



2019-20
Annual Report

Let's Play
Soon!


PARKS AND RESORTS

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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.



Welcome to Wonderla

**A wonder-filled
destination
designed to
delight. We're
ready to play,
whenever
you are!**

With rides that give a huge adrenaline rush, cuisines that warm the soul, and a resort experience that makes beautiful memories, we at Wonderla have created a magical place filled with thrills, fun, and family time. Our guests can completely let go and immerse themselves in exuberance, because all our parks are as committed to safety and hygiene as they are determined to delight. We want everyone who comes to our park and our resort to spend the day with a big smile on their face and never worry for a moment about diving into an adventure, because behind each one of our rides is a dedicated team working nonstop to ensure the highest levels of protection, as per international standards.

We are equally committed to our promise of always ensuring the best for our employees, our shareholders, our society, and our environment.

**Every day, we
passionately strive to
make Wonderla more
inviting, more joyous,
and safer for one and all.**

**So, let's
play soon!**



We are Wonderla

**In our 20th year now,
we are ready to give
India more thrills, more
adventures, and a
much greater sense of
safety, enhancing our
world-class operations.
At our parks, you can
play your heart out.**



In the year 2020, Wonderla has finally left its teenage phase – our operations turn 20 this year, after our first launch as Veegaland in Kochi, in the year 2000. With this maturity, the result of two decades of operating experience and expertise in delighting visitors, has come a stronger focus on implementing state-of-the-art health and safety measures, further enhancing our already stringent systems. We have also introduced unmatched novelties at our parks to satiate everyone's thirst for adventure. The whole Wonderla experience is curated to help people enjoy life to the fullest with some adrenaline-rushing thrills, while being protected at all times.

Our three amusement parks in Kochi, Bengaluru, and Hyderabad, and the Wonderla Resort in Bengaluru offer a total of 100 dry rides, 61 wet rides, 84 luxury rooms and 30,000 sq.ft. of conference & banquet space, Outdoor sports facility like Cricket ground, Badminton court and Sand Volleyball court. A fourth Wonderla park is set to come up in Chennai, the construction of which is contemplated to commence soon.



3

Amusement Parks



Outdoor Sports Facility



4

Banquet Halls



161

Fun Rides



15

Restaurants



33

Awards since inception



Vision

Adding 'Wonder' to lives and bringing people closer.



Mission

Build and operate resource-efficient amusement spaces to deliver a fun, thrilling, and hygienic experience to our guests.



Our Key Advantages

Brand equity and operational experience

Being among the top amusement parks in India, the Wonderla name has a strong brand equity, backed by two decades of catering to the global citizens of 21st century India.

In-house manufacturing

Our in-house manufacturing capability enables us to design and create our own rides, ensure utmost quality control, and tighten the bottom line by lowering the cost of adding new rides.

Proximity to city with ample land availability

Our parks can be easily accessed by people of the three major cities where we operate and by people from surrounding areas. We also have enough land available for new rides and future expansion.

Constant innovation and new attractions

We are constantly adding attractions or improving existing ones on the basis of thorough research, analysing the preferences of visitors to renowned amusement parks in India and other countries.

Strong financials

Wonderla Holidays Limited is a debt free company and has no short-term or long-term outstanding loan repayment obligation. In addition, we currently have liquid assets of ₹ 120 Crores in Mutual Funds and Bank Fixed Deposits.

We have substantially unencumbered assets (except a portion of the land in Kochi, which has been secured towards ₹ 25 Crores of facilities from HDFC Bank Ltd., and remains largely undrawn).

Robust hygiene and safety practices

We make health and safety central to our operations, both for visitors and employees. Our systems have been enhanced during the year under review to earn a still higher degree of trust.

Dedicated and capable teams

Our teams, those in customer-facing roles and those who work in the background, are trained and qualified according to the best industry standards and are committed to the success of the parks.

Property Showcase

Particulars	Bangalore	Kochi	Hyderabad
Total Land Available (Acres)	81.75	93.17	49.50
Developed Land	39.20	28.75	27.00
Land Available for Future Development	42.55	64.42	22.50

The Company has already bought 64 acres of land in Chennai for its fourth amusement park, the construction of which is contemplated to commence soon.

List of awards and certifications received during the year :



Great Place to Work certification from Great Place to Work Institute.

Bangalore Park – Indian Association of Amusement Parks and Industries (IAAPI) Award for promotional activity through Television media.

Kochi Park – Kerala State Pollution Control Board Award in Best Environmental Practices – 2019.

