

March 05, 2026

## Lulu Cyber Park Private Limited: Rating upgraded to [ICRA]A+(Stable)

### Summary of rating action

| Instrument*                         | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action                                     |
|-------------------------------------|-----------------------------------|----------------------------------|---|
| Long-term - Fund-based - Term loans | 104.60                            | 104.60                           | [ICRA]A+ (Stable); upgraded from [ICRA]A (Stable) |
| <b>Total</b>                        | <b>104.60</b>                     | <b>104.60</b>                    |   |

\*Instrument details are provided in Annexure-I

### Rationale

Lulu Cyber Park Private Limited (LCPPL) and Lulu Tech Park Private Limited (LTPPL), wholly owned subsidiaries of Emmay Ventures (India) Pvt. Ltd (promoted by Mr. Yusuff Ali), are together referred as pooled assets. The loans of the pooled assets have common lender, cross collateralisation and cross default clauses. The pooled assets have an operational portfolio of ~13 lakh square feet (lsf) in Kochi, Kerala.

The rating upgrade for LCPPL factors in the significant ramp-up in the occupancy level of the commercial office space and improvement in debt protection metrics following scheduled repayments and part prepayment of debt during FY2025 and 9M FY2026. Further, the occupancy level for the pooled assets increased to 99.7% as of January 2026 compared to ~94% as of January 2025. Despite the capex of Rs. 320 crore planned under LTPPL for an additional area of 6 lsf in the medium term (expected to be funded by debt: equity of 1:1), the pooled assets have strong debt protection metrics, which is likely to sustain in the medium term.

LCPPL owns and operates an office space, Lulu Cyber Tower 1, in Kakkanad, Kochi, with a total leasable area of 3.8 lsf. The occupancy level for the office space improved to ~99% as of January 2026 from 81% as of January 2025. This, along with part prepayment of debt, resulted in low leverage with total external debt/annualised net operating income (NOI) projected at 3.0-3.3 times by March 2026 and 2.5-2.8 times by March 2027 (~5.0 times as of March 2025). Consequently, the coverage metrics are expected to remain strong in the medium term with five-year average debt service coverage ratio (DSCR) estimated at 1.70-1.80 times during FY2026-2030. ICRA is given to understand that the company will not avail significant incremental debt in the medium term. The rating considers the favourable location of the asset, which enhances the marketability of the project, and the established track record of the Lulu Group (promoted by Mr. Yusuff Ali and Mr. Ashraf Ali) in developing and operating retail malls, office spaces, hypermarkets, etc, across India, West Asia, Africa and Southeast Asia. Considering the debt structure, ICRA expects that LTPPL (owns and operates a commercial office space named, Lulu Cyber Tower 2, in Kakkanad, Kochi with a total leasable area of 9.2 lsf) will support LCPPL in case of any funding requirements.

The rating is, however, constrained by the small scale of operations and exposure to moderate tenant concentration risk with top five tenants occupying 56% of the leasable area and contributing to 56% of the rentals in FY2027. Any significant weakening in business operations of the tenants, resulting in material reduction in occupancy, may adversely impact LCPPL's operational cash flows and debt protection metrics. Moreover, the company faces lease renewal risk with 47% of the leases expiring in FY2027 and FY2028. The renewal of these leases in a timely manner will remain important. However, ICRA draws comfort from healthy demand and low vacancy levels in the micro-market. The rating considers the single asset nature of the special purpose vehicle (SPV) and the dependence on revenues from a single property, exposing it to asset concentration risk. The rating notes the vulnerability of its debt coverage metrics to factors such as changes in interest rates or material reduction in occupancy levels. Nonetheless, there is adequate cushion in the coverage metrics to withstand temporary headwinds in the interim.

The Stable outlook on LCPPL's rating reflects ICRA's opinion that the company will benefit from the healthy occupancy levels and strong debt protection metrics with no plans to raise any additional debt.

## Key rating drivers and their description

### Credit strengths

**Improvement in occupancy levels and strong debt protection metrics** – The occupancy level for the office space improved to ~99% as of January 2026 from 81% as of January 2025. This, along with part prepayment of debt, resulted in low leverage with total external debt/ annualised NOI projected at 3.0-3.3 times by March 2026 and 2.5-2.8 times by March 2027 (~5.0 times as of March 2025). Consequently, the coverage metrics are expected to remain strong in the medium term with five-year average DSCR estimated at 1.70-1.80 times during FY2026-2030. The company maintains DSRA in form of FDs for three months' principal + interest obligations.

