Wonderla Holidays Ltd — FY 2023 Annual Report Analysis

Annual Report Analysis (Consolidated)

Source: CRORES. All figures Crores. Pipeline: v5-Gemini — W1a → W3 → W1b+W2+W2F (parallel, notes-injected) → Merge.

Investor Snapshot

#	Analytical Point	Sentiment
1	**Wonderla operates a high-moat amusement park model with significant pricing power, delivering a 233.76% revenue surge to □429 Cr as footfalls fully recovered post-pandemic.**	□
2	**Operating leverage is intense, with OPM expanding from 17% to a record 50% as the fixed-cost base was absorbed by increased volumes.**	□
3	**Profitability reached record levels with PAT at □149 Cr, though results were non-operationally aided by a □8.80 Cr non-recurring tax provision reversal.**	□
4	**The balance sheet is pristine and virtually debt-free with a D/E ratio of 0.01x and □136 Cr in cash equivalents, providing a massive liquidity cushion.**	□
5	**Earnings quality is exceptional, evidenced by a CFO of □192 Cr significantly exceeding PAT (CFO/PAT 1.29), reflecting a cash-dominant business model.**	□
6	***Capital commitments have escalated from 0.56 Cr to 78.09 Cr, signaling an aggressive expansion phase that may strain management bandwidth.***	□
7	**Asset efficiency has rebounded sharply with ROCE hitting 22%, while inventory turnover improved from 1.86 to 5.20, indicating high productivity of the existing asset base.**	□
8	**The company is pivoting toward a more capital-efficient "asset-light" model, exemplified by the 90-year lease secured for the upcoming Odisha project.**	□
9	***Execution risk is centered on the Chennai project, where 30.05 Cr of CWIP has been aged for over 3 years, posing a material impairment risk due to regulatory deadlocks.***	□
10	**Governance remains stable with clean RPTs (1.14% of revenue) and KMP pay well within statutory limits at 4.02% of PAT, despite a 252% YoY increase in remuneration.**	□
11	***Marketing expenses surged 460% to 16.37 Cr, highlighting the high cost of maintaining footfall momentum and recapturing market share in a discretionary segment.***	□
12	**Investment View: ACCUMULATE; the thesis rests on self-funded national expansion and strong cash flows, with CWIP aging and Chennai tax exemptions as the primary monitorables.**	□

1. BUSINESS OVERVIEW

- **Business Model:** Wonderla Holidays operates a high-barrier-to-entry amusement park and resort business characterized by high initial capital expenditure and significant operating leverage.
- **Revenue Drivers:** Primary drivers are footfalls (volume) and Average Revenue Per User (ARPU) through ticket pricing and non-ticket spends (F&B, merchandise, and lockers).
- **Segment Performance:** Amusement Parks contribute ~93% of revenue (driven by ticket pricing), while the Resort contributes ~7% (driven by occupancy and MICE events).

- **Cost Drivers:** Dominated by fixed expenses including employee costs, power and fuel, and repair/maintenance. The business is sensitive to electricity tariffs and minimum wage revisions.
- **Industry Position:** Dominant position in the organized Indian amusement park industry, benefiting from the "premiumization" of consumer discretionary spend and high barriers to entry regarding land aggregation.
- **Expansion Plans:** Transitioning to an aggressive growth trajectory with a shift toward an "asset-light" or "partnership" model, as seen in the Bhubaneswar project (90-year government lease).
- **Capacity Additions:** Key focus remains on the long-delayed Chennai project (pending regulatory tax clearances) and the new Bhubaneswar project.
- **Geographical Presence:** Currently operates three flagship parks in Kochi, Bengaluru, and Hyderabad, plus a resort in Bengaluru; scouting for new locations in North or West India.

2. MANAGEMENT COMMENTARY & OUTLOOK

- Management's tone in FY23 is one of "validated aggression," pivoting from pandemic survival to rapid scaling and national brand expansion.
- Strategic focus has shifted toward digital transformation, utilizing online bookings and dynamic pricing to manage peak-day crowds and gather consumer data.
- A structural change in consumer behavior is noted, with footfalls becoming better distributed across weekdays due to increased corporate outings and school trips.
- Management is positioning Wonderla as a "wholesome destination" rather than just a "ride park" to justify steady increases in ARPU and pricing power.
- The Bhubaneswar project serves as a blueprint for future state expansions using a lease-model approach to improve RoCE and reduce capital intensity.
- The Chennai project is considered "shovel-ready," with construction set to commence immediately upon resolution of the Local Body Tax (LBT) issue.
- Long-term vision includes exploring "Resort-only" or "Water-park-only" formats to enter smaller markets where full-scale theme parks may not be viable.
- Management Tone: The leadership is **Robustly Optimistic and Execution-Focused**, effectively communicating a transition from a regional player to a national brand, backed by a debt-free balance sheet and strong internal accruals.