Second-best Productivity Performance in the category of Service Industries from FACT MKK Nayar Memorial Productivity Awards.

Hyderabad Park – Certificate from TTF, Hyderabad – The “MOST INNOVATIVE PRODUCT AWARD” for Mission Interstellar ride.



TripAdvisor Travellers Choice has ranked:

Wonderla Bangalore as the 3rd best Amusement Park in India and 8th best in Asia;

Wonderla Kochi as 4th best in India and 16th best in Asia; and

Wonderla Hyderabad as 7th best in India.

Chairman's Letter



We are optimistic that post-lockdown, the public sentiments will improve to restore footfalls. When people come to play at any of the Wonderla parks, they will be protected by every measure possible, with special attention to their health and safety concerns arising out of the pandemic.

Dear Shareholders,

The financial year 2019-20 was highly challenging. The turnover of the Company was ₹ 283 Crores as against ₹ 292 Crores in the previous year. The net profit after tax was ₹ 65 Crores as against ₹ 55 Crores in the previous year. This increase was mainly due to an exceptional item of ₹ 19 Crores arising out of reversal of earlier provision for disputed service tax demands which were settled under the 'Sabka Vishwas' scheme of the Government. Your Company had paid interim dividend of 18% during the year, the same rate as in the year 2018-19.

The first quarter of 2019-20 was quite positive for us and the business grew, but the economic slowdown in the second quarter put severe income constraints on middle-class Indians, whose footfall is essential for the profitability of our business. We had put in extra marketing efforts to take advantage of the festival season in the third quarter, but the footfall was not as many as we had hoped for. The fourth quarter, which is usually the lean season for us because of the school exams, was hurt badly from the middle of February 2020, as people began

to practice social distancing following the growing threat of the corona virus infection (pandemic). We closed our parks around the middle of March 2020, consequent to the directions of the State Governments. We are not sure about the date when Governments will give clearance for re-opening of amusement parks.

Safety measures

We enhanced our efforts to further strengthen the safety measures of all the parks, following a minor accident in June 2019 at the Bengaluru park. There were some highly exaggerated – and untruthful – social media posts about this accident, but that, fortunately had no noticeable impact on our visitor count.

We have in place a system of rigorous checking of rides and other equipment in the parks. Now the frequency of checks has increased significantly. We have issued detailed manuals containing all the information and operating instructions of various rides and these protocols are scrupulously followed. Every morning, a



Every morning, a pre-opening check of each ride is done by the ride operator and augmented by random checks by a safety supervisor.



A well-equipped paramedic first-aid clinic is available in each park, with ambulance facility and service of a Doctor in Bangalore and Hyderabad parks.



pre-opening check of each ride is done by the ride operator and augmented by random checks by a safety supervisor. There is also a monthly check, where all park safety aspects are reviewed. In addition, yearly shutdown maintenance and non-destructive tests for the integral parts of the rides are done. If the tests (scans) reveal any excessive wear and tear, the ride is immediately shut down for maintenance. A reputable German agency (TUV) visits our parks every year and checks all the high-thrill rides on a rotational basis. A well-equipped paramedic first-aid clinic is available in each park, with ambulance facility and service of a Doctor in Bangalore and Hyderabad parks.

Current scenario

We have, unfortunately, lost business for almost the entire first quarter of the year 2020-21, which means losing the largest share of the profits generated by our parks in any year. We are optimistic that post-lockdown the public sentiments will improve to restore footfalls. When people come to play at any of the Wonderla parks, they will be protected by every measure possible, with special attention to their health and safety concerns arising out of the pandemic.

In the meantime, the management is doing everything under their control to save costs by implementing several measures. These measures include re-negotiating annual maintenance contracts, digital promotion of Park attractions, implementation of alternate revenue streams etc. As your Company was following a very conservative policy on preserving funds for growth and expansion, it has been able to survive without additional assistance from Banks, even during this lockdown period.

Our major planned investment is the upcoming Chennai park. Following the lockdown, the construction work at the site was stopped. Once the lockdown is lifted, we shall resume the work.

I take this opportunity to thank the Tamil Nadu Government for allowing exemption to Wonderla from the 10% Local Body Tax (LBT) on ticket revenue for a period of five years from the date of commencement of commercial operations or September 30, 2021 whichever is earlier. We have to renegotiate the exemption period in view of the delay in construction work due to lockdown.

