despite advancements in mechanization, sustaining employment rates in rural areas.

Foreign Direct Investment Trend in India

FDI inflows in India observed a steady increase from FY 2013 to FY 2022 while it witnessed a decline of 15% in FY 2023 and a decline of 0.1% in FY 2024 due to several factors, including the ongoing conflict between Russia and Ukraine, changes in US monetary policy, and other global uncertainties. However, the country has received substantial FDI inflows from April 2000 to December 2024. This increasing FDI can be attributed to the new investment facilitation measures like the National Single-Window System (NSWS), which streamlines the approval and clearance process for investors, entrepreneurs, and businesses, along with sectoral measures and PLI schemes, supporting growth prospects in tier-2 and tier-3 cities. Further, tax compliance for startups and foreign investors has been simplified and the Income Tax Act, 1961, was amended in 2024 to abolish angel tax and to reduce income tax rate chargeable on income of a foreign company.



Sources: Department for Promotion of Industry and Internal Trade

Industry Scenario: Indoor Amusement Center

Overview

Indoor Amusement Centers (IACs) are **organized, indoor leisure and entertainment facilities** designed to offer a wide range of recreational experiences within a controlled and weather-independent environment. Typically located within **shopping malls, mixed-use developments, or standalone urban facilities**, IACs cater to diverse age groups, including children, teenagers, families, and young adults. Their core objective is to provide **safe, immersive, and repeat-visit entertainment**, making them an important component of modern urban leisure infrastructure.

From a services perspective, Indoor Amusement Centers provide **paid entertainment access through multiple formats**, such as time-based play passes, pay-per-use rides, memberships, and group packages. Services often extend beyond pure play to include **birthday party hosting, school and corporate group bookings, curated food and beverage offerings, and retail or redemption counters**. Increasingly, IACs also integrate **technology-enabled experiences** such as virtual reality (VR), augmented reality (AR), interactive gaming, and digital ticketing systems to enhance customer engagement and operational efficiency.

In addition to entertainment, Indoor Amusement Centers function as **footfall anchors and dwell-time enhancers** for malls and urban developments. Their indoor format allows for **year-round operations**, unaffected by climate conditions, while their modular design enables frequent refresh of attractions to maintain consumer interest. As a result, IACs have evolved from simple play zones into **multi-format leisure destinations**, combining entertainment, social interaction, and lifestyle experiences under one roof.

Key Features & Attributes:

Feature / Attribute	Detailed Description
Indoor, Climate-Controlled Environment	Operates within enclosed, temperature-controlled spaces, enabling year-round operations irrespective of weather conditions such as heat, monsoons, or humidity. This ensures stable footfall and predictable revenues across seasons.
Diverse Range of Attractions	Offers a mix of arcade games, trampolines, soft play zones, VR/AR experiences, bowling lanes, simulators, and skill-based games, catering to varied age groups and entertainment preferences while encouraging repeat visits.
Flexible Pricing Models	Uses pay-per-use pricing, time-based unlimited play passes, memberships, season passes, and group or event packages to address different spending capacities and optimize peak and off-peak utilization.
Safety-Focused Design	Incorporates certified equipment, impact-absorbing flooring, protective barriers, and clearly demarcated play zones, supported by trained staff supervision, regular inspections, and compliance with applicable safety norms.
Technology Integration	Deploys digital ticketing, RFID/QR-based access control, automated scoring systems, and integrated POS platforms, supported by analytics to track footfall, dwell time, and game performance for operational efficiency.

Support Amenities	Includes food and beverage counters, birthday and party rooms, seating and viewing areas, lockers, restrooms, and merchandise or redemption counters to enhance visitor comfort and increase per-capita spend.
Modular and Scalable Layouts	Designed with modular infrastructure that allows easy addition, replacement, or upgrade of attractions with minimal civil intervention, supporting long-term adaptability and refresh cycles.
High Footfall and Dwell-Time Generation	Functions as a key footfall driver and dwell-time enhancer within malls and mixed-use developments, supporting higher retail conversions and strengthening the overall property ecosystem.
Broad Demographic Appeal	Caters to children, teenagers, adults, families, and group visitors, positioning IACs as inclusive, family-oriented entertainment destinations with strong weekend and holiday demand.

Types of Services/Categories

Category	Brief Profile
Ten-Pin Bowling	Ten-pin bowling is a structured, skill-based indoor entertainment format appealing to teenagers, young adults, families, and corporate groups. Typically configured as 4–12 lane setups, it requires specialized flooring, pinsetters, ball return systems, and lane conditioning equipment. Bowling generates steady footfall, supports league play and events, and is often bundled with F&B and party packages, making it a high dwell-time category.
Arcade Games	Arcade games form the backbone of most indoor amusement centers and include video games, skill-based machines, redemption games, and simulators. They offer high throughput and impulse-led spending, often integrated with digital cards or RFID systems. Arcade zones are scalable, require moderate capex per game, and deliver strong margins through repeat play and prize redemption models.
Go-Karting (Indoor & Outdoor)	Go-karting is a high-engagement attraction targeting teenagers, young adults, and corporate groups. Indoor karting typically uses electric karts within sound-controlled environments, while outdoor formats use fuel or electric karts with larger track layouts. This category requires specialized track design, safety barriers, ventilation (for indoor), and trained operators, and is positioned as a premium, ticketed experience.
Trampoline Parks	Trampoline parks consist of interconnected trampoline courts, foam pits, dodgeball zones, and activity modules. They are popular among children, teenagers, and fitness-focused users, often sold through time-based passes. Trampoline parks require high clear height, shock-absorbent flooring, certified equipment, and strict safety supervision, making them a prominent anchor attraction in large-format IACs.
Soft Play Zones	Soft play areas are designed primarily for younger children (typically aged 2–8 years) and include climbing structures, slides, ball pits, and interactive play elements. These zones emphasize safety, supervised play, and parental comfort, and are commonly bundled with birthday party offerings. Soft play drives repeat family visits and is a staple in mall-based amusement centers.
Virtual Reality (VR) & Simulation Experiences	VR attractions include motion simulators, immersive gaming pods, and multiplayer VR arenas. These experiences are positioned as premium, technology-led offerings with higher per-play pricing. VR zones require robust electrical infrastructure, climate control, and regular content updates, and appeal strongly to tech-savvy youth and young adults.
Laser Tag & Interactive Arenas	Laser tag and interactive gaming arenas offer team-based, competitive experiences within themed environments. These formats are popular for group bookings, birthdays, and corporate events, and require controlled lighting, sensor-based equipment, and safety-compliant layouts.

Redemption & Merchandise Zones	Redemption counters allow players to exchange earned tickets or points for toys, collectibles, and branded merchandise. While operationally simple, this category is critical for enhancing arcade engagement and increasing overall spend per visitor.
Party, Events & F&B Services	Most indoor amusement centers include dedicated birthday party rooms, event spaces, and food & beverage counters or cafés. These services significantly enhance revenue per visitor, support weekday utilization, and improve overall profitability through bundled offerings.

Insight on Typical Location Preferences of Indoor Amusement Centers

Integrated with Shopping Malls and Entertainment Complexes	• Integrated mall-based indoor amusement centers (IACs) are the most prevalent model in India. These centers benefit from ready-made footfall, longer dwell time, and synergies with retail, cinemas, and food courts. Often functioning as anchor tenants, particularly in Tier I and Tier II cities, mall-based IACs help attract families and younger consumers. The mall environment supports flexible revenue-sharing arrangements, lower marketing costs, and year-round operations, making it the preferred choice for arcade-led, soft play, trampoline, and bowling formats.
Standalone Indoor Amusement Centers	• Standalone IACs are typically adopted for large-format or destination-led concepts requiring substantial floor area, higher ceiling heights, or customized layouts. These facilities are often located in urban peripheral zones or high-density residential clusters where land or rental costs are relatively lower. While standalone centers offer greater design flexibility and branding control, they require higher marketing investments to generate footfall and are more dependent on repeat visits and group bookings.
Integration with Sports and Recreation Centers	• This emerging model integrates IACs with existing sports or recreation infrastructure, such as trampolines, indoor go-karting, climbing walls, and multi-sport arenas. Such integration attracts youth, fitness-oriented users, and corporate groups, optimizing space utilization, extending operating hours, and creating bundled experience offerings. This model is particularly suited for urban and peri-urban areas where complementary sports facilities already exist.
Mixed-Use Developments	• IACs are incorporated within residential-commercial complexes or lifestyle hubs, often as part of a broader leisure-retail-office ecosystem. This approach provides consistent footfall from residents, office-goers, and visitors.
Transit-Oriented Hubs	• Centers located near metro stations, bus terminals, or high-traffic transport nodes capitalize on accessibility and commuter traffic, increasing spontaneous visits.
Redeveloped Commercial Properties	• Existing structures such as warehouses, industrial spaces, or underutilized cinemas are converted into indoor amusement facilities. This allows operators and developers to optimize real estate usage while minimizing construction costs.