**Favourable location of asset and reputed parentage with resourceful promoters** – LCPPL owns and operates a commercial office space named, Lulu Cyber Tower 1, in Kakkanad, Kochi, with a total leasable area of 3.8 lsf. LCPPL is a part of Infopark campus, Kochi. Infopark SEZ is an IT/ITeS specific special economic zone (SEZ) developed at the centre of the southern business district in Kakkanad and is well connected with the city's key areas, which enhances the marketability of the project. The rating considers the established track record of the Lulu Group (promoted by Mr. Yusuff Ali and Mr. Ashraf Ali), in developing and operating retail malls, office spaces, hypermarkets, etc, across India, West Asia, Africa and Southeast Asia.

### Credit challenges

**Small scale of operations and exposure to moderate tenant concentration risk** – The company has small scale of operations and faces moderate tenant concentration risk with top five tenants occupying 56% of the leasable area and contributing to 56% of the rentals in FY2027. Any significant weakening in business operations of the tenants, resulting in material reduction in occupancy, may adversely impact LCPPL's operational cash flows and debt protection metrics.

**Exposure to lease renewal risk and vulnerability of debt coverage ratios to changes in interest rate and occupancy levels** – The company faces lease renewal risk with 47% of the leases expiring in FY2027 and FY2028. The renewal of these leases in a timely manner will remain important. However, ICRA draws comfort from the healthy demand and low vacancy levels in the micro-market. The rating considers the single asset nature of the SPV and the dependence on revenues from a single property, exposing it to asset concentration risk. The debt coverage metrics are vulnerable to factors such as changes in interest rates or material reduction in occupancy levels. Nonetheless, there is adequate cushion in the coverage metrics to withstand temporary headwinds in the interim.

### Liquidity position: Adequate

The company's liquidity position is adequate with principal repayment obligations of ~Rs. 4.2 crore in FY2026 and ~Rs. 4.6 crore in FY2027, which can be comfortably serviced through its estimated cash flows from operations. Further, it does not have any major capex plans in the medium term

### Rating sensitivities

**Positive factors** – The rating can be upgraded if the company is able to significantly increase its scale of operations, with material reduction in indebtedness resulting in improvement in the debt protection metrics on a sustained basis.

**Negative factors** – Pressure on the rating could arise in case there is any material decline in occupancy levels/rental rates or a substantial increase in indebtedness resulting in weakening of debt protection metrics on a prolonged basis. Specific credit metric for a rating downgrade includes a five-year average DSCR of less than 1.4 times on a sustained basis.

### Analytical approach

| Analytical approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Realty - Lease Rental Discounting (LRD)</a><br><a href="#">Corporate Credit Rating Methodology</a> |

| Analytical approach             | Comments  |
|---------------------------------|---|
| <b>Parent/group Support</b>     | Parent: Pool of LCPPL and LTPPL Both the entities are held by Emmay Ventures (India) Pvt. Ltd, have common lenders and the debt availed by them has presence of cross default clauses. Further, LCPPL and LTPPL have provided corporate guarantees to each other. The rating for LCPPL has been arrived at by following the analytical steps as given below: • An assessment of the standalone credit profile of LCPPL • An assessment of the credit profile of both the assets by considering the consolidated business and financial risk profile • The final rating for the bank facility of LCPPL is arrived at by suitably notching up the standalone rating after duly considering the debt structure and the linkages between both the entities. |
| <b>Consolidation/standalone</b> | Standalone  |

## About the company

LCPPL, a wholly-owned subsidiary of Emmay Ventures (India) Pvt. Ltd, is promoted by Mr. Yusuff Ali. The company owns and operates an IT business park called Lulu Cyber Tower 1, in Infopark SEZ, Kochi, with a total leasable area of 3.8 lsf. The occupancy levels stood at 99% as of January 2026. The Group company, LTPPL, owned by Emmay Ventures (India) Pvt. Ltd., operates an IT business park named Lulu Cyber Tower 2, in Infopark SEZ, Kochi with a total leasable area of 9.2 lsf.