3. FINANCIAL ANALYSIS

3.1 Financial Statements

Source: Screener.in — all monetary values in Crores. Use these numbers directly.

P&L Statement (Crores)

Line Item	Mar 2023	Mar 2022
Sales -	429.00	129.00
Sales Growth %	233.76	234.72
Expenses -	216.00	107.00
Material Cost % -	10.29	10.65
Raw material cost	45.00	14.00
Change in inventory	-1.00	0.00
Manufacturing Cost %	17.80	32.12
Employee Cost %	11.92	25.29
Other Cost %	10.30	14.87
Operating Profit	213.00	22.00
OPM %	50.00	17.00
Other Income -	23.00	4.00
Exceptional items	7.12	1.14
Other income normal	15.53	3.23
Interest	2.00	1.00
Depreciation	35.00	38.00
Profit before tax	199.00	-13.00
Tax %	25.00	-26.00
Net Profit -	149.00	-9.00
Exceptional items AT	5.00	1.00
Profit excl Excep	144.00	-11.00
Profit for PE	144.00	-11.00
Profit for EPS	149.00	-9.00
Profit Growth %	1,452.00	79.00
EPS in Rs	26.33	-1.68
Dividend Payout %	10.00	0.00

Balance Sheet (□Crores)

Line Item	Mar 2023	Mar 2022
Equity Capital	57.00	57.00
Reserves	893.00	744.00
Borrowings -	7.00	3.00
Long term Borrowings	0.31	0.00
Short term Borrowings	0.01	0.00
Lease Liabilities	6.62	2.64
Other Borrowings	0.00	0.00
Other Liabilities -	120.00	102.00
Trade Payables	26.00	19.00
Other liability items	94.00	83.00
Total Liabilities	1,076.00	906.00
Fixed Assets -	726.00	724.00
Land	519.65	512.97
Building	164.79	154.15
Plant Machinery	322.88	317.15
Equipments	6.46	6.18
Furniture n fittings	54.59	52.64
Vehicles	12.55	13.32
Intangible Assets	5.79	5.79
Other fixed assets	11.25	10.91
Gross Block	1,097.96	1,073.11
Accumulated Depreciation	371.69	349.01
CWIP	42.00	33.00
Investments	120.00	65.00
Other Assets -	188.00	84.00
Inventories	9.00	8.00
Trade receivables	1.00	1.00
Cash Equivalents	136.00	40.00
Loans n Advances	16.00	15.00
Other asset items	25.00	20.00
Total Assets	1,076.00	906.00

Cash Flow Statement (□Crores)

Line Item	Mar 2023	Mar 2022
Cash from Operating Activity -	192.00	21.00
Profit from operations	223.00	23.00
Receivables	0.00	-1.00
Inventory	-2.00	0.00
Payables	7.00	4.00
Loans Advances	0.00	0.00
Other WC items	-1.00	-4.00
Working capital changes	4.00	-1.00
Direct taxes	-35.00	0.00
Cash from Investing Activity -	-164.00	-36.00
Fixed assets purchased	-44.00	-11.00
Fixed assets sold	0.00	0.00
Investments purchased	-294.00	-94.00
Investments sold	246.00	84.00
Subsidy received	0.00	0.00
Interest received	2.00	2.00
Dividends received	0.00	0.00
Other investing items	-75.00	-17.00
Cash from Financing Activity -	-8.00	-2.00
Proceeds from shares	0.00	0.00
Proceeds from borrowings	0.00	0.00
Repayment of borrowings	0.00	0.00
Interest paid fin	0.00	0.00
Dividends paid	0.00	0.00
Financial liabilities	-8.00	-1.00
Other financing items	0.00	0.00
Net Cash Flow	20.00	-16.00
Free Cash Flow	148.00	11.00
CFO/OP	107.00	99.00

Key Ratios (₹Crores)

Line Item	Mar 2023	Mar 2022
Debtor Days	1.00	3.00
Inventory Days	78.00	201.00
Days Payable	213.00	506.00
Cash Conversion Cycle	-133.00	-301.00
Working Capital Days	-7.00	-34.00
ROCE %	22.00	-2.00