Global Indoor Amusement Centers:

Indoor amusement centers are increasingly preferred in urban and high-density regions. This transition is closely aligned with global urbanization trends, as about 57.8% of the world's population lives in urban areas as of 2025, according to the United Nations World Urbanization Prospects 2025. This reflects a strong concentration of population in cities, creating sustained demand for space-efficient and indoor recreational infrastructure.

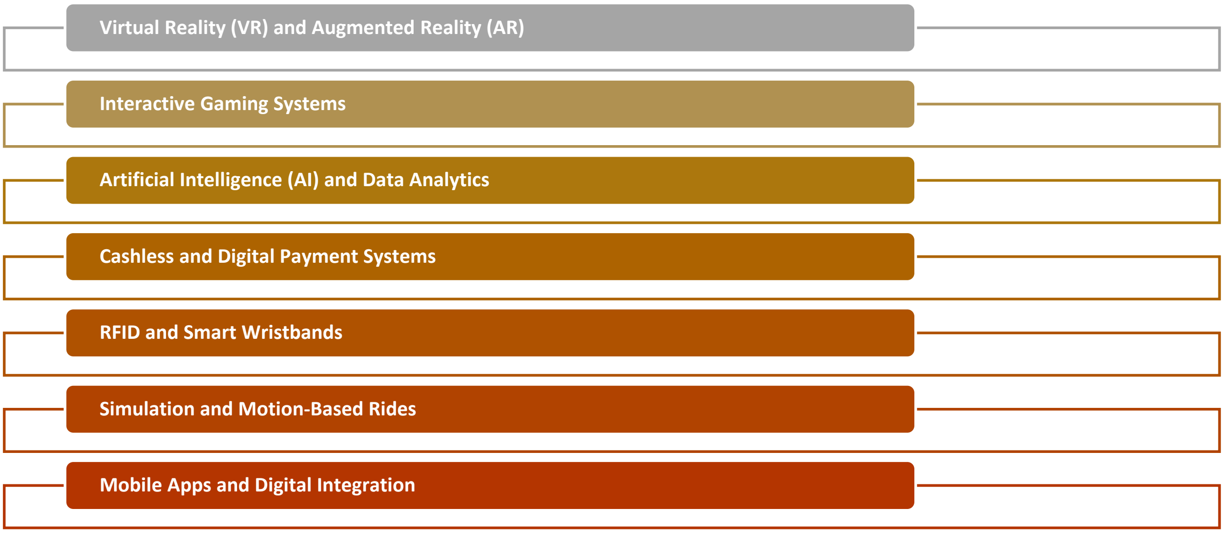
At its core, the industry is driven by a shift in consumer preference from passive entertainment to experience-led, interactive, and social recreation. Families, young adults, and corporate groups increasingly seek spaces that offer shared engagement, customization, and repeatable experiences, rather than one-time visits. This is supported by current demographic patterns, with over 4 billion people living in urban areas globally, indicating a large and concentrated consumer base for organized indoor entertainment formats.

Indoor formats also address structural limitations such as space constraints, weather dependency, and urban infrastructure challenges, making them more scalable and consistent compared to outdoor amusement parks. With expanding urban systems, the need for climate-controlled, year-round, and high-density entertainment solutions is increasing. This makes indoor amusement centers a practical fit for modern cities, where land availability and lifestyle patterns favour compact, multi-purpose recreational spaces.

Key Features and Attributes

- **Experience-driven entertainment**: The industry focuses on providing immersive and interactive experiences rather than just passive entertainment, making visits more engaging and memorable.
- **Urban-centric growth**: Indoor amusement centers are mainly concentrated in urban and high-density cities where space is limited and demand for organized recreation is high.
- **All-weather operations**: Since they are indoor facilities, they are not affected by weather conditions, allowing year-round operations and consistent visitor flow.
- **Family and group-oriented**: These centers are designed for families, friends, and corporate groups, encouraging shared experiences and social interaction.
- **Technology integration**: The industry heavily uses technologies like VR, AR, simulation games, and digital tracking systems to enhance visitor engagement.
- **Multi-attraction format**: Instead of a single activity, these centers combine arcade games, rides, bowling, VR zones, food courts, and themed experiences under one roof.
- **Safety and controlled environment**: Indoor settings provide a safer and more controlled environment compared to outdoor amusement parks, especially for children.

Evolving Technology Integration in the Industry



- **Virtual Reality (VR) and Augmented Reality (AR):** Technologies like Virtual Reality and Augmented Reality are transforming indoor entertainment by creating highly immersive experiences. VR allows users to enter fully digital worlds, while AR enhances real environments with interactive digital elements. These technologies make attractions more engaging and interactive, appealing especially to younger audiences looking for unique experiences.

- **Interactive Gaming Systems:** Modern amusement centers are increasingly adopting interactive gaming systems that combine physical movement with digital gameplay. These include motion-sensing games, multiplayer arcade setups, and skill-based challenges that encourage participation. This shift moves away from passive entertainment toward active, experience-driven engagement.

- **Artificial Intelligence (AI) and Data Analytics:** The use of Artificial Intelligence helps operators understand customer behaviour and preferences. AI is used for personalized recommendations, crowd management, and optimizing operations. Data analytics also helps improve customer experience by analyzing usage patterns and enhancing service efficiency.

- **Cashless and Digital Payment Systems:** Indoor amusement centers are increasingly moving toward cashless ecosystems using smart cards, mobile wallets, and QR-based payments. This reduces transaction time, improves convenience, and enhances overall operational efficiency while providing better tracking of customer spending and usage.

- **RFID and Smart Wristbands:** Technologies like Radio Frequency Identification are used in the form of smart wristbands or cards. These allow seamless entry, ride access, and payments within the facility. They also help operators track visitor movement and manage crowd flow more effectively.

- **Simulation and Motion-Based Rides:** Advanced simulation technologies and motion-based platforms are being used to create realistic ride experiences such as racing, flying, or adventure simulations. These systems combine visuals, sound, and motion to deliver highly engaging and lifelike entertainment without requiring large physical space.

- **Mobile Apps and Digital Integration:** Many indoor amusement centers now offer dedicated mobile apps for booking tickets, tracking rewards, and accessing personalized offers. These apps improve customer convenience and allow operators to maintain continuous engagement with visitors even after their visit.

Key Regional Insights

- **North America:** North America represents a mature and highly urbanized market where indoor amusement centers are well integrated within organized retail and entertainment ecosystems. The presence of structured urban infrastructure and high consumer spending on leisure supports steady demand.

  Insight: Indoor amusement centers function as an extension of mall-based entertainment and organized leisure formats.

- **Europe:** Europe's market is shaped by dense urban environments and structured urban planning frameworks that emphasize efficient land utilization. Indoor formats align well with redevelopment of existing commercial spaces and mixed-use developments.

  Insight: Growth is driven by space optimization within established urban infrastructure rather than new expansion.

- **Asia-Pacific:** Asia-Pacific is characterized by rapid urbanization and increasing concentration of population in large cities, particularly across countries such as China and India. Rising disposable incomes and the growth of integrated urban developments are supporting adoption of indoor entertainment formats.

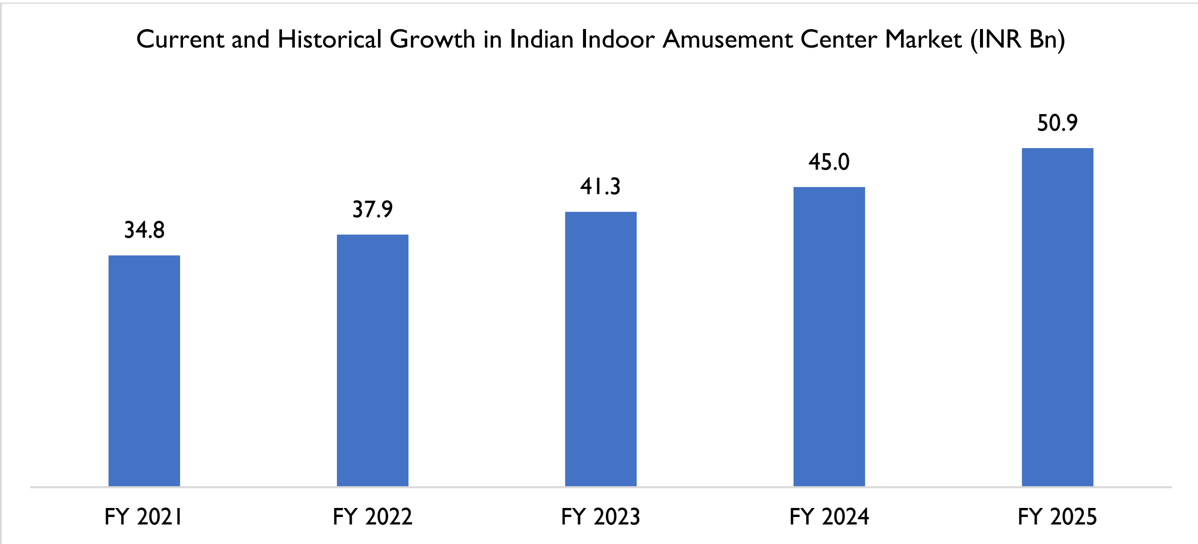
  Insight: High urban density and evolving consumer lifestyles are driving demand for compact, indoor recreational formats.

