

Waterways Leisure Tourisms Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
23 June 2026	25 June 2026	₹769-808	Avoid

Investment Summary

Waterways Leisure Tourism Limited operates under the Cordelia Cruises brand and is one of the domestic ocean cruise operators in India. The company currently operates the MV Empress, offering cruise itineraries across domestic and select international destinations. As of March 31, 2026, the company had served over 730,819 guests since commencement of operations and accounted for approximately 79% market share in value terms within the domestic ocean cruise segment. In FY26, the company reported revenue from operations of ₹579.7 Cr and profit after tax of ₹52.1 Cr. The IPO, priced in the range of ₹769 – 808 per share, comprises a fresh issue of 0.72 crore equity shares aggregating to ₹585 crore, with no OFS component, with the net proceeds proposed to be utilized primarily towards payment of deposit, advance lease rentals, and monthly lease payments to its step-down subsidiary, Baycruise Shipping and Leasing (IFSC) Private Limited. The company's growth strategy is centered on fleet expansion through the addition of new cruise vessels, broadening domestic and international itineraries, and increasing passenger volumes. The company is expected to benefit from the growth of India's cruise tourism industry, though risks related to fleet expansion and occupancy levels remain key monitorables.

Company Overview

Waterways Leisure Tourism Limited was originally incorporated as Waterways Leisure Tourism Private Limited on November 2, 2020, and was subsequently converted into a public limited company in March 2025. The company operates under the Cordelia Cruises brand and is one of the domestic ocean cruise operators in India. It currently operates the MV Empress, a cruise vessel with a guest capacity of 2,005 passengers and 796 cabins, offering itineraries across domestic destinations such as Mumbai (Maharashtra), Goa, Kochi (Kerala), Chennai (Tamil Nadu), Lakshadweep, Visakhapatnam (Andhra Pradesh), and Puducherry. They also offer international itineraries to destinations, including Hambantota, Trincomalee, and Jaffna (Sri Lanka), Kuala Lumpur, Langkawi (Malaysia), Phuket (Thailand) and Singapore. Since commencing operations in September 2021, the company has served over 730,819 guests and accounted for approximately 79% market share in value terms in India's domestic ocean cruise industry in FY25. The company is promoted by Global Shipping and Leisure Limited and Rajesh Chandumal Hotwani, and is led by an experienced management team headed by Jurgen Bailom, who has extensive experience in the global cruise and hospitality industry.

Business Model

Waterways Leisure Tourism operates under the Cordelia Cruises brand and provides cruise vacation experiences across domestic and international destinations. The company offers integrated travel experiences that combine accommodation, dining, entertainment, leisure activities, and transportation within a single package. Its cruise itineraries cater to a wide range of customers including leisure travellers, families, corporate groups, destination weddings, educational institutions, and MICE events. The company currently operates the MV Empress, which has a guest capacity of over 2,000 passengers and offers multiple cabin categories, dining venues, entertainment facilities, casino, spa, fitness centre, retail outlets, swimming pools, and recreational activities. The onboard experience is designed to cater to Indian consumer preferences through curated entertainment, diverse cuisine options, and customized event offerings. In addition to ticket sales, the company generates revenue from onboard spending, excursions, event bookings, food and beverage services, and other ancillary offerings. Waterways follows an asset-light operating approach by engaging specialized third-party service providers for technical management, crew operations, hospitality services, housekeeping, and entertainment management. This enables the company to focus on customer experience, sales, marketing, itinerary development, and brand building. Bookings are generated through a combination of direct channels, including its website, mobile application, and in-house sales team, along with travel agents and distribution partners. To support future growth, the company plans to expand its fleet through the induction of Norwegian Sky and Norwegian Sun, which are expected to increase passenger capacity and provide opportunities to expand both domestic and international itineraries.

The company also intends to enhance its onboard offerings and destination network to cater to the growing demand for cruise tourism in India.

Investment Rationale

Dominant Position in India's Domestic Cruise Industry

Waterways Leisure Tourism operates under the Cordelia Cruises brand and held an estimated 79% market share in value terms in India's domestic ocean cruise market in FY25. The company's established presence, brand recognition, and early-mover advantage position it favourably within a relatively underpenetrated segment.

