WONDERLA HOLIDAYS LIMITED

September 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	309.00 (Reduced from 315.00)	CARE AA-; Stable	Reaffirmed
Long-term / Short-term bank facilities	50.00	CARE AA-; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	6.00	CARE A1+	Assigned
Short-term bank facilities	15.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of WONDERLA HOLIDAYS LIMITED (Wonderla) reflects the company's stable performance over time, supported by experienced promoters with over two decades of industry expertise and a strong credit profile that provides financial flexibility. The company benefits from strong brand recall and an established operational track record, further reinforcing its market position. The company enjoys one of the highest margins in the industry, driven by in-house ride design and manufacturing capabilities to achieve cost efficiency. However, operating in the amusement park industry, the company remains exposed to inherent risks such as revenue cyclicality, capital-intensive nature of operations, and high dependence on discretionary spending. The company is also coming up with a new park in Chennai, the successful completion within envisaged time and cost and stabilisation of which remains a rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Healthy foot falls in all locations with consistent improvement in average revenue per user (ARPU) at ~10-15%.
- Significant increase in sales on sustainable basis, while maintaining profit before interest, lease, depreciation, and tax (PBILDT) margins ~40%.
- Successfully completing the planned projects and achieving anticipated revenue and cashflows without major cost or time overrun.

Negative factors

- Increase in debt resulting in net debt/PBILDT increasing over 1x.
- Unexpected delay in execution of projects resulting in material cost or time overrun or failure to achieve anticipated sales from the newly inaugurated projects, resulting in reduction of PBILDT margin below 25%.
- Over 20% decline in revenue driven by a sustained reduction in footfalls and/or ARPU.

Analytical approach: Standalone

The company does not have subsidiaries, hence, the standalone approach is considered.

Outlook: Stable

The stable outlook reflects CARE Ratings Limited (CareEdge Ratings) expectation that the company will continue to benefit from the presence of experienced promoters and strong brand recall.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

Wonderla's promoters have over two decades of experience in the amusement park industry. Over the years, the company attracted a large and growing customer base and enjoys strong brand recall. The company was founded by Kochouseph Chittilappilly, who is also the founder of V-Guard Industries (in 1977). Arun K Chittilappilly (son of Kochouseph Chittilappilly), is currently the Managing Director of Wonderla and has a master's in industrial engineering from Industrial Research Institute of

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Swinburne University (IRIS), Melbourne, Australia. He has been responsible for expanding Wonderla outside Kochi. The company also has a highly skilled management team, who are qualified professionals with multiple decades of experience with a dedicated workforce processing a deep understanding of the industry's dynamics. The company has an in-house ride designing team and manufacturing capabilities, which enables them to modify rides to maximise customer experience and easy maintenance and upgradation, resulting in operational efficiencies.

Strong brand recall and established track record of operations

The company has an established track record of over 20 years in the amusement park industry. While most of its competitors have not been able to successfully sustain, Wonderla has generated and accumulated strong operating cash flows, which were used to undergo expansion in new cities such as Hyderabad, Bhubaneshwar, and Chennai. Some unique strategies that the management operates include: 1. Funding capex through internal accruals. 2. In-house team to modify rides per customer preference. 3. Constantly invest in modifying old rides to attract footfalls. 4. Focusing on quality, safety and ensuring proper maintenance of rides. The company has a strong market position in south India and has expanded in the eastern region as well. It is one of the largest amusement park operators in India. The brand also has a strong recall value with the local population.

Healthy capital structure and strong debt coverage indicators

The company's capital structure remained robust as of March 31, 2025, reflecting its strong financial position. The company does not have term debt or working capital borrowings in its books. In FY25, the company raised ₹540 crore by qualified institutional placements (QIP) issue which further strengthened its net worth base to ~₹1718 crore (PY: ₹1094.20 crore) as on March 31, 2025. However, presence of minimal lease liability (~₹5 crore) as on March 31, 2025. Key credit metrics remain comfortable, with total debt to gross cash accruals (TD/GCA) at 0.04x and interest coverage at 82.01x in FY25, compared to 0.03x and 96.06x respectively in FY24. CareEdge Ratings notes that the company's conservative capital structure, supported by strong profitability and healthy cash flows, provides significant financial flexibility and offers adequate headroom to raise additional debt for future expansion plans without straining overall credit profile.