➢ **Middle East & Emerging Markets:** These regions are witnessing growth supported by government-led urban development, tourism initiatives, and large-scale infrastructure projects. Indoor amusement centers are increasingly being positioned within integrated developments and commercial hubs.
Insight: Expansion is largely policy-driven, with indoor entertainment forming a key part of planned urban and tourism ecosystems.

Domestic Market Scenario

Current and Historical Market Growth

The Indian indoor amusement center market has transitioned from a niche entertainment segment to a more organized and scalable leisure industry over recent years. The sector has benefited from increasing formalization of entertainment formats, improved safety and quality standards, and greater participation from organized operators and real estate developers. Indoor amusement centers are increasingly positioned as professionally managed leisure assets with standardized offerings, clearer monetization models, and growing acceptance across urban consumer segments, supporting steady and sustained market expansion.



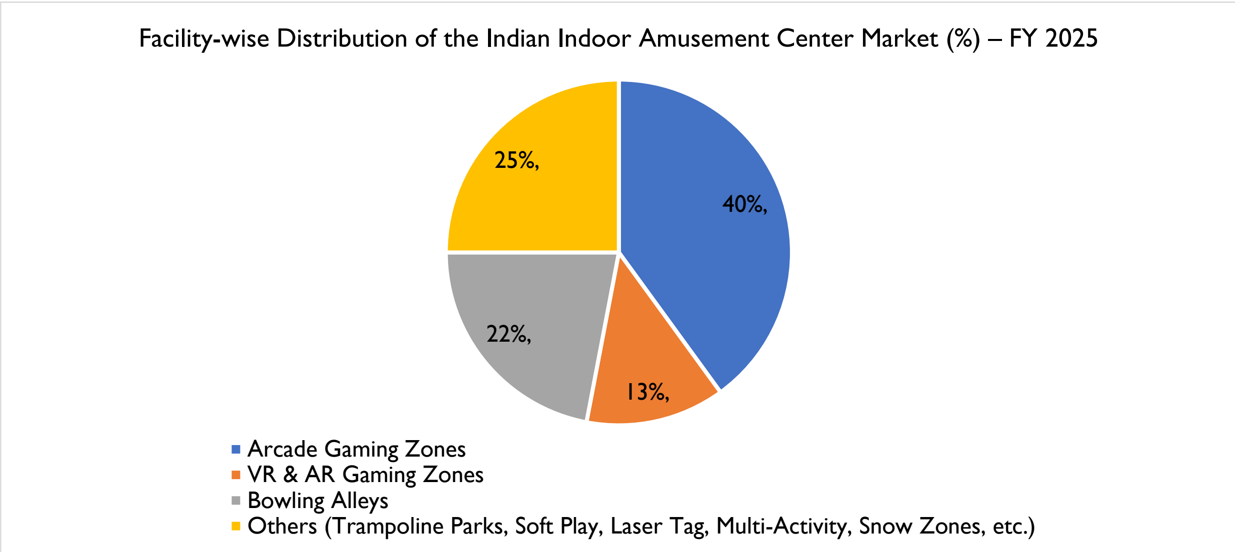
Source: D&B Research Estimates

The market size increased from **INR 34.8 billion in FY 2021 to INR 50.9 billion in FY 2025**, registering a **CAGR of 10.0%** over the period. Year-on-year growth remained consistent, with the market expanding to **INR 37.9 billion in FY 2022**, **INR 41.3 billion in FY 2023**, and **INR 45.0 billion in FY 2024**, reflecting a gradual recovery and scale-up phase. The steady progression in market value indicates improving capacity utilization, higher revenue realization per center, and increased rollout of new formats, rather than short-term or volatile growth patterns.

Segment-wise Contribution to the Indoor Amusement Center Industry in India

By Facility Type:

The facility mix within India's indoor amusement center market reflects a **diverse and evolving entertainment ecosystem**, catering to varied age groups, visit durations, and spending preferences. Operators typically adopt a **portfolio-based approach**, combining high-volume attractions with differentiated experience-led formats to balance footfall generation and revenue optimization. While traditional gaming formats continue to anchor most centers, emerging technology-driven and activity-based facilities are increasingly shaping layout decisions and investment priorities.



Source: D&B Research Estimates

In **FY 2025**, with the total indoor amusement center market estimated at **INR 50.9 billion**, **arcade gaming zones dominate with a 40% share**, translating to approximately **INR 20.4 billion**. Their leadership reflects strong scalability, faster customer turnover, and relatively lower capex per square foot. **Bowling alleys account for 22%**, equivalent to around **INR 11.2 billion**, highlighting their role as stable, group-driven attractions that generate longer dwell time and support bundled pricing. **VR & AR gaming zones contribute 13%**, or roughly **INR 6.6 billion**, indicating measured adoption—these formats command premium pricing but remain capital- and technology-intensive. The **'Others' segment**, comprising trampolines, soft play, laser tag, snow zones, and multi-activity formats, represents **25% of the market**, valued at about **INR 12.7 billion**, underscoring increasing diversification and the shift toward multi-format centers that broaden audience reach and optimize revenue per location.

Key Demand Drivers

Increasing Consumer Spending on Entertainment & Its Impact

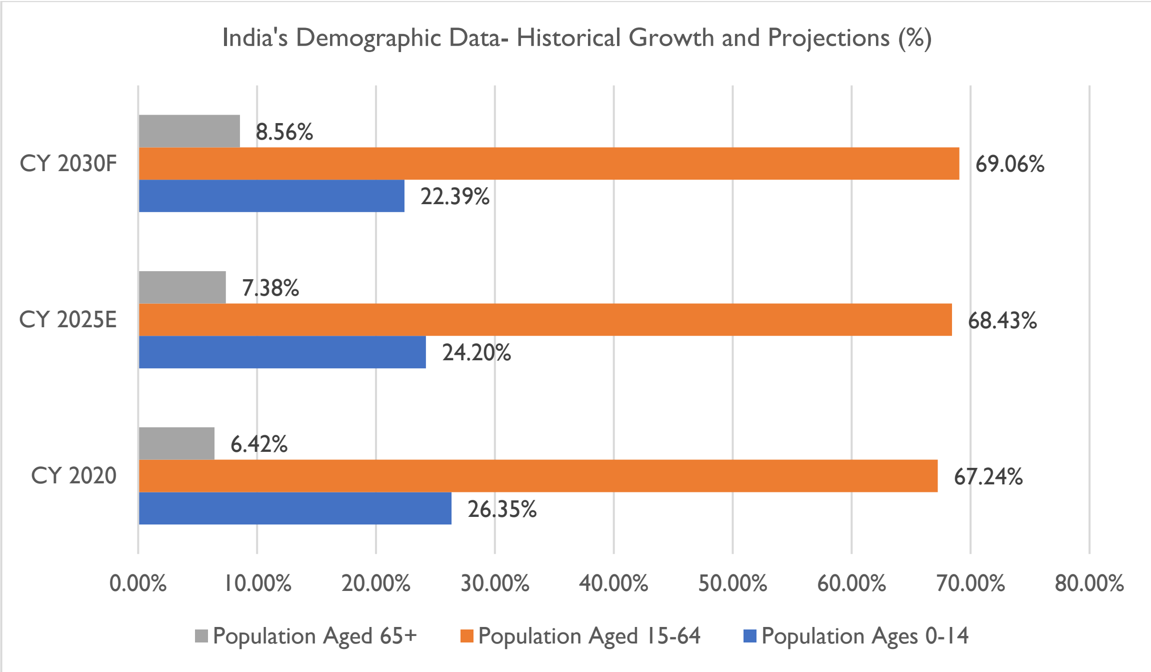
Rising consumer expenditure on discretionary categories, particularly **entertainment**, is a key demand driver for indoor amusement centers in India. Data from **All-India MPCE (Monthly Per Capita Consumption Expenditure)** highlights a consistent upward trend in both absolute spending and share of total consumption allocated to entertainment-related categories across rural and urban segments.

Between **FY 2023 and FY 2024**, urban MPCE on *miscellaneous goods and entertainment* increased from **INR 424 to INR 484**, reflecting a growth of approximately **14%**, while its share in total urban MPCE rose from **6.56% to 6.92%**. This indicates not only higher absolute spending but also a growing prioritization of entertainment within household budgets. In rural India, MPCE for the same category increased from **INR 234 to INR 256** (around **9% growth**), with the percentage share remaining stable at about **6.2%**, signalling steady adoption of discretionary spending even beyond metropolitan markets.

