



Press Release
LULU FINANCIAL SERVICES (INDIA) PRIVATE LIMITED
November 11, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 100.00 crore bank facilities of Lulu Financial Services (India) Private Limited (LFSPL). The outlook is '**Stable**'.

Rationale for rating

The assigned rating factors in LFSPL's strong parentage, adequate capitalization levels, increasing scale of operations as well as healthy asset quality metrics. LFSPL benefits from strong parentage as part of Lulu Group. The networth of the company stood at Rs. 66.49 Cr. as on September 30, 2025 as compared to Rs. 41.42 Cr. as on March 31, 2025 owing to regular capital infusions by promoter group. Accordingly, the company's CAR stood at 63.70 percent as on September 30, 2025 and 60.91 percent as on March 31, 2025. There has been a steady growth of ~43 percent YoY in the AUM to Rs. 68.85 Cr. as on March 31, 2025; the AUM stood at Rs. 105.89 Cr. as on September 30, 2025. The total disbursements during FY2025 stood at Rs. 220.13 Cr. and Rs. 232.58 Cr. during H1FY2026. The GNPA (120+dpd) and NNPA stood at 1.09 percent and 0.20 percent, respectively, as on March 31, 2025 and 0.73 percent and 0.18 percent, respectively, as on September 30, 2025. The rating is, however, constrained by modest scale of operations, geographical concentration, limited borrowing profile and subdued earning profile. LFSPL is present in two states namely, Kerala and Tamil Nadu, and reported a loss of Rs. 2.02 Cr. during FY2025 as compared to a loss of Rs. 3.09 Cr. during FY2024; however, the company reported a PAT of Rs. 0.19 Cr. for Q2FY2026.

Going forward, the company's ability to profitably scale-up its operations while maintaining the asset quality will be a key monitorable.

About the company

Incorporated in 2018, Lulu Financial Services (India) Private Limited has its registered office in Kerala. The company is engaged in lending services by providing gold loans, business loans, MSME loans, personal loans and consumer durable loans to MSMEs, traders and the common man. Lulu Financial Holdings Limited is a UAE based holding company, investing in financial services and products and holds majority stake in Lulu Financial Services (India) Private Limited. LFSPL operates in Kerala and Tamil Nadu, and has 51 branches as on September 30, 2025.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered standalone business and financial risk profile of LFSPL to arrive at the rating.

Key Rating Drivers

Strength

Strong Parentage and Experienced Management

Mr. M. A. Yusuff Ali is the founder, Chairman, and Managing Director of LuLu Group International, a UAE-headquartered multinational conglomerate with diversified interests spanning retail, real estate, logistics, food processing, and hospitality. The Group has grown into a global enterprise operating over 250 hypermarkets and shopping malls across the GCC, Egypt, India, Indonesia, and Malaysia, employing more than 65,000 people and generating annual revenues exceeding US \$8 billion (~ ₹70,000 crore).

LuLu Financial Holdings Limited which has a networth of ~43 million USD and PAT of ~2 million USD for CY2023, is the holding company of Lulu Financial Services (India) Private Limited. Currently, the company has four directors, namely; Mr. Surendran Amittathody, (Managing Director & CEO) with over 40 years of banking experience and joined LuLu Financial Group in 2015 as General Manager, Mr. Richard Wason (Director), a member of ICAI with 30 years of experience in the financial services field, Mr. Unnikrishnan Menon (Director), holding over 30 years of extensive cross-functional experience in Corporate & Commercial Banking, Credit & Financial Analysis, Trade Finance, Credit Administration, Retail / Consumer Banking and related areas across the Banking Sector and Mr. Mathew Vilayil (Director), who is a seasoned banker with over four decades of expertise and exposure across the whole gamut of banking and financial management.

Acuité believes that the company will continue to benefit from its established presence and experience of the promoters.

Comfortable Capital Structure

The networth of the company stood at Rs. 41.42 Cr. as on March 31, 2025 as compared to Rs. 18.44 Cr. as on March 31, 2024; Rs. 66.49 Cr. as on September 30, 2025 owing to regular capital infusions by promoter group. The company's CAR stood at 63.70 percent as on September 30, 2025 and 60.91 percent as on March 31, 2025. The gearing levels stand comfortable at 1.11 times as on March 31, 2025 as compared to 1.97 times as on March 31, 2024.

Going forward, the company's ability to maintain a healthy capital structure through efficient resource mobilisation will be a key monitorable.

Healthy Asset Quality

LFSP's AUM stood at Rs. 68.85 Cr. as on March 31, 2025 as compared to Rs. 47.88 Cr. as on March 31, 2024; Rs. 105.89 Cr. as on September 30, 2025. The GNPA (120+dpd) and NNPA stood at 1.09 percent and 0.20 percent, respectively, as on March 31, 2025 as compared to 0.13 percent and 0.08 percent, respectively, as on March 31, 2024; 0.73 percent and 0.18 percent, respectively, as on September 30, 2025. Majority of the loan portfolio (~99 percent as on March 31, 2025 and September 30, 2025) is attributed to gold loans and the on-time dpd profile has remained in the range of 89 – 97 percent since FY2022 till September 30, 2025.

Going forward, as the company scales up its business operations in existing and newer geographies, maintaining asset quality would be a key monitorable.

Weakness

High geographical concentration

The company got incorporated in 2018 with operations commencing in Kerala FY2022 onwards. LFSP's has its presence in only two states; Kerala (~34 percent) and Tamil Nadu (~66 percent) with a branch base of 51 as on September 30, 2025. The company's operations are expected to remain confined to the South region with the company expanding in Karnataka by the end of FY2026.

Acuité believes that geographical concentration will continue to weigh on the company's credit profile.

Subdued earning profile

The company reported a loss of Rs. 2.02 Cr. during FY2025 as compared to a loss of Rs. 3.09 Cr. during FY2024; however, the company achieved break-even in Q2FY2026 and reported a PAT of Rs. 0.19 Cr. As the company is in the nascent stage of operations, the costs attributed to

recruit necessary personnel and establishing its presence via branch expansion, the past record of the company's earning profile remains weak. Going forward, the company's ability to profitably scale-up its operations while maintaining the asset quality will be a key monitorable.

Rating Sensitivity

- Promoter support and ability to raise capital
- Movement in collection efficiency and asset quality
- Movement in liquidity buffers
- Movement in profitability metric
- Changes in regulatory environment

Liquidity Position Adequate

LFSPL's overall liquidity profile remains adequate with no negative cumulative mismatches as per ALM dated September 30, 2025. The cash and bank balances stand at Rs. 13.67 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25(Actual)	FY24(Actual)
Total Assets	Rs. Cr.	89.89	56.07
Total Income*	Rs. Cr.	6.42	3.92
PAT	Rs. Cr.	(2.02)	(3.09)
Net Worth	Rs. Cr.	41.42	18.44
Return on Average Assets (RoAA)	(%)	(2.77)	(8.29)
Return on Average Net Worth (RoNW)	(%)	(6.75)	(19.64)
Debt/Equity	Times	1.11	1.97
Gross NPA	(%)	1.09	0.13
Net NPA	(%)	0.20	0.08

*Total income equals to Net Interest Income plus other income

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is

different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History: Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Federal Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Assigned
South Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	62.10	Simple	ACUITE BBB- Stable Assigned
Karnataka Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Assigned
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Assigned
South Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	18 Mar 2028	4.44	Simple	ACUITE BBB- Stable Assigned
Federal Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	09 Jul 2026	3.46	Simple	ACUITE BBB- Stable Assigned

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About Acuité Ratings & Research

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