Future opportunities

People need recreation and the world-class amusement parks of Wonderla would remain highly desirable destinations for them. We shall continue to strategise and add value to our offerings and keep a tight rein on operational costs to navigate this very difficult period.

On behalf of the Board of Directors and the Wonderla team, I thank our shareholders, patrons, investors, regulators, bankers, and vendors for their support and faith in us. I am grateful for the dedicated efforts made by each employee of the Company. Details of the Company's financial performance for 2019-20 and growth strategies would be presented by Mr. George Joseph, Joint Managing Director.

Best Wishes

M. Ramachandran
Chairman

Joint Managing Director's Message



We are extremely delighted that our Kochi, Bangalore and Hyderabad Parks have completed 20 years, 15 years and 4 years of successful operations respectively.

Dear Shareholders,

The past year has been undeniably difficult, but we, at Wonderla, have used this time to work on our strengths. With the highest levels of health, safety and hygiene protocols in place, we are eagerly looking forward to invite the visitors to our recreation and leisure facilities. Our message to patrons is: "Let's play soon!"

Wonderla Holidays Limited, despite its international standard offerings and services, has been buffeted by stormy winds in a macro-economic scenario that saw a global slowdown made worse by the worldwide corona virus contagion. However, the resilience of our internal policies and processes has helped us remain a debt-free company through very judicious cost management and investment. Fortified by every manner of safety checks, we are now ready to welcome visitors who need much-awaited outdoor fun after the long months of a nationwide lockdown.

Our offerings are broad-based family entertainment; our parks are designed for 'Fun under the Sun' for every age group. Mindful of the public need for safety assurance even as they indulge in recreation, we will continue to provide a cleaner, hygienic, sustainable and safe experience at Wonderla, managed by professionally trained staff. Our aim is to energise fun, giving visitors a sense of being invigorated through adventurous rides and other activities.

Operational Review

We are extremely delighted that our Kochi, Bangalore and Hyderabad Parks have completed 20 years, 15 years and 4 years of successful operations

respectively. The year 2019-20 brought challenges after challenges for the amusement parks industry. But we undertook a number of re-engineering initiatives to make Wonderla Parks and Resort more attractive and competitive.

A lot of emphasis was put on enhancing the safety levels, as the Chairman's letter has explained in detail. During 2019-20, we have introduced seven new rides to increase the thrill and novelty factor.

This year, we have reaped the cost benefits of measures rolled out earlier, such as the digital wallet for park visitors facilitated by Ez-pay our decision to manage the food and beverages business ourselves, taking back control from third-party operators; food production in centralised kitchen and the tracking system for business development executives and partners that has helped us optimally follow up and convert leads to actual business.

During the year, the overall number of walk-in visitors dropped and the number of group visits went up, as we aggressively promoted the park through our Business Development Partners (BDPs). This caused a drop in revenue as the Revenue Per Visitor (RPV) from the groups are relatively lower than the walk-in visitors. Our strategy is to run promotions to bring the walk-in visitors back, and also tie up with tour operators to attract higher-spending groups such as in-bound tourists in the cities where we are present and in the areas around those cities.

Financial Performance

While the year 2019-20 began on a strong note for us, it ended with low figures on most business metrics, because of

the 2019 economic slowdown and park closure forced by the 2020 contagion, plus some business lost due to heavy rains in the past monsoon.

Our consolidated figures are: 3% drop in Total Revenue, standing at ₹ 283 Crores at the end of 2019-20, compared to ₹ 292 Crores at the end of 2018-19; 17% rise in PAT, at ₹ 65 Crores this year, compared to ₹ 55 Crores in the previous year; 6% drop in EBITDA, at ₹ 116 Crores this year, compared to ₹ 124 Crores in the previous year. However, we remain a Company with strong liquidity position. As on 31st March, 2020, Wonderla has about ₹ 120 Crores in liquid investments that are more than enough to meet all significant near-term obligations.

We know that our fundamentals are very strong, as we did significantly good business during the first quarter of 2019-20, overcoming the massive economic setbacks of the Kerala floods of August 2018 and all the key numbers rose year-on-year in Q1. Our business performance was stressed in the second quarter in light of the downturn; the third quarter saw footfalls returning to our parks, but the visitor figures and revenues were lower year-on-year; and the fourth quarter was suffered due to the COVID-19 pandemic.

Despite the impact of COVID-19 and the prevailing uncertainty, Wonderla is certain to return to its full potential.