This sustained increase in entertainment spending directly supports the growth of **experience-led leisure formats**, including indoor amusement centers. Higher per-capita expenditure enables consumers to spend more frequently on paid entertainment, premium attractions, and bundled family experiences. From an industry standpoint, these trends translate into **higher revenue per visit, improved affordability for ticketed formats, and expanding addressable markets**, particularly in urban and semi-urban areas where organized indoor entertainment infrastructure is scaling up.

Favorable Demographic Profile: Youthful Population and Rising Spending Powe

India's demographic structure presents a strong structural tailwind for experience-led sectors such as indoor amusement centers. The country continues to benefit from a **large and expanding working-age population (15–64 years)**, which stood at about **67% of total population in 2020** and is projected to rise to **~68.4% in 2025** and **~69.1% by 2030**, as reflected in UN population projections. This sustained dominance of the working-age cohort underpins higher earning potential, consumption growth, and discretionary spending capacity over the medium term.



Source: World Population Prospects, 2024 Revision, United Nations Population Division

*E= Estimated, F= Forecasted

India's **median age of 28.4 years** positions it among the youngest major economies globally. A relatively young population implies a larger base of **youth, young professionals, and young families**, who exhibit a higher propensity to spend on leisure, socializing, and experiential entertainment. This demographic is more receptive to modern formats such as indoor amusement centers offering arcade gaming, trampolines, VR experiences, bowling, and family-oriented attractions, compared to traditional entertainment options.

From a global perspective, India is expected to contribute **around 25% of the incremental global workforce over the next decade**, with the working-age population projected to **exceed 1 billion by 2030**. This expanding workforce, combined with rising per-capita incomes and urbanization, is translating into **higher disposable incomes and a shift toward experience-led consumption**. For indoor amusement centers, this demographic advantage supports sustained demand growth, higher visit frequency, and increasing spend per visit, particularly in urban and emerging Tier I and Tier II markets.

Overall, India's favorable demographic profile—characterized by a large youth base, growing working-age population, and improving income levels—creates a **long-term demand foundation** for organized indoor entertainment formats. This demographic momentum strengthens the case for continued expansion of indoor amusement centers, both in established metros and in rapidly urbanizing cities.

Emergence of Urban Entertainment Centers Redefining India's Indoor Amusement Landscape

The emergence of organized entertainment centers in Indian urban areas is being driven by **structural changes in city development and land-use patterns**. Rapid urban densification, smaller residential units, and limited access to open recreational spaces have increased reliance on **indoor, professionally managed**

entertainment infrastructure. In major urban markets such as **Bengaluru, Hyderabad, Gurugram, Noida, Mumbai, Pune, and Chennai**, longer commuting times and constrained outdoor leisure options have positioned indoor amusement centers as practical substitutes for traditional recreation, serving everyday leisure needs of urban families, children, and working professionals within short travel catchments.

This urban-driven demand is now extending beyond metros into **Tier I and select Tier II cities** including **Indore, Coimbatore, Kochi, Jaipur, Chandigarh, Lucknow, and Bhubaneswar**, supported by new malls, mixed-use developments, and redevelopment of underutilized commercial assets. To adapt to constrained urban real estate, operators are increasingly adopting **space-efficient and specialized formats**, such as vertically stacked layouts, multi-activity zones, and compact high-throughput attractions combining trampolines, arcades, soft play, bowling, and VR. This shift reflects a move away from destination-led formats toward **scalable, city-centric indoor amusement models**, aligned with India's evolving urban realities and consumption patterns.

Technological Innovations and Their Impact on Indoor Amusement Centers (VR & AR Integration)

The integration of **Virtual Reality (VR) and Augmented Reality (AR)** is transforming gaming and indoor amusement centers in India by shifting the focus from traditional, static attractions to **immersive and interactive experiences**. VR-based simulators, motion rides, and multiplayer gaming zones enable operators to offer high-engagement attractions within compact footprints, making them well-suited for urban locations with space constraints. AR solutions, often layered onto physical play zones or arcade formats, enhance interactivity without significant structural changes, allowing operators to refresh experiences at a relatively lower incremental cost.

From a commercial and operational perspective, VR and AR adoption is enabling **higher revenue per user, increased repeat visitation, and faster content refresh cycles**. Technology-led attractions appeal strongly to digitally native demographics, particularly teenagers and young adults, while also supporting flexible pricing models such as premium play, bundled passes, and timed experiences. At the same time, the use of software-driven content allows operators to update themes and gameplay more frequently than mechanical rides, helping indoor amusement centers remain relevant in a rapidly evolving entertainment landscape.

Emergence of Alternative Models: Multi-Entertainment Complexes

Indoor amusement centers in India are increasingly evolving into **multi-entertainment complexes**, where traditional gaming and attractions are combined with **dining, social spaces, and event-led entertainment**. This model reflects a shift away from single-purpose leisure destinations toward **holistic, longer-duration experiences**, enabling operators to serve diverse audience groups—families, young adults, and corporate visitors—within a single visit while improving dwell time and spend per customer.

Several operators have adopted this blended approach. **Smaaash** integrates arcade gaming, bowling, simulators, and VR experiences with in-house dining across multiple cities. **Shott Amusement** combines bowling, laser tag, arcade and VR gaming with curated dining and banqueting spaces, targeting both social and corporate gatherings. Similarly, gaming-led formats such as **Microgravity Gaming Hub** and select **Timezone** locations incorporate cafés and seating areas to support extended stays.

Beyond amusement-focused players, **cinema operators are also adopting this multi-entertainment model**. **PVR INOX** is repositioning multiplexes as experience hubs by introducing fine-dining restaurants within cinema properties, adding AR- and VR-based gaming zones, and exploring live game streaming and alternative content on large screens. This convergence of cinemas, dining, and immersive entertainment underscores a broader industry shift toward **experience clustering**, where indoor amusement forms one component of a diversified urban leisure ecosystem rather than a standalone attraction.

Key Threats & Challenges: Impact on Indoor Amusement

High Upfront Investment and Elevated Operating Costs

- Indoor amusement centers are capital-intensive ventures, requiring significant upfront investment in land or long-term leases, specialized civil works, high-spec interiors, imported or certified amusement equipment, and advanced safety systems. In addition to initial capital expenditure, operators face high recurring operating costs, including rent or revenue-sharing with landlords, energy consumption for climate control, equipment maintenance, insurance, and marketing. These cost pressures can extend breakeven timelines and make profitability sensitive to footfall volatility, particularly for large-format or premium centers.

Limited Availability of Skilled Manpower

- The industry faces a shortage of trained and experienced personnel capable of managing specialized equipment, safety protocols, customer engagement, and technical maintenance. Effective operation requires staff trained in attraction supervision, machine handling, crowd control, first aid, and digital systems such as access control and POS platforms. High employee turnover, especially in frontline roles, further increases training costs and operational risks, impacting service quality and safety compliance.

Seasonal Variations in Footfall and Revenue

- Despite being weather-independent, indoor amusement centers experience seasonal demand fluctuations driven by school calendars, festivals, vacations, and examination periods. Footfall tends to peak during weekends, holidays, and summer breaks, while weekdays and non-holiday months often see subdued demand. This uneven revenue flow complicates capacity planning, staffing schedules, and cash flow management, particularly for centers with fixed operating costs and debt servicing obligations.

Rapid Technological Evolution and Upgrade Requirements

- Consumer expectations in the entertainment space are evolving rapidly, driven by exposure to global formats, immersive technologies, and digital-first experiences. Attractions such as VR, AR, simulators, and interactive gaming systems require frequent upgrades to remain relevant and competitive. Continuous technology refresh cycles increase capital expenditure and may shorten asset lifecycles, placing pressure on return on investment. Operators must balance innovation with cost control while ensuring backward compatibility and minimal downtime during upgrades.