Healthy operating performance

The company's performance has remained strong over time. The amusement park industry is seasonal, with the first quarter (April–June) being the strongest due to summer vacations driving higher visitor numbers, while the monsoon quarter (July–September) usually sees lower footfall. Despite these seasonal variations, the company has achieved steady growth each year and maintained robust profit margins in the industry. In FY25, the company witnessed slight moderation in its revenue by ~5%, from ₹483 crore in FY24 to ₹459 crore in FY25. The degrowth was primarily due to lower footfalls caused by muted discretionary spending and natural disruptions such as floods in Andhra Pradesh and Telangana and landslides in Kerala. Although average ARPU improved moderately by ~1%, from ₹1,430 to ₹1,449, PBLIDT margin declined significantly from 47% in FY24 to 32% in FY25. Dip in margins was mainly driven by reduced revenue, higher operating expenses such as marketing, promotional activities, and employee costs, and increased costs associated with new park opening, which weighed on overall profitability. In Q1FY26, the company reported revenue of ~₹179 crore, improved marginally from ~₹177 crore reported in Q1FY25. Footfalls decreased to 9.17 lakh from 10.02 lakh in the same quarter last year. However, ARPU improved by ~6% from Q1FY25 to ₹1775. CareEdge Ratings expects that opening of the Chennai Park in December 2025, and the Bhubaneswar Park (opened in May 2024), will further support the company's growth trajectory. These parks are likely to drive higher customer footfall and enhance revenue generation, which, with efficient cost management, is expected to positively impact PBILDT margins.

Successful completion of QIP

in December 2024, the company successfully raised ₹540 crore through QIP. As part of the issue, ~0.68 crore equity shares of face value ₹10 each were allotted at a premium of ₹780 per share. The primary objective of this fundraise was to partly finance the upcoming Chennai project, with an allocation of ₹390 crore earmarked for this purpose. Balance proceeds are planned to be utilised towards other ongoing capital expenditure requirements and for general corporate purposes, strengthening the company's growth pipeline and financial flexibility.

Key weaknesses

Capital intensive business requiring ongoing investments

Running an amusement park is a capital-intensive venture. Typical capex for a new park is ~₹200-500 crore, including land cost. It takes 2-4 years to complete construction and two years to achieve breakeven, provided there are no major economic downturns. Investment has to be made upfront, while operating cash inflows will start flowing in after 2-3 years. The installed rides also involve continuous maintenance and upgradation in line with changing customer preferences. The maintenance costs are ₹25-30 crore (~5% of revenue). To attract more customers and increase footfalls, the company has to constantly invest in new machines or modify old ones and adapt themselves to changing customer needs. Wonderla earmarks 10% of the topline for adding new rides.

Cyclical cash inflows with high dependency on discretionary spending

The amusement park industry is highly cyclical with volatile cashflows. Wonderla's performance shows a seasonal pattern, with Q1 (summer vacation period) contributing the highest share of revenue (~38%) and PBILDT (~50–60%), while Q2 (monsoon + schools reopening) remains structurally weak at ~15% of revenue with negligible or negative profitability. Q3 (festive season) and Q4 (year-end vacation) contribute moderately at ~25–30% and ~20–22% of revenue, respectively. While revenue and footfalls across quarters trend in similar fashion, profitability swings are sharper than revenue because of the presence of high fixed costs. Seasonal downturns have been hurting margins disproportionately.

Project execution and take off risk, despite same being mitigated given past successful track record

The company has been slowly diversifying into other states and has recently inaugurated a new park in Bhubaneshwar in May 2024 (three months before its initial launch date). The company is also currently undertaking construction of new park in Chennai, and actively exploring opportunities to establish parks in other strategic geographies. The total project cost for Chennai (including taxes) is ~₹610 crore, of which, the company incurred ~₹480 crore till June 2025. The project is expected to commence from December 2025 (soft opening) and full launch by April/May 2026.

