WONDERLA HOLIDAYS LIMITED

August 27, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	20.00	CARE AA-; Positive	Reaffirmed; Outlook revised from Stable
Long-term bank facilities	RBI	289.00	CARE AA-; Positive	Reaffirmed; Outlook revised from Stable
Long-term / Short-term bank facilities	RBI	50.00	CARE AA-; Positive / CARE A1+	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	RBI	21.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in outlook for the long-term rating of WONDERLA HOLIDAYS LIMITED (Wonderla) factors in the improvement in operating metrics in FY26 and Q1FY27, successful commissioning of Chennai Park in December 2025, without any cost overrun and comfortable liquidity position. Ratings continue to draw comfort from the company's strong operational and financial profile, supported by experienced promoters with over two decades of industry expertise, strong brand recognition, and an established track record in the amusement park industry. The company maintains one of the highest operating margins in the sector, aided by its in-house ride design, and manufacturing capabilities, which enhance cost efficiencies and support profitability. The Chennai Park, Wonderla's fifth park, was commissioned on December 02, 2025, and completed at a cost of ₹570-580 crore, lower than the approved budget of ₹611 crore, demonstrating prudent project execution. The park witnessed encouraging traction since commencement, contributing ₹41.4 crore in revenue during its first four months of operations in FY26 and ₹45 crore in Q1FY27, with visitor footfalls broadly tracking the performance of the company's established parks, despite being in its first year of operations.

However, operating in the amusement park industry, the company remains exposed to inherent risks, such as revenue cyclicality, capital intensive operations, and high dependence on discretionary spending.

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).
- Improvement in return on capital employed (ROCE) to 12%.

Negative factors

- Increase in debt resulting in net debt/ profit before interest, lease rentals, depreciation, and taxation (PBILDT) increasing over 1x on a sustainable basis.
- 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, standalone approach is considered.

Outlook: Positive

The positive outlook factors in CARE Ratings Limited's (CareEdge Ratings') expectation that the company will sustain its improved operating performance and credit profile in the medium term, supported by the ramp-up in Chennai Park and comfortable liquidity. Outlook may be revised to stable in case the improvement is not sustained as envisaged.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.
[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

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 has 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 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 two decades in the amusement park industry. Over the years, it has generated healthy operating cash flows, which have supported its expansion into new markets, including, 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, 2026, reflecting its strong financial position. The company does not have term debt or working capital borrowings in its books, however; there is minimal lease liability (~₹6 crore) as on March 31, 2026. In FY25, the company raised ₹540 crore by qualified institutional placements (QIP) issue, which further strengthened its net worth base to ~₹1792 crore (FY24: ₹1094.20 crore) as on March 31, 2026. Key credit metrics remain comfortable, with total debt to gross cash accruals (TD/GCA) at 0.04x and interest coverage at 96.81x in FY26, compared to 0.04x and 82.01x, respectively, in FY25. 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 fund for future expansion plans without straining overall credit profile.

Healthy operating performance, despite recent moderation in profitability margins

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 FY26, the company witnessed 13% increase in revenue from ₹458 crore in FY25 to ₹518 crore in FY26. The increase was primarily owing to commencement of operations in Chennai Park in December 2025. ARPU improved by ~6%, from ₹1,449 to ₹1,530 while footfalls also improved 6% from 30 lakhs to 32 lakhs. PBLIDT margin remained in line with FY25 levels at 32%. While PBILDT margins remained healthy, they are below FY24 level of 47%, mainly driven by higher operating expenses, such as marketing, promotional activities, and employee costs, and increased costs associated with new park opening.

In Q1FY27, Wonderla registered a 41% increase in total operating income (TOI) at ₹252 crore (in Q1FY26: ₹179 crore), owing to the additional revenue from the newly launched Chennai park (Sales of ₹45 crore), higher visitor footfalls and improved guest spending driving, its strongest first-quarter performance. Footfalls increased 33% to 12 lakhs (Chennai Park contributed 2.42 lakhs in Q1FY27) and ARPU increased 7% compared to Q1FY26.

CareEdge Ratings expects that the newly opened parks in Chennai and Bhubaneswar will further support the company's growth trajectory in the next two years. 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 inauguration of the Chennai Park

Wonderla commissioned its fifth and largest park at Chennai in Q3FY26, opening to the public on December 02, 2025, in line with the announced schedule. The project was completed at a total cost of ~₹570-580 crore against a sanctioned budget of ₹611 crore. The successful commissioning of the greenfield asset within the approved cost and timeline provides comfort on the management's project execution capabilities, and moderates execution risks associated with future expansion projects.