Construction Solutions to Indoor Amusement Center Industry

Types of Solutions Provided in the Construction of Indoor Amusement Centers

Project Stage	Overview	Key Solutions Provided
Location Identification & Feasibility	Focuses on selecting commercially viable and technically suitable locations for indoor amusement centers.	• Catchment and footfall analysis • Assessment of floor load capacity, clear height, and column spacing • Evaluation of power, HVAC, fire safety, and parking availability • Preliminary revenue and feasibility assessment
Layout Planning & Architectural Design	Optimizes space utilization, circulation, and safety while enabling future flexibility and branding integration.	• Zoning of attractions, queues, F&B, retail, admin, and back-of-house • Modular and open-span layouts for easy reconfiguration • Acoustic treatment and impact-resistant finishes • Integration of theming, lighting, and wayfinding
Floor Design & Structural Engineering	Ensures floors and structures can withstand high loads, impact, and continuous dynamic movement.	• Structural design for high live and impact loads • Shock-absorbent, anti-slip, and wear-resistant flooring systems • Reinforced slabs for heavy rides and simulators • Waterproofing and drainage in high-wear zones
Game Selection, Type & Mix Planning	Aligns attraction mix with target demographics, space availability, and revenue objectives.	• Selection of games by age group and ticketing model • Balance between high-dwell and high-throughput attractions • Layout planning for supervision and safety • Scalability for future game upgrades
MEP, Safety & Regulatory Compliance	Integrates building services and safety systems required for high-occupancy amusement environments.	• Zoned HVAC and ventilation systems • High-capacity electrical distribution with redundancy • Fire detection, suppression, smoke control, and emergency lighting • Compliance with building, fire, and accessibility norms
Installation, Testing & Commissioning	Ensures all systems and attractions are safely installed, tested, and ready for operation.	• Installation and alignment of rides and games • Load testing and third-party safety certification • Integration of ticketing, access control, CCTV, and PA systems • Trial operations and final commissioning
Staff Training & Operational Readiness	Prepares the operating team for safe, efficient, and customer-friendly operations.	• Training on ride operations and safety protocols • Emergency response and crowd management procedures • SOPs for daily checks and troubleshooting • Handover of manuals and safety documentation

Maintenance, AMC & Lifecycle Support	Focuses on long-term performance, safety compliance, and predictable operating costs.	• Preventive and corrective maintenance contracts • Periodic safety audits and equipment recertification • Spare parts and technical support• Facility management and uptime monitoring

Insight on the Revenue Model Prevalent & Engagement Terms

The revenue model of Indoor Amusement Centers (IACs) in India is built around multiple, complementary cash flow streams, regardless of ownership or engagement structure, . These streams are designed to balance **high-volume footfall-driven income** with **high-margin ancillary revenues**, improving overall project viability and enabling flexible revenue-sharing arrangements with mall owners, developers, or solution providers.

1. **Admissions Revenue:** Admissions form the **core and most predictable revenue stream**, typically accounting for the largest share of total income. Pricing structures are tailored to Indian consumer spending patterns, with strong emphasis on affordability, flexibility, and value perception.

   Key formats prevalent in India:

   - **Pay-per-use tickets**, where customers pay for individual rides or games; common in arcade-heavy centers and Tier II/III cities.
   - **Time-based passes** (30/60/90 minutes or unlimited play), widely used in trampoline parks and soft-play centers in malls.
   - **Memberships and season passes**, offering discounted repeat access, particularly effective in high-footfall urban catchments.
   - **Dynamic pricing** based on weekdays/weekends, peak hours, school holidays, and festive seasons.

2. **Food & Beverage, Events and Group Bookings:** Ancillary services linked to group engagement significantly enhance per-visitor spending and improve weekday utilization.

   Key revenue components:

   - **In-house F&B sales**, including snack counters, quick-service cafés, and combo meal bundles tied to play packages.
   - **Birthday parties and celebrations**, which are a high-margin segment in India, especially for children aged 4–12 years.
   - **School outings and educational visits**, typically conducted during weekday mornings and early afternoons.
   - **Corporate events, team-building activities, and private bookings**, increasingly popular in metro cities.

3. **Gaming, Merchandising and Experience-Based Add-Ons:** These revenue streams are characterized by **high margins and impulse-driven spending**, making them critical to overall profitability.

   Key revenue components:

   - **Arcade and redemption games**, where customers earn points/tickets redeemable for merchandise.
   - **VR and simulator experiences**, usually priced at a premium on a per-ride basis.
   - **Merchandise sales**, including branded toys, collectibles, and reward items.
   - **Photo services, lockers, and convenience rentals**, generating incremental revenue with minimal operating cost.

4. **Sponsorships, Advertising and Brand Activations:** Brand partnerships are an emerging but fast-growing revenue stream in India, particularly in large-format and mall-anchored IACs.

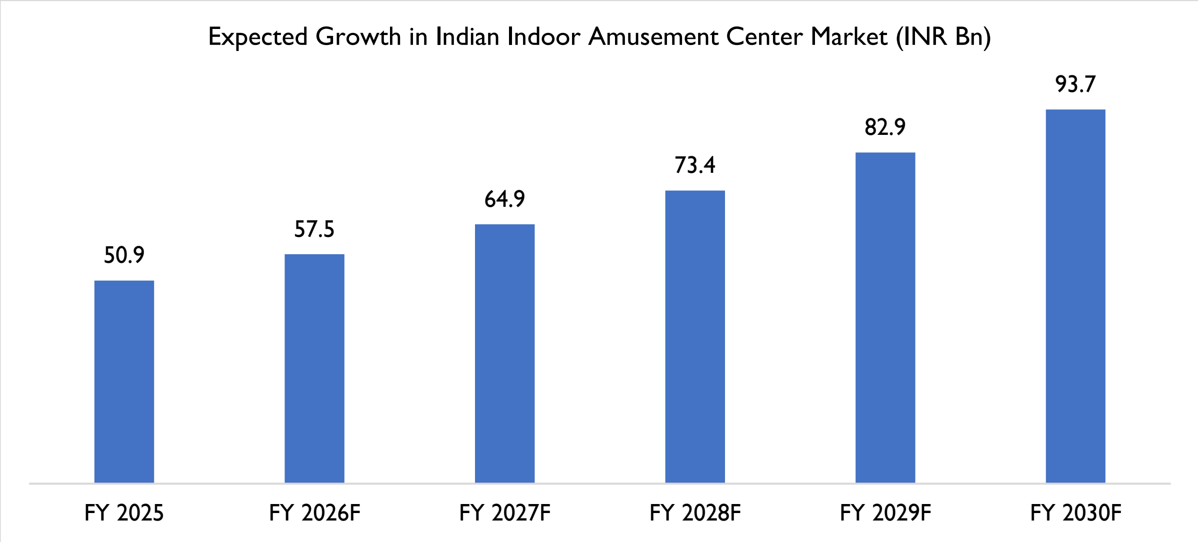
   Key monetization avenues:

   - **In-venue branding** on walls, rides, digital screens, and play zones.
   - **Sponsored zones or attractions**, often aligned with kids' brands, ed-tech platforms, FMCG players, and toy manufacturers.
   - **Seasonal promotions and experiential brand activations**, especially during festivals and school holidays.
   - **Digital integrations**, including in-app branding and ticketing partnerships.

Expected Growth in Indian Indoor Amusement Center Market

The Indian indoor amusement center market is expected to enter a **faster expansion phase over the medium term**, supported by increasing formalization, wider geographic penetration, and deeper integration of entertainment formats within urban leisure infrastructure. The market is transitioning from a consolidation stage toward **scale-driven growth**, with operators focusing on network expansion, standardized formats, and improved unit-level economics across multiple city tiers.

The market is projected to grow from **INR 50.9 billion in FY 2025 to INR 93.7 billion by FY 2030**, implying a **CAGR of 13.0%** over FY 2025–30. Annual market additions are expected to accelerate in absolute terms—from **INR 6.6 billion between FY 2025 and FY 2026** to nearly **INR 10.8 billion between FY 2029 and FY 2030**—indicating increasing scale and momentum as the industry matures.



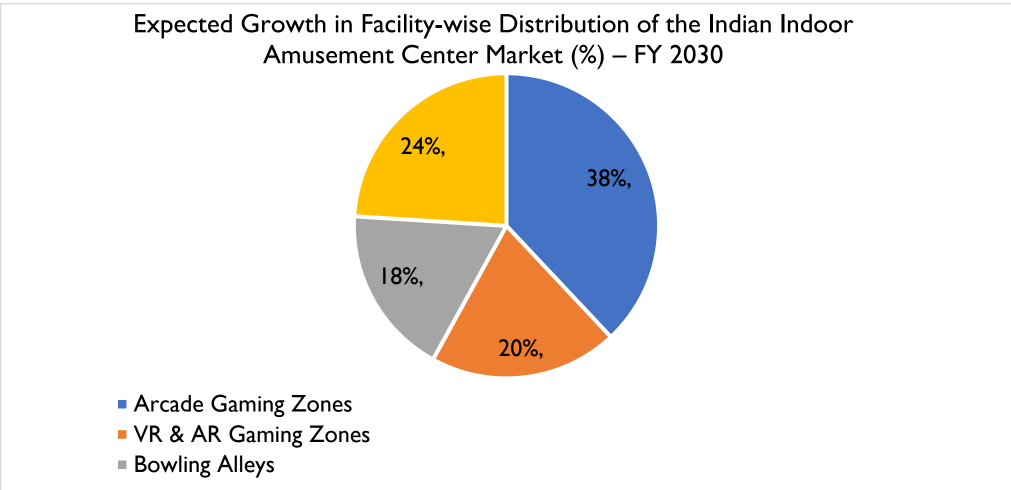
Source: D&B Research Estimates

*F= Forecasted

This higher growth trajectory suggests a shift toward **larger average center sizes, higher revenue realization per location, and greater contribution from non-metro markets**. The expanding market size also reflects improved viability of multi-format centers and enhanced monetization through diversified offerings, supporting sustained capacity additions and stronger long-term growth visibility for the indoor amusement center industry.