3.2 Financial Analysis Summary

- **Revenue** surged by **233.76%** YoY to **₹429.00 Cr**, primarily driven by a post-pandemic recovery in footfalls, with Entry Fees from Amusement Parks contributing **71.19% (₹305.56 Cr)** and Cooked Foods adding **14.52% (₹62.33 Cr)**; this growth is highly liquid as evidenced by **Trade Receivables** remaining stagnant at **₹1.00 Cr**, reflecting a "cash and carry" model with zero credit risk.
- **Operating Profit** expanded significantly to **₹213.00 Cr** with **OPM %** reaching **50.00%** (up from 17.00%), benefiting from massive operating leverage as **Employee Cost %** dropped from **25.29%** to **11.92%** despite a nominal increase in absolute **Employee Benefit Expenses** to **₹51.16 Cr**.
- **Other Income** of **₹23.00 Cr** includes a non-recurring **₹8.80 Cr** write-back of transitional tax credits (TRAN-1) following a Supreme Court order, which non-operationally boosted **PAT** but is offset by aggressive **Marketing Expenses** which surged **460%** to **₹16.37 Cr** to recapture market share.
- **Depreciation** decreased slightly to **₹35.00 Cr** (from ₹38.00 Cr) despite a **₹1,097.96 Cr Gross Block**, as the company follows a conservative policy of writing down rides where carrying value exceeds fair value, while **Fixed Assets** remained stable at **₹726.00 Cr**.
- **Working Capital** management is exceptionally efficient with a **Cash Conversion Cycle** of **-133 days**, as **Inventory Days** improved from **201** to **78 days** and **Trade Payables** of **₹26.00 Cr** continue to fund the minimal **Inventory** of **₹9.00 Cr**.
- **Cash from Operating Activity (CFO)** of **₹192.00 Cr** represents a high-quality earnings profile with a **CFO/PAT** ratio of **1.29**, providing ample liquidity to fund **₹44.00 Cr** in **Fixed assets purchased** and a significant increase in **Investments** to **₹120.00 Cr** on the **Balance Sheet**.
- **Free Cash Flow (FCF)** reached **₹148.00 Cr**, allowing the company to remain virtually debt-free with a **Debt/Equity** of **0.01** and an **Interest Coverage** of **100.50x**, even as **Lease Liabilities** rose to **₹6.62 Cr** due to new long-term land leases for the Odisha project.
- **CWIP** stands at **₹42.00 Cr**, including **₹30.05 Cr** related to the stalled Chennai project which has been aged for over 3 years; while management expects recovery, the Auditor highlighted this as a Key Audit Matter due to impairment risks if government tax exemptions are not secured.
- **Capital Allocation** signals a major expansion phase as **Capital Commitments** jumped from **₹0.56 Cr** to **₹78.09 Cr** and **Capital Advances** tripled to **₹14.60 Cr**, indicating that the **₹136.00 Cr** in **Cash Equivalents** is earmarked for upcoming projects in Chennai and Odisha.
- **ROCE %** rebounded to **22.00%** from -2.00%, reflecting the high efficiency of the existing asset base once footfalls normalized, while **Net Worth** grew to **₹950.00 Cr** entirely through retained earnings.
- **Other Assets** increased significantly due to **Capital Advances** tripling to **₹14.60 Cr**, confirming the move into an intensive execution phase; however, **Doubtful Capital Advances** of **₹0.98 Cr** remain stagnant.
- **Other Liabilities** were impacted by a sharp drop in **Provision for Disputed Taxes** (from ₹9.90 Cr to ₹0.65 Cr), which was the primary driver for the non-recurring **Other Income** gain.

- **Other Expenses** were driven by **Sub-contractor Charges** (**₹35.48 Cr**) and **Marketing & Advertisement** (**₹26.75 Cr**), reflecting the high operational and promotional intensity required to scale post-pandemic.
- The overall financial theme of the year is a **massive structural recovery where intense operating leverage and a cash-dominant model converted 233% revenue growth into record profitability and cash flows, effectively self-funding a new multi-city expansion cycle.**

3.3 Contingent Liabilities & Commitments

- **Capital Commitments:** ₹78.09 Cr (FY23) vs ₹0.56 Cr (FY22), primarily for Chennai and Odisha projects.
- **Local Body Entertainment Tax:** ₹3.35 Cr (Disputed).
- **Value Added Tax (VAT):** ₹0.57 Cr (Disputed).
- **Labour Cess:** ₹0.70 Cr (Disputed).
- **Income Tax Disputed:** ₹0.18 Cr (Low materiality).
- **Service Tax Provision Reversal:** ₹8.80 Cr reversed following Supreme Court ruling on transitional credits.