The park contributed revenue of ₹41.4 crore in FY26, from four months of operation and ₹45 crore in Q1FY27, with footfalls already tracking broadly in line with the mature parks, despite being in its first year. Continued ramp-up at Chennai, alongside stable performance at the legacy assets, is expected to underpin the revenue growth trajectory in FY27 and FY28, ahead of the next wave of capacity additions.

Key Weakness

Capital intensive business requiring ongoing investments

Running an amusement park is a capital-intensive venture. Typical capex for a new park is ~₹200-600 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. Installed rides also involve continuous maintenance and upgradation in line with changing customer preferences. 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 (~45–60%), 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.

Liquidity: Strong

The company's liquidity position is strong marked by healthy cash accruals of ~167 crore in FY26, against no term debt and working capital borrowings. The company has healthy cash and liquid investments of ~₹424 crore as on March 31, 2026 (~₹500-520 crore in June 2026). Routine capex are expected to be ~₹60-90 crore in the next 2-3 years. Given the healthy liquid asset balance and the expected cash accruals of over ₹200 crore every year, it is expected that the company will be easily able to meet its capex requirement without relying on external borrowings. The company does not have scheduled term loan repayments as of August 2026 and no major capital expenditure plan announced. Leverage and coverage ratios are also comfortable with nominal finance lease of ₹ five crore and vehicle loans of ₹ one crore compared to a net worth of ₹1792 crore.

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 the supply of water-based theme parks. Amusement parks offer recreational benefits and provide job opportunities within communities. Social factors include risks related to quality, customer safety, and proper maintenance of rides as failure to do so might result in fatal accidents, loss of reputation, financial losses, and legal impact, among others. Reputational risk is acute in the social media era, where a single ride malfunction, captured, and circulated as user-generated video within minutes, can depress footfall well beyond the actual safety impact of the incident. 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 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. In December 2025, the company inaugurated Chennai park. As on August 21, 2026, there is no major capex plan announced.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	458.57	518.77	252.10
PBILDT*	148.64	166.36	121.98
Profit after tax (PAT)	109.27	81.73	72.80
Overall gearing (x)	0.00	0.00	NA
Interest coverage (x)	82.01	96.81	871.28

A: Audited; UA: Unaudited; NA: Not available; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	1.00	CARE A1+
Fund-based-Working capital facilities	RBI	Simple	-		-	-	20.00	CARE AA-; Positive
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	50.00	CARE AA-; Positive / CARE A1+
Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	15.00	CARE A1+
Non-fund-based - ST-Forward Contract	RBI	Simple	-		-	-	5.00	CARE A1+
Term Loan-Long Term	RBI	Simple	-		-	NA*	289.00	CARE AA-; Positive

*Proposed

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 2026-2027	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
1	Term Loan-Long Term	LT	289.00	CARE AA-; Positive	-	1)CARE AA-; Stable (15-Sep-25)	1)CARE AA-; Stable (04-Oct-24)	-
2	Fund-based-Working capital facilities	LT	20.00	CARE AA-; Positive	-	1)CARE AA-; Stable (15-Sep-25)	1)CARE AA-; Stable (04-Oct-24)	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	50.00	CARE AA-; Positive / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (15-Sep-25)	1)CARE AA-; Stable / CARE A1+ (04-Oct-24)	-
4	Non-fund-based - ST-BG/LC	ST	15.00	CARE A1+	-	1)CARE A1+	1)CARE A1+	-

						(15-Sep-25)	(04-Oct-24)	
5	Fund-based - ST-Bank Overdraft	ST	1.00	CARE A1+	-	1)CARE A1+ (15-Sep-25)	-	-
6	Non-fund-based - ST-Forward Contract	ST	5.00	CARE A1+	-	1)CARE A1+ (15-Sep-25)	-	-

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: Lender details

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

Annexure-5: List of entities consolidated – not applicable

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ranjan Sharma Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3453 E-mail: Ranjan.Sharma@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Pulkit Agarwal Director **CARE Ratings Limited** Phone: +91 22 6754 3505 E-mail: pulkit.agarwal@careedge.in Pritesh Rathi Assistant Director **CARE Ratings Limited** Phone: +91-20-4000 9000 E-mail: Pritesh.Rathi@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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