Expected Growth in Segment-wise Contribution to the Indoor Amusement Center Industry in India

The projected facility-wise mix of India's indoor amusement center market in FY 2030 indicates a **gradual rebalancing of formats**, with technology-led and immersive attractions gaining prominence alongside traditional offerings. The market is expected to evolve toward **experience depth and differentiation**, rather than being dominated by any single facility type, reflecting changing operator strategies and maturing consumer expectations.



Source: D&B Research Estimates

By **FY 2030**, the indoor amusement center market in India is expected to reflect a **more diversified facility mix**, with arcade gaming zones continuing to lead but at a moderated **38% share**, translating to an estimated **INR 35–36 billion** of market value. This moderation suggests that while arcades remain the backbone of most centers, incremental growth is increasingly being absorbed by newer and more differentiated formats. **VR & AR gaming zones are projected to expand to around 20% of the market (approximately INR 18–19 billion)**, underscoring their growing role as premium, experience-driven attractions rather than mass-volume offerings.

At the same time, **bowling alleys are expected to account for about 18% of the market (around INR 17 billion)**, reflecting steady relevance as group-oriented leisure anchors despite slower capacity additions. The **'Others' category**, comprising trampolines, soft play, laser tag, snow zones, and multi-activity formats, is projected to hold roughly **24% share (about INR 22–23 billion)**, highlighting continued diversification of offerings. Overall, the evolving facility mix indicates a shift toward **technology-intensive and multi-activity formats**, with future growth driven more by **higher realization and experience depth** than by expansion of traditional single-format facilities.

Growing Consumer Demand for Premium & Experiential Entertainment

India's rising income levels and accelerating urbanisation are structurally reshaping consumer spending patterns, directly supporting demand for premium indoor entertainment formats. According to the International Monetary Fund (IMF), India's per capita income increased from **USD ~1.91 thousand in CY 2020 to USD ~2.28 thousand till November 2025**, and is projected to reach **USD ~4.35 thousand by CY 2030**, reflecting a sustained improvement in discretionary spending capacity. This income expansion is particularly pronounced in urban and semi-urban markets, which are the primary catchments for Indoor Amusement Centers.

Simultaneously, India is urbanising rapidly. By **2036, nearly 600 million people (around 40% of the population)** are expected to live in urban areas, compared to 31% in 2011, with cities contributing **almost 70% of national GDP**. This concentration of population, income, and consumption in urban clusters is driving a shift toward **experience-led leisure spending**, especially among millennials and Gen Z consumers who increasingly prefer social, immersive, and lifestyle-oriented entertainment over traditional product consumption.

As a result, developers and operators are witnessing growing demand for **premium, technology-enabled, and well-designed indoor amusement centers** featuring differentiated offerings such as VR-based attractions, immersive play zones, themed environments, curated F&B, and high-quality ambience. From an industry perspective, this premiumisation trend enables **higher revenue per square foot, longer dwell time, and stronger customer loyalty**, while encouraging investment in **high-spec interiors, advanced**

attractions, and professional facility management. This creates significant opportunities for construction and solution providers to deliver **value-added, integrated, and scalable development solutions**, rather than basic fit-out-led offerings.

Expansion into Tier I & Tier II Cities by Existing Operators

The Indian Indoor Amusement Center (IAC) market is witnessing a strategic shift as established operators increasingly expand beyond metro cities into **Tier I and Tier II urban conglomerates**. Saturation of premium mall spaces in metros, coupled with rising rentals and competitive intensity, is pushing operators to explore **underserved but fast-growing consumption centers** such as Jaipur, Indore, Surat, Coimbatore, Lucknow, Nagpur, Kochi, Bhubaneswar, and Chandigarh.

Improving urban infrastructure, increasing mall penetration, rising disposable incomes, and a growing young population in these cities are creating strong demand for **organized, family-oriented indoor entertainment formats**. Existing operators are leveraging their proven formats and brand recall to scale efficiently through **smaller-format centers, modular designs, and capex-optimized attraction mixes**, making Tier I and Tier II markets commercially viable.

Indian Sports Bars & Restaurant Industry:

The sports bars and restaurant industry in India revolves around creating a social and immersive dining experience centred on live sports. These venues go beyond traditional food and beverage services by offering large-screen match screenings, energetic atmospheres, and group-friendly environments where people can gather to watch games together. Unlike regular restaurants, the focus here is on combining entertainment with dining, making them popular among young consumers and working professionals seeking shared leisure experiences. This concept is gaining traction, particularly in urban centers such as Mumbai, Bangalore, Delhi, and Pune, where lifestyle changes, higher disposable incomes, and a vibrant nightlife culture are supporting its growth.

The expansion of this industry is closely linked to the rising popularity of organized sports and professional leagues in India, such as the Indian Premier League, Indian Super League, and Pro Kabaddi League, which have significantly enhanced viewer engagement and fan following. As a result, more consumers prefer watching matches in a collective, high-energy setting rather than at home. The industry is gradually evolving from basic bar setups to experience-driven venues that focus on ambience, themed interiors, and advanced audio-visual technology. Additionally, the concept is beginning to expand beyond major metropolitan areas, reflecting a broader shift toward experiential dining and entertainment-led hospitality formats across the country.

Link Between Sports Culture & Sports Bars in India

The growth of sports bars in India is strongly driven by the rising popularity of organized sports and professional leagues. Over the past decade, sports in India have moved beyond casual viewership to become highly engaging, commercial, and entertainment-focused events. Professional leagues such as the Indian Premier League, Indian Super League, and Pro Kabaddi League have strengthened audience engagement and commercialisation of sports in India. Similarly, the Indian Super League and Pro Kabaddi League have revived interest in football and traditional sports by making them more structured and media-friendly.

As sports consumption becomes more social and experience-driven, audiences increasingly prefer watching matches in a collective environment rather than alone at home. Sports bars provide this shared atmosphere with large screens, crowd energy, and real-time engagement, enhancing the overall viewing experience. This shift reflects changing urban lifestyles where entertainment is integrated with dining and social interaction. As a result, major sporting events often lead to increased footfall in sports bars, clearly showing that the industry's growth is closely linked to the expansion of India's sports culture.

Key Industry Trends

- **Live Match Screenings as a Core Offering:**

Sports bars are increasingly built around live match screenings, supported by large LED screens, projectors, and advanced audio systems. This enables an immersive, stadium-like viewing experience, encouraging consumers to shift from home-based viewing to social environments during major sporting events such as the Indian Premier League.

- **Rise in Group-based Social Consumption:**

Consumer preference is shifting toward group-based experiences, with sports bars attracting visits from friends, colleagues, and social groups. The collective nature of sports viewing, including shared reactions and engagement, is driving higher footfall and repeat visits during live matches.

- **Increasing Focus on Ambience and Themed Experiences:**

Operators are placing greater emphasis on ambience through sports-themed décor, curated lighting, music, and seating arrangements. Many venues are designed around specific sports or team identities, enhancing the overall customer experience and differentiating offerings.

- **Integration of Food, Entertainment, and Social Interaction:**

Sports bars are evolving into integrated experience-led venues that combine dining, live entertainment, and social engagement within a single setting. This convergence is driving consumer preference toward formats that offer multiple experiences simultaneously, rather than standalone dining or viewing options.

- **Digital Engagement and Event-led Monetization**

Operators are increasingly leveraging digital platforms for reservations, promotions, and customer engagement, alongside organizing event-based programming such as match screenings, themed nights, and live performances. This is enhancing customer retention, improving capacity utilization, and driving incremental revenue streams.

Industry Evolution – Indian Sports Bars and Restaurants Industry

Earlier, bars and restaurants in India were primarily focused on serving food and beverages, with limited emphasis on entertainment or overall customer experience. However, the broader food services sector itself has expanded significantly now reflecting its growing economic importance and scale. This growth has created a strong foundation for more specialized and experience-oriented formats such as sports bars to emerge within the industry.

Now, the industry is undergoing a clear transformation toward experience-driven formats. Sports bars are evolving into immersive entertainment spaces that combine dining with live sports viewing through large LED screens, advanced audio systems, and themed environments. This shift is aligned with wider industry trends where urban centers act as key hubs for new dining concepts, supported by strong consumer demand and lifestyle changes. Tier-I cities continue to lead in adopting such formats, but the concept is gradually expanding into smaller cities as well, reflecting the broader shift toward organized, experience-based dining across India.

Examples of Expansion by Key Players (India)

Malabar Group – Playaza *(November 2025):* Malabar Group expanded its indoor entertainment brand **Playaza** with the launch of its **third outlet in Kerala**, located in **Kochi**. This expansion reflects growing interest from **non-entertainment conglomerates** in indoor amusement formats as part of broader retail and lifestyle ecosystems.