Capacity Expansion to Drive Future Growth

The company plans to expand its fleet through the induction of Norwegian Sky and Norwegian Sun, which is expected to significantly enhance passenger carrying capacity and support growth in both domestic and international cruise operations. The planned expansion is expected to broaden route offerings and strengthen revenue-generating capabilities.

Diversified Revenue Model with Multiple Income Streams

In addition to cruise ticket sales, the company derives revenue from onboard services such as food & beverages, retail, entertainment, excursions, and event-based offerings. This diversified revenue mix provides additional monetization opportunities and supports overall revenue generation.

Strong Operating Performance and Improving Net Worth

The company reported revenue from operations of ₹579.7 Cr and PAT of ₹52.1 Cr in FY26, while net worth turned positive at ₹80.2 Cr as compared to a negative net worth of ₹118.1 Cr in FY24.

Favourable Industry Outlook and Entry Barriers

India's cruise tourism industry is supported by increasing preference for experiential travel, improving cruise infrastructure, and government initiatives aimed at promoting cruise tourism. The sector also involves significant regulatory, operational, and infrastructure requirements, which may act as barriers to entry for new participants.

Key Risk Factors

Dependence on a Single Operating Vessel

The company currently operates a single cruise vessel, MV Empress, and any disruption, technical failure, maintenance requirement, or operational downtime may adversely impact its business and financial performance.

Fleet Expansion and Execution Risk

The company's growth strategy is dependent on the successful induction and operation of Norwegian Sky and Norwegian Sun. Any delay in deployment, cost overruns, or operational challenges may impact future growth plans.

Dependence on Occupancy Levels and Passenger Demand

The company's revenue generation is directly linked to passenger volumes and occupancy levels. Any decline in demand for cruise vacations or lower occupancy rates could adversely affect operating performance.

Volatility in Profitability and Margins

The company's PAT declined from **₹168.2 Cr in FY25** to **₹52.1 Cr in FY26**, indicating sensitivity to operating costs, occupancy levels, and business conditions.

Increasing Debt and Lease Commitments

The company's total borrowings increased from **₹5.2 Cr in FY24** to **₹101.9 Cr in FY26**. Further, the planned fleet expansion is expected to result in additional lease-related commitments, which may impact future cash flows and profitability.

Regulatory and Operational Risks

The cruise tourism industry is subject to various regulatory approvals, environmental norms, safety requirements, fuel price fluctuations, and port infrastructure constraints, which may affect business operations and profitability.

Financial Snapshot

Metric	FY24	FY25	FY26
Revenue from Operations	444.06	590.6	579.74
EBITDA	111.1	215.5	117.5
EBITDA Margin	25.01%	36.48%	20.26%
Profit After Tax (PAT)	(122.7)	168.2	52.1
PAT Margin	(27.63%)	28.47%	8.98%
Basic EPS (₹)	(18.97)	26.00	8.02

In Cr

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Waterways Leisure Tourism Limited
IPO Issue Size	72,40,099 shares (agg. up to ₹585 Cr) Fresh Issue 72,40,099 shares (agg. up to ₹585 Cr)
Price Band	₹769 – ₹808 per share
Face Value	₹10 per share
IPO Opening Date	23 June 2026
IPO Closing Date	25 June 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: ~99.27% → Post-IPO: ~89.35%
Book Running Lead Managers	Centrum Broking Limited
Use of Proceeds	₹480.01 Cr towards lease-related payments for the proposed addition of Norwegian Sky and Norwegian Sun; balance towards general corporate purposes.

Valuation and Outlook

At the upper price band of **₹808**, the issue is valued at an **EV/EBITDA of 50.59x** based on FY26 EBITDA of **₹117.5 Cr**. The valuation appears higher than most listed hospitality and entertainment peers in and outside India. However, the company operates in a niche cruise tourism segment with limited direct listed comparables in India. Accordingly, considering its steady financial performance, niche domain capabilities and execution track record balanced against concentration and tender-based risks, we recommend a **Avoid stance on the IPO**, with a focus on post-listing monitoring of order inflows, margin stability and successful geographic diversification

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