Strategic Way Forward

A Marketing Strategy Committee was formed with the broad objectives of making decisions for: increasing footfalls; attracting more repeat visitors; and driving a high yield per visitor. Tasked with this, the Committee has identified

the focus areas of: digital marketing; data analytics; loyalty program; branding; and bringing back our Brand Mascot “Chikku”.

We are identifying strategic partners to get the best results out of our focus areas. The aim is to become a data-driven Company that uses information technology to know its customers better, and monetise that data to devise alternative revenue streams and upgrade existing offerings such as the loyalty program. The data will also be used for more precise mass media communication in order to build a stronger emotional connect with our target groups. Such a connect should also increase referrals, helping to cement our reputation and winning more customers.

Once social distancing norms ease up, we shall focus on: improving existing parks to get more footfalls; expansion through setting up new amusement parks; enhancing the visitor experience by integrating partner hotels with Wonderla parks; expanding the in-house ride design and manufacturing capabilities; widening revenue streams and innovating marketing initiatives to supplement income from entry fees. One of our revenue stream innovations is the Food Takeaway Outlet, named ‘*Wonder Kitchen*’, planned as a test case launch near to our Bengaluru park. To maximise our F&B capability, we are looking at various options such as encouraging meal combos and introducing buffet service across all the parks.

Once the normalcy returns, our first priority is re-opening the existing parks and the resort, and thereafter commencing the construction of the Chennai project, in which we have already invested ₹ 109 Crores. This is a project that needs the full-fledged amusement park experience for us to beat the rivals. We have to stimulate the Chennai market through ad spend and promotions.

As we can see from the international trend, amusement parks that are re-opening abroad are attracting visitors – there is a pent-up demand. At Wonderla parks, safety measures shall be maintained by limiting the number of visitors. The average capacity of our parks is 8,000-10,000 people per day; even if we cap the number at one-third of that, we can let in 3,000-3,500 people daily at each park. Dry rides with social distancing should be a viable proposition,

to begin with. There will be a slight cost increase – ₹ 50 extra per visitor – for the sanitisers dispensed and safety protocol maintained. Since we have a tight rein on operating costs, we can break even (cash) with a daily footfall of 1,300 at each park. Our ticket pricing will be modified according to the number of rides that we offer.

Broadly, our strategy is based on sweating our assets more (e.g. land monetisation, optimising park timings); looking at the installation of fewer rides with greater rider capacity; creating a Wonderla talent bank to utilise employees in the best way possible; and creating digital dashboards for a better real-time overview of everything going on at our facilities.

Our land bank is one of our key assets. Our Company owns 93.17 acres in Kochi, 81.75 acres in Bengaluru, and 49.50 acres in Hyderabad, within which further expansion of existing parks could be undertaken.

Focus on strengths

At Wonderla, our USP is cleanliness, hygiene and safety, which are unmatched across the industry. The high Net Promoter Score of 95 – this is a measure of customers’ willingness to recommend a company’s products or services to others – reflects that all our visitors are thrilled and they will definitely come back in higher numbers. In Q1, even though there was a decline in the footfall of other parks, the Wonderla parks could show a growth of 10-12% because of our business process re-engineering.

I am happy to mention that our Company has been certified as a “Great Place to Work” by the Great Place to Work Institute, which surveys about 10,000 companies on an annual basis and certifies only a few. We have got this recognition in our first year of participation in the survey.

We also have a strong Business Development and Business Development Partner (BDP) network that is unique to us and has yielded good footfall during the year under review. We are constantly trying to improve the quality of our people, including the BDPs. We are pushing their potential and capability so that they will continue to benefit not only the Company but also themselves by earning a good commission, and we hope they will stay with us forever. These



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are some of the initiatives that give us an edge over other parks. We are confident that our superiority in the business will continue.

Life is worth celebrating and leisure travel is one of the best ways to do so. Domestic travel revenue was estimated at US\$ 215.4 billion in 2019 and is anticipated to further increase to US\$ 405.8 billion by 2028. Amusement parks add an extra thrill to leisure travel by offering people the kind of delight and adventure, combined with safety, not to be found in any other setting. A sense of adventure adds a much-needed fun quotient in our lives. Amusement parks will continue to be a sought-after destination for entertainment and making memories.

I would like to conclude by thanking our esteemed shareholders, other stakeholders and patrons for their confidence in our Company. I express my gratitude to the entire Wonderla team for our remarkable 20-year journey. We will continue to provide an avenue for a complete family adventure with unparalleled thrilling experience.

Best Wishes

George Joseph
Joint Managing Director