BOUNCEinc *(November 2025):* BOUNCEinc expanded its Indian footprint with the opening of a **60,000 sq. ft. indoor trampoline and adventure park** at **M3M Corner Walk, Sector 74, Gurugram**. Developed in partnership with **M3M India**, the project involved the conversion of a portion of underutilized cinema space into a multi-activity indoor recreation zone. This expansion followed earlier launches in **Mumbai and Bengaluru**, indicating a phased move into NCR and other high-density urban clusters.

Wonderla Holidays Ltd. *(Announced in November 2025; Opening December 2025):* Wonderla Holidays announced the development of **Wonderla Chennai**, its fifth amusement destination in India, with an investment exceeding **₹611 crore**. While primarily an outdoor park, the project underscores the **continued expansion of organized amusement operators into new urban corridors**, particularly along emerging infrastructure-led growth zones such as **Old Mahabalipuram Road**.

Shott Amusement Limited *(May 2025):* Shott Amusement expanded its presence with the opening of a **25,000 sq. ft. indoor entertainment center** at **Nesco, Mumbai**. The facility includes bowling, laser tag, VR and arcade games, dining areas, and banqueting spaces. While located in a metro city, the format reflects a broader industry trend toward **multi-format, premium indoor leisure destinations** that combine entertainment with social and corporate engagement.

SkyJumper Sports and Amusements Pvt. Ltd. *(May 2025):* SkyJumper announced the launch of **two new indoor amusement parks** in **Ambernath (Maharashtra)** and **Bathinda (Punjab)**, taking its total operational footprint to **20 centers across India**, with plans to add **over 10 additional parks by end-2025**. The Ambernath facility, spanning **10,000 sq. ft.**, represents a typical **Tier II city format**, combining trampoline arenas, laser tag, soft play zones, and F&B offerings with moderate capital investment.

Universal Studios | Bharti Real Estate *(April 2025 – Reported):* Universal Studios is reportedly in discussions with Bharti Real Estate to establish its **first indoor theme park in India** within Bharti's upcoming **3 million sq. ft. mixed-use mall near Delhi airport**. The mall, scheduled for completion by **mid-2027**, is expected to allocate around **300,000 sq. ft.** for the indoor amusement park. This development reflects growing interest from **global entertainment brands** in India's large-format, mall-led indoor leisure infrastructure.

Competitive Landscape

India's indoor amusement center industry competitive landscape spans both **operators and construction solution providers**, creating a multi-layered ecosystem that is still evolving toward maturity. On the operator side, the market remains **highly fragmented**, with a mix of national chains, regional players, and single-location centers. Scale advantages exist, but competition is largely shaped by **location quality, format mix, and execution capability**, rather than sheer size. On the supply side, construction and fit-out for indoor amusement centers is a **specialized niche**, distinct from conventional retail or commercial interiors due to higher safety, structural, and integration requirements.

Organized operators such as **Smaaash, Timezone, Fun City, Shott Amusement, Bounce Inc., SkyJumper, and Microgravity** compete through standardized formats, multi-city rollouts, and professional management. Their competitive positioning is strengthened by partnerships with **specialized turnkey construction and design–build firms** that can deliver concept-to-commissioning solutions, including layout planning, structural modifications, attraction integration, and safety compliance. These integrated construction solution providers gain repeat business and long-term relationships by aligning closely with operators' expansion strategies and mall development timelines.

At the mid-market level, **regional amusement operators and regional construction contractors** form an important competitive layer. Regional operators customize offerings to local demand and pricing sensitivity, particularly in Tier II and Tier III cities. Correspondingly, regional contractors and interior fit-out firms compete on **cost efficiency, local execution strength, and faster turnaround**, often handling standardized formats such as arcades, soft play, trampoline parks, and bowling centers. Their flexibility and familiarity with local regulations make them preferred partners for expansion beyond metros.

Competition is further intensifying due to **convergence with adjacent leisure formats**—cinemas, multi-entertainment complexes, sports recreation centers, and dining-led experience hubs—which increasingly incorporate gaming and immersive elements. This convergence raises expectations for both operators and construction solution providers to continuously **innovate, optimize space, and upgrade technology**, while managing capital efficiency. Overall, the competitive landscape is gradually shifting toward **greater consolidation, integrated execution models, and experience-led differentiation**, where success depends on the combined strength of operators and their construction and design partners.

Analysis of factors shaping competition

➢ **Specialization in Amusement-Specific Design & Engineering**

Competition is strongly influenced by a provider's ability to handle **amusement-specific engineering requirements**, including high live loads, vibration control, ceiling height optimization, fire and safety compliance, and integration of ride foundations. Providers with prior experience in amusement, leisure, or sports infrastructure enjoy a clear advantage over general commercial contractors.

➢ **Capability to Deliver End-to-End Turnkey Solutions**

Construction firms offering **integrated design–build services**—covering concept design, attraction zoning, civil works, interiors, MEP integration, and commissioning—are better positioned competitively. Developers and operators increasingly prefer single-point accountability to reduce coordination risks, especially in mall-based or time-sensitive projects.

➢ **Coordination with Equipment and Ride Suppliers**

Effective collaboration with **domestic and international amusement equipment manufacturers** is a key differentiator. Construction solution providers that understand equipment specifications, installation tolerances, and safety certification requirements are better equipped to ensure smooth execution, reducing delays and post-installation rework.

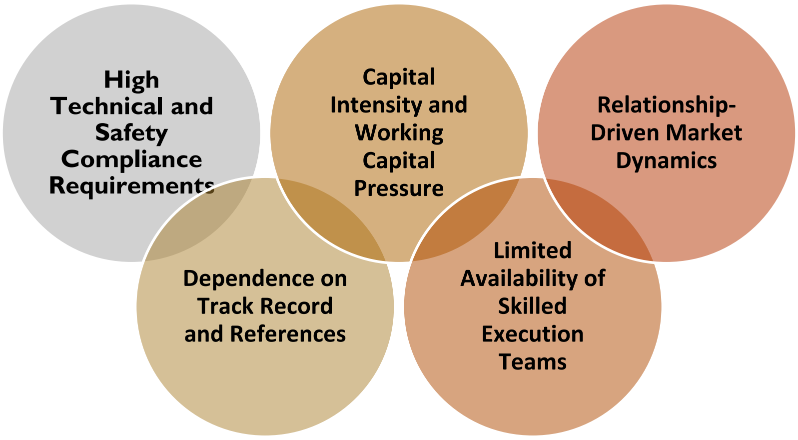
➢ **Speed of Execution and Phased Delivery Capability**

Project timelines in indoor amusement developments are often tight due to mall launch schedules or seasonal demand considerations. Providers capable of **fast-track execution, phased handovers, and night-shift construction** gain a competitive edge, particularly in retrofit and redevelopment projects.

➢ **Cost Optimization and Value Engineering**

As operators expand into Tier I and Tier II cities, competition increasingly hinges on **cost efficiency without compromising safety or quality**. Providers that offer value engineering—through modular construction, standardized detailing, and material optimization—are better positioned to win repeat projects.

Entry Barriers and Structural Constraints in the Sector



- **High Technical and Safety Compliance Requirements**

Indoor amusement centers must comply with **stringent safety norms**, including structural integrity, fire safety, equipment certification, and child safety standards. The technical complexity involved acts as a barrier for new entrants lacking specialized knowledge or prior execution experience.

- **Dependence on Track Record and References**

Developers and organized operators place strong emphasis on **past project credentials**. New or inexperienced construction firms face difficulty entering the sector without proven references, as amusement projects carry higher operational and reputational risks than conventional retail fit-outs.

- **Capital Intensity and Working Capital Pressure**

Construction of indoor amusement centers often involves **high upfront material procurement, customized fabrication, and extended payment cycles**, especially under revenue-share or milestone-based contracts. This creates entry barriers for smaller firms with limited balance sheet strength.

- **Limited Availability of Skilled Execution Teams**

The sector requires **specialized site teams** familiar with themed interiors, soft play installation, trampoline systems, and ride foundations. Scarcity of trained manpower and high dependence on experienced supervisors restrict rapid scaling for new entrants.

- **Relationship-Driven Market Dynamics**

The market operates significantly on **long-term relationships between operators, developers, and solution providers**. Repeat contracts, preferred-vendor arrangements, and early-stage design involvement create high switching costs, making it difficult for new players to displace established providers.