3.9 Earnings Quality & Forensic Checks

#	Check	Impact	Status	Evidence	Notes Detail
1	PAT vs CFO trend	Profit ↑ — high cash conversion	□	PAT □149 Cr, CFO □192 Cr (FY23).	Business model ensures immediate cash realization upon ticket issuance [Note 2.6].
2	Receivables & channel-stuffing signal	Revenue ↑ — clean growth	□	Sales ↑ 233%, Receivables □1.38 Cr, Inventory □9.43 Cr.	93% of receivables are "not due," indicating zero collection risk or stuffing [Note 10].
3	Revenue timing	Revenue ↑ — conservative recognition	□	Entry Fee in Advance: □1.88 Cr (FY23) vs □0.69 Cr (FY22).	Revenue recognized only at ticket issuance or service rendering [Note 2.6, KAM].
4	Revenue from related parties %	Neutral — negligible risk	□	Total Revenue □429 Cr; no material RPT sales in notes.	Revenue is 71% entry fees and 14% food from retail walk-ins [Note 24].
5	Inventory vs revenue growth	Profit ↑ — efficient scaling	□	Inventory □9.43 Cr (FY23) vs □7.56 Cr (FY22).	Inventory turnover ratio improved significantly from 1.86 to 5.20 [Note 8].
6	Inventory valuation method change	Neutral — consistent policy	□	No change in valuation method reported in FY23.	Standard FIFO method applied to food, spares, and merchandise [Note 2.9].
7	Exceptional items in operating profit	Profit ↑ — non-recurring boost	□	Exceptional items: □7.12 Cr (P&L).	Includes reversal of service tax provisions following Supreme Court order [Note 39.A].
8	Depreciation rate vs useful life policy	Profit ↓ — conservative accounting	□	Depreciation □35 Cr (FY23) vs □38 Cr (FY22).	Policy includes writing down rides if carrying value exceeds fair value [Note 2.7.4].
9	Provision reversals boosting PAT	Profit ↑ — non-cash gain	□	Other Income includes □8.80 Cr TRAN-1 credit reversal.	Provision for disputed taxes dropped from □9.90 Cr to □0.65 Cr [Note 25, 39.A].
10	Tax rate consistency + cash tax vs P&L tax	Profit ↓ — cash outflow	□	Tax %: 25%; Direct Taxes Paid: □35 Cr (CFO).	Company adopted lower tax rate under Section 115BAA (25.17%) [Note 2.22].
11	CWIP age and stalling projects	Profit ↓ — impairment risk	□	CWIP □42 Cr; Chennai project carrying value □104.02 Cr.	Auditor KAM highlights subjectivity in recoverability due to pending govt approvals [Note 3B.1].
12	Deferred tax asset recognition adequacy	Profit ↑ — non-cash impact	□	Net DTL: □77.76 Cr (FY23) vs □61.33 Cr (FY22).	Utilization of □15.45 Cr in tax losses against current year profits [Note 17].
13	RPT quantum and trend	Profit ↓ — rising costs	□	KMP Remuneration: □5.99 Cr (FY23) vs □1.70 Cr (FY22).	Includes □1.27 Cr and □0.50 Cr payable to MD and Chairman Emeritus [Note 36.C/D].
14	Dividend paid vs FCF adequacy	Neutral — sustainable payout	□	Dividend Payout: 10%; Free Cash Flow: □148 Cr.	Strong liquidity (□256 Cr) easily covers dividend and debt obligations [Note 32.3.b].
15	Auditor KAM: Chennai Project Valuation	Profit ↓ — Impairment risk	□	□104.02 Cr carrying value; □30.05 Cr CWIP aged >3 years.	Auditor flagged subjectivity in recoverability due to pending tax exemptions [Note 3B.1].
16	Non-recurring Other Income	Profit ↑ — Accounting gain	□	□8.80 Cr TRAN-1 tax credit reversal.	

#	Check	Impact	Status	Evidence	Notes Detail
					Non-cash reversal following Supreme Court order; inflates PBT by 4.4% [Note 25].

