

February 3, 2026

Lulu International Convention Center Private Limited: [ICRA]BB+ (Stable)/[ICRA]A4+; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term Loan	132.29	[ICRA]BB+ (Stable); assigned
Long-term – Fund-based – Overdraft	3.00	[ICRA]BB+ (Stable); assigned
Long-term/ Short-term – Unallocated	14.71	[ICRA]BB+ (Stable)/[ICRA]A4+; assigned
Total	150.00	

*Instrument details are provided in Annexure I

Rationale

The assigned ratings for Lulu International Convention Center Private Limited (LICCP) factors in the favourable location of the hotel-cum-exhibition centre and its reputed sponsor profile as part of the Lulu Group (promoted by Mr. Yusuff Ali and Mr. Ashraf Al), lending exceptional financial flexibility. The company operates a five-star hotel (77 rooms and about 5,000 pax convention centre) along Civil Lines Road in Thrissur, Kerala, under the Hyatt Regency brand. The hotel is in proximity to cultural and commercial hubs, a favourable location in Thrissur with strong transport connectivity as well. The hotel is associated with a reputed international hospitality service provider, Hyatt International. The ratings also factor in the exceptional financial flexibility derived from the strong parentage and resourceful promoters, as part of the Lulu Group headquartered in Abu Dhabi, the UAE, with its vast experience and track record of operations in managing malls, retail operations, real estate and hospitality sectors.

The ratings, however, are constrained by the low operating profits, high leverage and modest debt coverage metrics. The company reported revenues of Rs. 41 crore in FY2025 (55-60% occupancy levels and average room revenue of Rs. 6,500-7,000) and revenues are projected at around Rs. 44-46 crore in FY2026, with low operating margins of 13-14% (PY: 13%). The rating considers high leverage (external debt outstanding as of November 2025 is Rs. 132.29 crore) and estimated moderate debt service coverage ratio (DSCR) in FY2026 and FY2027. However, there is a track record of timely financial support from the promoters/group companies to LICCP whenever a need has arisen and the management has committed to extend timely finding support the entity going forward as well. The company has interest-bearing unsecured loans of Rs. 131 crore outstanding from promoters/group companies as of March 2025. However, these loans are subordinated to external debt and do not have any defined interest or principal repayment schedule. The ratings note the inherent cyclicity and seasonality in the hospitality industry, which exposes LICCP's revenues to risks associated with economic slowdown and exogenous shocks.

The Stable outlook reflects ICRA's expectation that LICCP will continue to draw support from the extensive experience of its promoters in the hospitality industry and their continued financial support towards debt obligations.

Key rating drivers and their description

Credit strengths

Strong parentage and resourceful promoters provide exceptional financial flexibility – LICCP enjoys exceptional financial flexibility from its strong parentage and resourceful promoters, as a part of the Lulu Group headquartered in Abu Dhabi, which

has vast experience and track record of operations in managing malls, retail operations, real estate and hospitality sectors. The promoters, Mr. Yousuf Ali and Mr. Ashraf Ali, have infused Rs. 99 crore as interest free unsecured loans in the company.

Locational advantage, management tie-up with well-known international hospitality operator – The company operates a five-star hotel (77 rooms and around 5,000 pax convention centre) on civil lines road in Thrissur, Kerala, under the Hyatt Regency brand. The hotel is in proximity to cultural and commercial hubs, a favourable location in Thrissur which has strong transport connectivity as well. The hotel is associated with a reputed international hospitality service provider, Hyatt International.

Credit challenges

Low operating profitability – The company reported revenues of Rs. 41 crore in FY2025 (55-60% occupancy levels and average room revenue of Rs. 6,500-7,000) and revenues are projected at around Rs. 44-46 crore in FY2026, with low operating margins of 13-14% (PY: 13%).

High leverage and moderate debt coverage metrics – The company has a high leverage and estimates a moderate DSCR in FY2026 and FY2027. However, there is a track record of timely financial support from the promoters/group companies to LICCP when a need has arisen and the management has committed to extend timely financial support to the entity going forward also. The company has interest-bearing unsecured loans of Rs. 131 crore outstanding from promoters/group companies as of March 2025. However, these loans are subordinated to external debt and do not have any defined interest or principal repayment schedule.

Vulnerability of revenues to inherent cyclicality in industry – Given the discretionary nature of consumer spending, the Indian hospitality industry is susceptible to macroeconomic conditions, tourist movement and several exogenous factors (such as geopolitical crises, terrorist attacks, disease outbreaks), leading to inherent cyclicality.

Liquidity position: Stretched

The company's liquidity position is stretched. It has principal repayment obligations of Rs. 36 crore each in FY2026 and FY2027, to be met through the cash flow from operations and support from the promoters/group companies. The company does not have capex plans in the medium term.

Rating sensitivities

Positive factors – The rating can be upgraded if there is significant reduction in external debt resulting in improvement in debt protection metrics on a sustained basis.

Negative factors – Negative pressure on the rating could arise from material deterioration in operating metrics resulting in further weakening of debt protection metrics on a sustained basis. Moreover, the absence of timely and adequate promoters/group companies support may result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels
Parent/Group support	-
Consolidation/Standalone	Standalone

About the company

Lulu International Convention Center Private Limited, a part of the Lulu Group, was started for setting up a hotel and convention centre in Thrissur, Kerala, in September 2004. The company owns a hotel in Thrissur, which is operated by Hyatt under its “Grand Regency” brand. The property includes 77 rooms, including eight suites and a presidential suite. The property also has a 96,000-square feet convention centre with a seating capacity of 5,000 pax.

Key financial indicators (audited)

LICCPL (Standalone)	FY2024	FY2025
Operating income	35.6	40.8
PAT	-46.2	-40.3
OPBDIT/OI	13.6%	13.1%
PAT/OI	-129.8%	-98.6%
Total outside liabilities/Tangible net worth (times)	-4.5	-3.2
Total debt/OPBDIT (times)	77.0	73.5
Interest coverage (times)	0.2	0.2

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Feb 3, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based - Term Loan	Long term	132.29	[ICRA]BB+ (Stable)	-	-	-	-	-	-	-	-
Fund Based - Overdraft	Long term	3.00	[ICRA]BB+ (Stable)	-	-	-	-	-	-	-	-
Unallocated limits	Long term/ Short term	14.71	[ICRA]BB+ (Stable)/ [ICRA]A4+	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund Based - Term Loan	Simple
Long term - Fund Based - Overdraft	Simple
Long term/Short term - Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund Based - Term Loan 1	February 2018	NA	August 2028	59.74	[ICRA]BB+ (Stable)
NA	Fund Based - Term Loan 2	September 2019	NA	August 2029	33.37	[ICRA]BB+ (Stable)
NA	Fund Based - Term Loan 3	FY2021	NA	FY2030	39.18	[ICRA]BB+ (Stable)
NA	Fund Based - Overdraft	NA	NA	NA	3.00	[ICRA]BB+ (Stable)
NA	Unallocated limits	NA	NA	NA	14.71	[ICRA]BB+ (Stable)/ [ICRA]A4+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

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