Company Profiling:

Company Overview:

CSML (operating as CSML Group) is an India-based company engaged in providing **amusement and family entertainment solutions**, with operations spanning **consulting, equipment distribution, installation, and post-installation support** for indoor entertainment destinations. The Company operates as an **amusement equipment distributor and turnkey solution provider**, serving customers across **India** and **Singapore.**

CSML positions itself as a provider of **end-to-end amusement infrastructure**, supporting the development of indoor entertainment centers through equipment sourcing, layout planning, logistics, installation, and ongoing operational support. Its offerings cater to a wide range of entertainment formats, including **family entertainment centers (FECs), hotels and resorts, restaurants and bars, corporate spaces, private residences, clubhouses, and condominiums**

Singapore Operations

The Company operates in Singapore through its wholly owned subsidiary, CSML Group Pte. Ltd., incorporated on January 7, 2025. The subsidiary is engaged in the wholesale of sporting and other recreational goods and serves as the Company's vehicle for distributing Brunswick bowling equipment and related amusement solutions in Singapore, including planning, equipment supply, installation, and after-sales support.

Business Operations and Service Scope:

CSML operates as a **single-window solution provider** for amusement and gaming projects. Its operational model includes **consultancy, product selection, distribution, logistics, installation, training, and after-sales support**, enabling customers to implement indoor entertainment concepts with integrated execution support

The Company follows a structured operating approach that includes:

- Conceptualization and feasibility assessment
- Equipment selection based on space, demographics, and commercial objectives
- Import logistics and warehousing
- On-site installation and technical training
- Post-installation operational and support services

Product and Service Portfolio

CSML offers a diversified portfolio of amusement and entertainment products, sourced through partnerships with global manufacturers

Products and Solutions Offered

- **Bowling Solutions (Brunswick Bowling Systems)**, including traditional and duckpin bowling lanes
- **Arcade Games**, including redemption games, video games, ticket-based games, and skill-based games
- **Soft Play Areas** and **Indoor Play Structures**
- **Trampoline Parks**
- **Laser Tag Systems**
- **Bumper Cars**
- **Go-Karting Systems**
- **Debit Card & Cashless Gaming Systems**
- **Spares, Consumables, and Accessories**

The Company also provides **customized amusement solutions** aligned with customer space constraints, budget considerations, and target demographics.

Technology and Partner Ecosystem

CSML operates through partnerships with multiple **international amusement equipment manufacturers**, enabling access to globally recognized brands and standardized equipment offerings

Its partner ecosystem includes suppliers of bowling systems, arcade games, karting solutions, and amusement rides, supporting product sourcing and technology integration.

The Company undertakes **installation, calibration, and training** activities to support the operational readiness of installed equipment.

Customer Segments Served

CSML serves a diversified customer base across multiple end-use segments, including:

- **Family Entertainment Centers (FECs)**
- **Restaurants and Bars**
- **Hotels and Resorts**
- **Corporate and Commercial Spaces**
- **Private Homes**
- **Clubhouses and Residential Developments**

The Company has executed projects for customers across retail, hospitality, real estate, and corporate segments, supporting both new installations and expansion projects

Geographic Presence

CSML operates primarily in **India**, with its corporate office located in **Mumbai, Maharashtra.** In addition to its domestic operations, the Company has an international presence in Singapore, supporting regional project execution and partner coordination

Operating Model and Execution Capabilities

CSML follows a **project-based execution model**, with revenue linked to equipment supply, installation milestones, and support services. The Company maintains in-house teams and collaborates with logistics and technical partners for import handling, warehousing, and on-site execution.

Its operating framework supports:

- Multi-location project execution
- Coordination with global suppliers
- Installation and commissioning activities
- Post-installation operational support

Peers Profiling:

Company Name	Overview
Shott Amusement Limited.	Shott is an urban entertainment and gaming company headquartered at Dumas Road, Piplod, Surat, Gujarat, India, with locations in cities including Mumbai, Pune, Hyderabad, and Surat. Its services include interactive entertainment such as bowling, trampoline activities, go-karting, virtual reality experiences, laser tag, arcade gaming, as well as food and beverage offerings and party hosting for birthdays, corporate events, and other celebrations. The company operates multi-zone gaming and entertainment facilities across its centers, providing access to a range of games and experiences. Shott serves customer segments including families, groups of friends, corporate clients booking event packages, and individual visitors seeking recreational gaming and party services.
Timezone Entertainment Private Limited.	Timezone is a family entertainment and gaming center brand that was established in 1978 in Perth, Australia and is now part of The Entertainment & Education Group (TEEG), operating across multiple countries including Australia, India, Indonesia, New Zealand, the Philippines, Singapore and Vietnam. In India, Timezone operates a network of venues in cities such as Mumbai, Bengaluru, Hyderabad, Delhi, Pune, and others, offering services that include a variety of

	interactive entertainment options such as arcade gaming, virtual reality experiences, bowling, laser tag, and related attractions, along with event and party hosting. The company's entertainment centers function as multi-activity venues that provide games and play experiences for different age groups. Timezone serves customer segments that include families, children, teenagers, young adults, and groups seeking indoor entertainment and social activities in mall and leisure environments.
Touchmagix Media Private Limited	TouchMagix Media Private Limited, incorporated in December 2009, is an Indian experiential technology and entertainment solutions company headquartered in Pune, Maharashtra, India. The company designs, develops, and delivers interactive arcade games, immersive digital experiences, and interactive display technologies for use in amusement centers, family entertainment centers, bowling and leisure venues, and experiential spaces worldwide. Its product portfolio includes skill-based coin-operated arcade and redemption games alongside interactive floor, wall, and multi-touch display systems, engineered to enhance engagement through intuitive gameplay and immersive experiences. TouchMagix combines its global manufacturing footprint in the United States with a world-class R&D facility in Pune, focusing on high repeat-value entertainment offerings for operators in the amusement and experiential technology ecosystem, catering to clients across more than 40 countries.

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Financial Snapshot:

Particular	Unit	Complete Sports and Management India Private Limited				Shott Amusement Limited			Timezone Entertainment Private Limited			Touchmagix Media Private Limited		
		As at end for Fiscal				As at end for Fiscal			As at end for Fiscal			As at end for Fiscal		
		December 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total Revenue	₹ in Crore	61.31	111.42	82.61	31.09	44.29	43.87	42.53	535.94	471.09	331.03	26.64	25.79	55.21
Revenue From Operations	₹ in Crore	55.36	110.35	81.21	30.87	37.15	38.33	40.19	528.58	466.04	326.98	25.22	23.95	52.52
EBITDA	₹ in Crore	8.83	16.02	14.09	2.56	18.90	19.81	18.00	231.42	208.51	135.57	6.37	4.77	24.86
EBITDA Margin	in %	15.95%	14.52%	17.35%	8.30%	50.88%	51.69%	44.80%	43.78%	44.74%	41.46%	25.24%	19.92%	47.33%
PAT	₹ in Crore	6.02	11.22	9.98	2.28	-2.46	2.07	5.10	26.79	44.34	17.08	4.22	3.19	18.17
PAT Margin	in %	10.88%	10.17%	12.29%	7.37%	-6.61%	5.40%	12.68%	5.07%	9.51%	5.22%	16.71%	13.33%	34.60%
Debt Equity Ratio	In Times	0.27	0.09	0.15	0.37	1.46	0.60	0.89	1.61	1.70	1.80	0.00	0.00	0.00
Return on Equity	in %	19.68%	44.36%	70.93%	55.62%	-24.98%	16.90%	50.34%	18.09%	35.74%	21.17%	9.41%	7.85%	48.34%
Return on Capital Employed	in %	22.48%	58.25%	86.40%	44.27%	8.91%	37.49%	47.03%	25.51%	32.61%	25.78%	12.67%	10.66%	65.37%
Key Operating Cost	₹ in Crore	52.59	95.42	68.59	28.62	42.13	36.53	33.53	437.23	360.34	272.81	20.78	21.45	30.64
Interest Coverage Ratio	In Times	21.66	31.36	47.53	12.57	0.54	2.27	2.83	1.54	2.16	1.66	453.97	180.76	210.56
Return on Assets	in %	9.90%	15.78%	20.47%	9.53%	-1.81%	1.65%	5.80%	2.78%	5.60%	2.81%	8.37%	7.35%	39.21%

Note: We have considered Consolidated Financials.

For Shott Amusement Limited, Timezone Entertainment Private Limited and Touchmagix Media Private Limited dec 2025 balance sheet is not available on MCA.

Formulas:

Parameter	Formula
Total Revenue	Total Income includes Revenue from Operations and Other income.
Revenue From Operations	Revenue from operations means the revenue from operations as appearing in the restated statement of profit & loss for the relevant year/period.
EBITDA	PBT + Finance Cost + Depreciation
EBITDA Margin	EBITDA/Revenue from Operations
PAT Margin	PAT /Revenue from Operations
Debt Equity Ratio	Short-term Borrowing +Long-Term Borrowing/Shareholder Equity
Return on Equity	PAT /Shareholder Equity
Return On Asset	PAT/Total Asset
Return of Capital Employed	(PBT + Finance Cost) / (Shareholder's Equity + Short Term Borrowings + Long Term Borrowings)
Interest Coverage Ratio	(EBITDA-Depreciation) / Finance Cost
Key Operating Cost	Total Expenses – Finance Cost