4. MANAGEMENT & GOVERNANCE

A. Auditor Report & Key Audit Matters * **Audit Opinion:** Unqualified. * **KAM 1: Property, Plant and Equipment Valuation (Chennai Project):** Auditor (Deloitte) flagged the □104.02 Cr carrying value. The concern is the project's inactivity and subjectivity in assessing recoverability as it depends on pending government tax exemptions. Management believes the amount is fully recoverable. * **KAM 2: Revenue Recognition:** Focus on IT systems for ticket issuance and "cut-off" for resort revenue. Auditor verified that revenue is only recognized when tickets are redeemed or services rendered. * **Internal Controls:** Deemed effective; no material weaknesses reported. * **Going Concern:** No material uncertainty; company is virtually debt-free with high liquidity.

B. Related Party Transactions | Party | Relationship | Nature | Amount (□Cr) | Concern | |-------|--------------|--------|----------------|---------| | **Arun K Chittilappilly** | MD | Managerial Remuneration | 3.27 Cr | Remuneration normalized post-COVID | | **Kochouseph Chittilappilly** | Chairman Emeritus | Managerial Remuneration | 1.02 Cr | New remuneration in FY23 | | Non-Executive Directors | Directors | Commission | 0.59 Cr | Increased with profitability | | ***KMP Balances Payable*** | KMP | Outstanding Commission | 2.07 Cr | ***Accrued but unpaid at year-end*** |

- **RPT Verdict:** Clean □ Remuneration is within statutory limits and aligned with the 868% growth in Operating Profit. Total KMP remuneration rose from □1.70 Cr to □5.99 Cr. Outstanding payables to MD (□1.27 Cr) and Chairman Emeritus (□0.50 Cr) represent year-end commissions.

C. Shareholding * **Promoter Pledging:** No pledged shares by promoter disclosed in AR.

D. Board Composition + KMP Compensation * **Family Compensation:** Arun K Chittilappilly (MD) and Kochouseph Chittilappilly (Chairman Emeritus) are from the same promoter family. * **YoY Growth:** MD remuneration grew 395.45% YoY (from □0.66 Cr to □3.27 Cr), following a low pandemic base. * **Revenue Correlation:** Total KMP compensation grew ~252%, significantly slower than the 868% EBITDA growth, indicating strong operating leverage benefiting shareholders.

F. Capital Allocation & Capex | Action | FY Current (□Cr) | FY Prior (□Cr) | % of CFO | Signal | |:---|---:|---:|---:|:---| | **Capex** | 44.00 Cr | 11.00 Cr | 22.92% | **Growth phase** | | **Investments (Financial)** | 48.00 Cr | 10.00 Cr | 25.00% | **Cash hoarding** | | **Net Debt Change** | 4.00 Cr | 3.00 Cr | 2.08% | **Minimal leverage** | | **Lease Liabilities** | 6.62 Cr | 2.64 Cr | 3.45% | **New project land** | | **Dividends** | 0.00 Cr | 0.00 Cr | 0.00% | Neutral |

- **CAPEX Analytical Notes:**
  - **CFO Coverage of Capex:** CFO (**□192.00 Cr**) covers Capex (**□44.00 Cr**) by **4.36x**, indicating massive internal accruals.
  - **Nature of Capex:** Primarily growth capex. **Capital commitments jumped to □78.09 Cr**, signaling major construction for Chennai and Odisha.
  - **Deployment Efficiency:** Revenue grew 233% on a relatively flat fixed asset base, showing high sweat-factor of existing assets.
  - **Key Takeaways:** The **□30.05 Cr CWIP for the Chennai project is aged >3 years**, representing a potential execution bottleneck despite strong liquidity.

H. Risks * ***Chennai Project Delay*** (Regulatory): Stalled pending Govt tax exemption. **□30.05 Cr CWIP** at risk of impairment. (High Severity) * **Safety & Maintenance** (Operational): High intensity of ride usage. Failure could lead to litigation and brand damage. (Medium Severity) * **Tax Litigation** (Regulatory): Disputed Entertainment/ VAT taxes. **□4.80 Cr** in contingent liabilities. (Low Severity) * **Project Execution** (Strategic): Simultaneous development of two parks. **□78.09 Cr commitment** may strain management bandwidth. (Medium Severity)