## Key financial indicators (audited)

| LCPPL (Standalone)  | FY2024 | FY2025 |
|---|--------|--------|
| <b>Operating income</b>                                     | 22.1   | 21.0   |
| <b>PAT</b>  | 19.9   | 10.4   |
| <b>OPBDITA/OI</b>   | 78.3%  | 66.0%  |
| <b>PAT/OI</b>   | 90.2%  | 49.3%  |
| <b>Total outside liabilities/Tangible net worth (times)</b> | 0.9    | 0.7    |
| <b>Total debt/OPBDITA (times)</b>                           | 5.7    | 6.1    |
| <b>Interest coverage (times)</b>                            | 2.0    | 1.7    |

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: Not applicable**

### Rating history for past three years

| Instrument              | Current rating (FY2026) |                             |                   | Chronology of rating history for the past 3 years |                     |        |        |        |        |
|-------------------------|-------------------------|-----------------------------|-------------------|---|---------------------|--------|--------|--------|--------|
|                         | Type                    | Amount rated<br>(Rs. crore) | Mar 05, 2026      | FY2025  |                     | FY2024 |        | FY2023 |        |
|                         |                         |                             |                   | Date  | Rating              | Date   | Rating | Date   | Rating |
| Fund-based – Term loans | Long-term               | 104.60                      | [ICRA]A+ (Stable) | Mar 04, 2025                                      | [ICRA]A<br>(Stable) | -      | -      | -      | -      |

## Complexity level of the rated instruments

| Instrument | Complexity indicator |
|------------|----------------------|
| Term Loans | Simple               |

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   | Term loans      | FY2024           | NA          | FY2038   | 104.60                   | [ICRA]A+ (Stable)          |

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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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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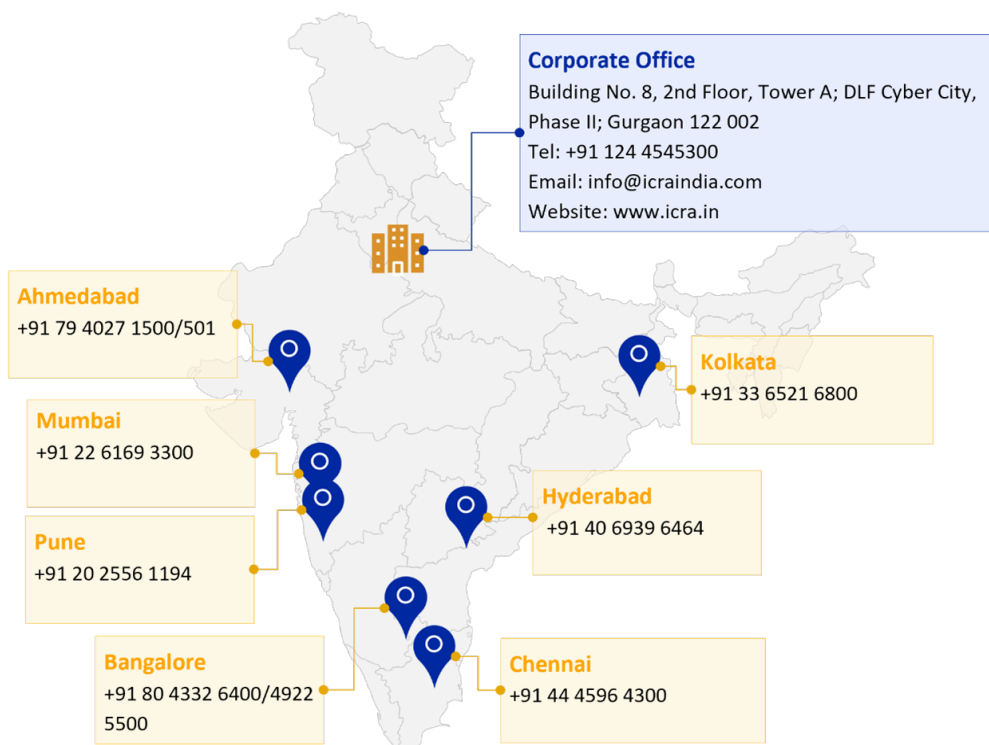


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