

June 02, 2026

Merlin Acropolis Projects Pvt Ltd.: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Working capital facilities	50.83	50.83	[ICRA]A (Stable); reaffirmed
Long-term – Fund-based – Term loans	232.43	211.90	[ICRA]A (Stable); reaffirmed
Short-term – Interchangeable [^]	(2.00)	(2.00)	[ICRA]A1; reaffirmed
Long-term/Short-term – Unallocated limits	51.74	72.27	[ICRA]A (Stable)/ [ICRA]A1; reaffirmed
Total	335.00	335.00	

*Instrument details are provided in Annexure II; [^]sub-limit of Working Capital Facilities

Rationale

The rating reaffirmation for the bank facilities of Merlin Acropolis Projects Pvt Ltd (MAPPL) factors in the favourable location of the property on Rajdanga Main Road, Kolkata, resulting in sustained healthy occupancy for the mall at 98% as of January 2026, along with the reputed tenant profile. With expected improvement in net operating income (NOI) due to contracted rental escalations along with scheduled debt repayments, the leverage as measured by total external debt/NOI is expected to remain adequate in the range of 5.2-5.5 times as of March 2027 (PY: 5.5 times). The rating draws comfort from the established market position of the Merlin Group, with a track record of over four decades in the real estate industry, particularly in and around Kolkata. The Group has strong project execution and sales capabilities, as demonstrated by consistent delivery of good quality projects covering more than 10 million square feet (msf) of area across residential, commercial, and retail segments.

The ratings, however, are constrained by the asset concentration risk with the company's dependence on a single asset for revenue generation, along with moderate lessee concentration risk, with top five tenants occupying 50% of the total leasable area. Notwithstanding the comfortable weighted average lease expiry profile of the asset, the cash flows could be adversely impacted in case of an early termination of any of the anchor tenant leases. The ratings factor in the modest debt coverage metrics as of March 2027 and March 2028. ICRA expects the flagship company of the Group, Merlin Projects Limited (MPL), to provide timely financial support to MAPPL, for funding shortfall, if any, given their substantial financial linkages, its strategic importance for MPL and the company's reputation sensitivity to default. MAPPL consistently receives interest income (Rs. 18.6 crore in FY2024, Rs. 19.0 crore in FY2025 and Rs. 23.1 (P) crore in FY2026) from the loans and advances extended to other group entities, which supports its liquidity and debt servicing ability. Timely receipt of interest income from the loans and advances to the group companies would remain critical from the credit perspective. MAPPL has an average cushion of Rs. 47-49 crore available in the form of overdraft limits in the last 12 months period ending January 2026, aiding its liquidity. The ratings also factor in MAPPL's debt coverage metrics are vulnerable to changes in occupancies, rental realisations and interest rates.

The Stable outlook on MAPPL's rating reflects ICRA's expectation that the company will benefit from favourable location of the project, supporting the healthy occupancy levels of the mall, along with adequate leverage levels.

Key rating drivers and their description

Credit strengths

Healthy occupancy levels and reputed lessee profile – Operational since 2015, the Acropolis Mall is favourably located in an upcoming commercial hub and thus, benefits from a populous catchment area, resulting in high overall occupancy as it is 98% occupied as of January 2026. The properties have a diversified tenant profile and include reputed anchors such as Shoppers Stop, Cinepolis, with no major lease falling due for renewal in the near term. The recovery in operational metrics since the lockdown support the cash flows and debt coverage metrics.

Adequate leverage – With an expected improvement in NOI due to contracted rental escalations, along with scheduled debt repayments, the leverage as measured by total external debt/NOI is expected to remain adequate in the range of 5.2-5.5 times as of March 2027 (PY: 5.5 times).

Strong sponsor group with an established market position in eastern India – The Merlin Group has an established track record of over four decades in the real estate industry, particularly in and around Kolkata. The Group has strong project execution and sales capabilities, as demonstrated by consistent delivery of good quality projects covering more than 10 msf of area across residential, commercial, and retail segments. The Group has a leased retail portfolio of around 0.3 msf across two properties, with average occupancy level of around 98% as of January 2026.

Credit challenges

Modest debt coverage metrics – The ratings are constrained by the modest debt coverage metrics as of March 2027 and March 2028. ICRA expects the flagship company of the Group, MPL, to provide timely financial support to MAPPL, for funding shortfall, if any, given their substantial financial linkages, its strategic importance for MPL and the company's reputation sensitivity to default. MAPPL consistently receives interest income (Rs. 18.6 crore in FY2024, Rs. 19.0 crore in FY2025 and Rs. 23.1 crore in FY2026) from the loans and advances extended to other group entities, which supports its liquidity and debt servicing ability. Timely receipt of interest income from the loans and advances to the group companies would remain critical from the credit perspective. MAPPL has an average cushion of Rs. 47-49 crore available in the form of overdraft limits in the last 12 months period ending January 2026, aiding its liquidity.