Liquidity: Strong

The company's liquidity position is strong marked by healthy cash accruals of ~140 crore in FY25 against no term debt and working capital borrowings. The company has healthy cash and liquid investments of ~₹558 crore (includes the balance QIP proceeds of ~₹388 crore) as on March 31, 2025. In Q1FY26, the company further utilised ~₹126 crore of the remaining QIP proceeds towards the Chennai project. Remaining capex commitment for the ongoing Chennai project is ~₹130 crore and other routine capex are expected to be ~₹60-70 crore in FY26. Given the healthy cash balance and the expected cash accruals of over ₹150 crore every year, CareEdge Ratings expects company to easily meet its capex requirement without relying on external borrowings.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

The main environmental concerns for amusement parks are their energy-intensive and resource-heavy nature of operations. Given the water shortages in urban areas could disrupt supply of water-based theme parks. Amusement parks offer recreational benefits and provide job opportunities within communities. Social factors include risks related to quality and proper maintenance of rides as failure to do so might result in fatal accidents, loss of reputation, financial losses, legal impact among others. Focusing on inclusivity in equipment design can help these parks stand out. Governance is a universal principle that impacts companies across all regions and sectors, including amusement parks.

Wonderla is actively reducing its carbon footprint by increasing renewable energy usage, with ~50% of its power needs met through captive solar plants. The company has implemented solar power plants and water heating systems across Kochi, Bangalore, Hyderabad, and its resort, supported by an ESG roadmap targeting further reductions in electricity-related emissions. It follows the 4R principle (Reduce, Recycle, Reuse, Replenish) for efficient water management, using recycling systems, rainwater harvesting, and ponds with 100 MT/day capacity. The company has implemented a comprehensive Health, Safety, and Environment (HSE) management system across all parks, following the "Plan-Do-Check-Act" cycle for hazard identification and risk mitigation. A safety and hygiene Plan (SHP) ensures compliance with occupational health and safety (OHS) regulations and addresses potential hazards in park operations. Regular audits, safety tours, and employee training are conducted to maintain safety standards. The company has established an Anti-Bribery and Anti-Corruption (ABAC) Policy to promote ethical business conduct and compliance with applicable laws. The company also has policies to manage conflicts of interest and related-party transactions, requiring disclosures and abstention from decisions, where personal interests may conflict with the company's interests.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector

[Service Sector Companies](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Amusement parks/ other recreation

Wonderla was incorporated in 2002 with the Registered Office at Bengaluru and is engaged in amusement parks and resorts. In 2005, the company started its first amusement park at Bengaluru. In 2008, pursuant to a scheme of amalgamation, Veega Holidays and Parks Private Limited, an entity under common control, which was running an amusement park at Kochi since April 2000, merged with the company. The Park at Hyderabad was commissioned in 2016. In May 2024, the company inaugurated its Bhubaneshwar Park. As on August 2025, the company operates four parks (Kochi, Hyderabad, Bangalore, and Bhubaneshwar). There is also an ongoing project in Chennai at ~₹610 crore expected to be completed by December 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	483.04	458.57	179.06
PBILDT	229.28	148.64	87.50
PAT	157.96	109.27	52.57
Overall gearing (times)	0.01	0.00	NA
Interest coverage (times)	96.06	82.01	NM

A: Audited UA: Unaudited; NA: Not available, NM: Not meaningful, Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - ST-Bank Overdraft	-	-	-	-	1.00	CARE A1+
Fund-based-Working capital facilities	-	-	-	-	25.00	CARE AA-; Stable
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	50.00	CARE AA-; Stable / CARE A1+
Non-fund-based - ST-BG/LC	-	-	-	-	15.00	CARE A1+
Non-fund-based - ST-Forward Contract	-	-	-	-	5.00	CARE A1+
Term Loan-Long Term	-	-	-	Proposed	284.00	CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	284.00	CARE AA-; Stable	-	1)CARE AA-; Stable (04-Oct-24)	-	-
2	Fund-based-Working capital facilities	LT	25.00	CARE AA-; Stable	-	1)CARE AA-; Stable (04-Oct-24)	-	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	50.00	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (04-Oct-24)	-	-
4	Non-fund-based - ST-BG/LC	ST	15.00	CARE A1+	-	1)CARE A1+ (04-Oct-24)	-	-
5	Fund-based - ST-Bank Overdraft	ST	1.00	CARE A1+				
6	Non-fund-based - ST-Forward Contract	ST	5.00	CARE A1+				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - ST-Bank Overdraft	Simple
2	Fund-based-Working capital facilities	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple
4	Non-fund-based - ST-BG/LC	Simple
5	Non-fund-based - ST-Forward Contract	Simple
6	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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