5. SCORECARD & VERDICT

Part A: Scorecard

Dimension	Rating (1–5)	Delta	Key Evidence	One-line Rationale
Business Quality	4	→	50% OPM; 233% Revenue Growth	Strong moat and pricing power but geographically concentrated in 3 cities.
Financial Health	5	↑	D/E 0.01x; CFO □192 Cr > PAT □149 Cr	Debt-free balance sheet with massive internal accruals and liquidity.
Earnings Quality	4	↑	CFO/PAT 1.29; Unqualified Audit	High cash conversion, though slightly inflated by non-recurring tax reversal.
Management & Governance	4	→	Clean RPT; Transparent KAM disclosure	Strong alignment and disclosures, though family-heavy board.
Capital Allocation & Earnings Visibility	4	↑	ROCE 22%; □78 Cr Capital Commitments	High returns on existing assets with clear, self-funded expansion roadmap.

BUSINESS POSITIVES (for this company this year) * □**Revenue Growth:** Surged 233.76% to □429 Cr, reflecting a full post-pandemic recovery. * □**Operating Leverage:** OPM expanded from 17% to 50% as fixed costs were absorbed by higher footfalls. * □**Cash Generation:** CFO of □192 Cr significantly exceeds PAT of □149 Cr, indicating high-quality earnings. * □**Debt Profile:** Virtually debt-free with a Debt/Equity ratio of 0.01x and □136 Cr in cash equivalents. * □**Asset Efficiency:** ROCE rebounded to 22% from negative territory, showing high productivity of the existing asset base. * □**Expansion Strategy:** Secured a 90-year lease for the Odisha project, proving a shift toward a more capital-efficient "asset-light" model.

BUSINESS NEGATIVES / CONCERNS (for this company this year) * □**Stalled Project:** □30.05 Cr of CWIP related to the Chennai project has been aged for >3 years, posing impairment risks. * □**Non-Recurring Income:** PAT was boosted by a □8.80 Cr non-cash tax provision reversal (TRAN-1 credit). * □**Execution Risk:** Capital commitments jumped from □0.56 Cr to □78.09 Cr, signaling potential strain on management bandwidth. * □**Regulatory Dependency:** The □104.02 Cr Chennai investment is entirely dependent on pending government tax exemptions. * □**Cost Inflation:** Marketing expenses surged 460% to □16.37 Cr, highlighting the high cost of maintaining footfall momentum.

OVERALL SCORECARD SUMMARY Wonderla Holidays has delivered a stellar financial performance in FY23, characterized by record profitability and exceptional cash flow generation that comfortably exceeds accounting profits. The company’s financial health is pristine, maintaining a debt-free status while self-funding a significant new capex cycle. Governance remains stable with transparent disclosures regarding stalled projects, though the multi-year delay in Chennai remains a primary concern. Overall, the business is on a strongly improving trajectory, transitioning from a regional recovery play to a national expansion phase.

Part B: Governance Check Matrix

#	Check	Status	Evidence
1	Audit opinion clean?	□	Unqualified opinion (p.146)
2	Promoter pledge = 0?	□	No pledges disclosed
3	KMP pay < 5% of PAT?	□	Total KMP Rem (□5.99 Cr) is 4.02% of PAT
4	RPT quantum < 5% of revenue?	□	RPTs are 1.14% of revenue
5	Board > 50% independent?	□	Not explicitly disclosed in AR summary
6	At least 1 woman director?	□	Not explicitly disclosed in AR summary
7	No statutory dues outstanding?	□	Statutory dues payable decreased to □3.77 Cr
8	No fraud reported?	□	No fraud reported by auditors
9	Audit trail enabled?	□	Internal financial controls deemed effective
10	Frequent Auditor change	□	No auditor change reported
Total: 8/10 □— Governance Rating: 4			

Part C: Investor Verdict

THESIS: A high-moat, debt-free discretionary play with intense operating leverage, now entering a self-funded national expansion phase. **OVERALL STANCE:** ACCUMULATE **RATIONALE:** Record 50% margins and strong CFO provide a "margin of safety" to fund the next leg of growth in Odisha and Chennai. **RE-EVALUATE WHEN:** OPM falls below 35% OR the Chennai project is officially impaired/abandoned. **BULL CASE:** Successful launch of Bhubaneswar and Chennai parks adds 40-50% to the existing capacity with high RoCE. **BEAR CASE:** Regulatory deadlock in Chennai continues for another 2 years, leading to a □104 Cr write-down. **KEY MONITORABLE:** CWIP Ageing: □42 Cr → Watch for any further increase without project commencement.

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