Moderate tenant concentration and asset concentration risks – The ratings factor in the asset concentration risk with company's dependence on a single asset for revenue generation, along with moderate lessee concentration risk, with the top five tenants occupying 50% of the total leasable area. Notwithstanding the comfortable weighted average lease expiry profile of the asset, the cash flows could be adversely impacted in case of an early termination of any of the anchor tenant leases.

Vulnerability of commercial real estate sector to cyclicity – The company's debt coverage metrics remains exposed to any decline in occupancy levels or increase in interest rates.

Liquidity position: Adequate

The rental collections together with interest income on group company loans are likely to remain adequate to meet the corresponding asset costs and debt obligations. The company's liquidity is further supported by the presence of a significant undrawn overdraft limit. The average utilisation of the sanctioned OD limits of Rs. 50.8 crore during February 2025 to January 2026 remained low at 4%. Further, as of January 2026, the undrawn OD limit stood at around Rs. 50.8 crore.

Rating sensitivities

Positive factors – Significant reduction in indebtedness resulting in improvement in debt coverage metrics, along with improvement in the credit profile of the parent, MPL, could favourably impact the ratings.

Negative factors – Negative pressure on the ratings could arise if a sustained pressure on occupancy or rental rates or increase in indebtedness impacts the debt protection metrics. Further, any deterioration in the credit profile of the parent (MPL) or weakening in the operational and financial linkages with the parent could exert pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing
Parent/Group support	Support Provider: Merlin Projects Limited (MPL) ICRA expects the flagship company of the Group, Merlin Projects Limited (MPL), to provide timely financial support to MAPPL, for funding shortfall, if any, given their substantial financial linkages, MAPPL's strategic importance for MPL and MPL's reputation sensitivity to default.
Consolidation/Standalone	Standalone

About the group

The Kolkata-based Merlin Group has over four decades of experience in the realty sector. The Group has developed over 100 residential and commercial complexes and 150 independent bungalows, with a total constructed area more than 10 msf, mostly in and around Kolkata. The Group has some presence in other parts of India with various residential and commercial projects at Chennai, Chhattisgarh, Pune, Bhubaneswar, and Ahmedabad. Merlin Project Limited (MPL) is the flagship entity of the Merlin Group and was established in 1976 as a partnership firm and converted to a public limited company in 1992.

About the company

Merlin Acropolis Projects Pvt Ltd. (MAPPL) was established in 2009 for development of a stadium and a commercial complex under a public private partnership (PPP) model with the Kolkata Metropolitan Development Authority (KMDA). The company developed Acropolis Mall, which comprises 3B+G+18 floors. It is located on Rajdanga Main Road in Kolkata. 3B+G+4 is dedicated to the mall and floors 5th to 18th are for commercial office space. The mall and 5th floor of the commercial office space lies under MAPPL, while the remaining office space from 6th to 18th floor is in a group company, Merlin Projects Limited (MPL). The total leasable area available with MAPPL as on date stands at around 0.26 msf.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income (OI)	43.3	37.4
PAT	25.9	23.7
OPBDIT/OI	89.8%	91.9%
PAT/OI	60.0%	63.4%
Total outside liabilities/Tangible net worth (times)	2.0	1.8
Total debt/OPBDITA (times)	6.2	7.5
Interest coverage (times)	2.1	1.6

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

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	June 02, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Working capital facilities	Long term	50.83	[ICRA]A (Stable)	Apr 25, 2025	[ICRA]A (Stable)	-	-	Mar 22, 2024	[ICRA]A (Stable)
Term loans	Long term	211.90	[ICRA]A (Stable)	Apr 25, 2025	[ICRA]A (Stable)	-	-	Mar 22, 2024	[ICRA]A (Stable)
Bank guarantee	Short term	(2.00)	[ICRA]A1	Apr 25, 2025	[ICRA]A1	-	-	Mar 22, 2024	[ICRA]A1
Unallocated limits	Long term/ Short term	72.27	[ICRA]A (Stable)/ [ICRA]A1	Apr 25, 2025	[ICRA]A (Stable)/ [ICRA]A1	-	-	Mar 22, 2024	[ICRA]A (Stable)/ [ICRA]A1

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

Sr. No.	Activity Name	FSR
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Working capital facilities	Simple
Long-term – Fund-based – Term loans	Simple
Short-term – Interchangeable	Simple
Long-term/Short-term – Unallocated limits	Not Applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Working capital facilities	NA	NA	NA	50.83	[ICRA]A (Stable)
NA	Term loans	May 2019	NA	FY2039	211.90	[ICRA]A (Stable)
NA	Bank guarantee	NA	NA	NA	(2.00)	[ICRA]A1
NA	Unallocated limits	NA	NA	NA	72.27	[ICRA]A (Stable)/ [ICRA]A1

Source: Company

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

Annexure III: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Sweta Shroff
+91 124 4545 307
sweta.shroff@icraindia.com

Yash Garg
+91 124 4545 337
yash.garg@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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