

# MARATHON NEXTGEN REALTY LIMITED



Regd. Off.: Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013  
Tel.: +91-22-6724 8484 Fax: +91-22-6772 8408 CIN: L65990MH1978PLC020080  
E-mail: shares@marathonnextgen.com Website: www.marathonnextgen.com

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May 28, 2020

To  
NSE Ltd.  
BKC, Bandra (E),  
Mumbai-400 050  
**Symbol: MARATHON**

To  
BSE Ltd  
P.J. Towers, Dalal Street,  
Mumbai- 400 001  
**Scrip Code: 503101**

Dear Sirs,

**Subject: Material Impact of COVID-19 pandemic-U/R 30 of SEBI (LODR) Regulations 2015.**

Pursuant to the applicable provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 issued by SEBI, the material impact of COVID-19 pandemic is given as under:

Sr.No.	Particulars	Disclosure
1.	Impact of the CoVID-19 pandemic on the business	<p>Real estate sector, which contributes <b>substantially</b> to the GDP of the country, is one of the worst affected sectors due to the COVID-19 pandemic. The construction activities of Marathon Group Companies as well as their offices were shut down due to COVID 19 pandemic and the consequent complete Lockdown effective from March 23,2020, which have now partially been resumed effective from May 9/10, 2020 consequent to the approval granted by the Central and State Governments. The functioning at Corporate Office, Construction sites and the overall operations of the Group have been adversely affected. The pandemic is significantly impacting the business operations and the future growth plans of the Company by way of supply chain disruption, reduced sales booking, deferment of installments(collections) from Customers, unavailability continuous labour force etc.</p> <p>The real estate sector which was already reeling under adverse impact of liquidity crunch, a high inventory overhang and subdued demand conditions, the COVID19 outbreak is expected to further worsen the situation in the sector, with slowdown in sales and collections and project execution activity, in the near term.</p>

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		<p>However, the implementation of the extension of moratorium on term loan instalments for a period of six months , announced by the RBI, would provide some temporary sigh of relief in case of overall cash flows during this period. We also strongly believe that there is a huge inherent demand in the housing sector in India, provided the interest rate are reduced and the overall demand perk up alongwith the various reductions are allowed to the home buyers as recommended and sought by the CREDAI (Confederation of Real Estate Developers Association of India),the Apex body of Realtors, from RBI and the C.Govt.</p>
2.	<p><b>Ability to maintain operations including the factories/units/office Spaces functioning and closed down</b></p>	<p>Pursuant to the guidelines and directives issued by the Ministry of Home Affairs, Government of India and the State Government Authorities, the Company has resumed its operations at its Marketing (Customer Care centres), Site Offices and construction activities have started, with very limited/ permitted way and with the available workforce, effective from May 9/10, 2020, adhering to the prescribed safety norms.</p>
3.	<p><b>Schedule, if any, for restarting the operations</b></p>	<p>Operations got resumed at a very limited manner with permitted workforce, and construction activity will be slowly scaled to normal level in a phased manner based on the directives issued by the authorities, from time to time. The Company expects construction activities to reach optimum levels depending upon the availability of workforce, gradually.</p>
4.	<p><b>Steps taken to ensure smooth functioning of operations</b></p>	<p>The Company, always recognize its workforce as its valuable assets and has taken a series of pro-active and preventive measures to ensure the safety and health of all its work force and a safe workplace for them, with appropriate social distancing norms and high standards of hygiene. The Company has also taken various prescribed steps such as thermal screening of all its employees and visitors at the entry gate, sanitizing the premises on regular basis, enforcing wearing of masks, asking all employees to have 'Aarogya Setu' App installed on their mobiles and continuously follow guidelines, as prescribed by the Central or State</p>

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		Government, from time to time. 'Work from home' option also continues for certain category of employees. The Company has also ensured complete adherence to all safety guidelines to minimize the spread of this deadly corona virus. The Company also has Risk Management framework and internal control system in place, to mitigate the effect on the overall operations of the Company.
5.	<b>Estimation of the future impact of CoVID-19 on its operations</b>	The temporary suspension of construction activities and the reduced level of operations are likely to have significant additional financial impact, the extent of which is not quantifiable at this moment. Moreover, there is acute shortage of labour. Though we do hope the business situation should normalise soon once the situation comes under control. It is very early to assess the future impact of COVID-19 with reasonable certainty.
6.	<b>Details of impact of CoVID19 on Company's:</b> <ul style="list-style-type: none"> <li>• capital and financial resources;</li> <li>• profitability;</li> <li>• liquidity position;</li> <li>• ability to service debt and other financing arrangements;</li> <li>• assets;</li> <li>• internal financial reporting and control;</li> <li>• supply chain;</li> <li>• demand for products/services</li> </ul>	<p>In this evolving situation, the overall financial impact or the duration thereof cannot be predicted with any reasonable certainty. The capital and financial resources, profitability and liquidity are likely to be adversely impacted due to COVID 19 lockdown and impact of the same is being ascertained and shall be disclosed while submitting the Financials of the Company starting for the first quarter ended June 30, 2020, onwards as the same are subject to review / examination by the Audit Committee and Board of Directors and are also subject to Audit by the Statutory Auditors of the Company.</p> <p>The financial arrangements are being rescheduled with various lenders.</p> <p>There is no impact on the assets of the Company.</p> <p>The Company has a strong Internal Audit framework in place to ensure operational efficiency, risk management and internal financial reporting and control.</p>

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		<p>The Company has near term visibility of supply of all regular building materials through established and dependable suppliers. All vendors and suppliers payments are being rescheduled.</p> <p>The pandemic will certainly impact the purchasing power of prospective customers/ buyers, which in turn, add up to the already stagnated demand shall affect the Growth and the Financials of the Company and its Group Companies</p>
7.	<p><b>Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;</b></p>	<p>The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations by any party would lead to any material financial claim by or against the Company.</p> <p>The Company ensures that all the commitment are honoured in agreed and amicable time frame and as per agreed mutual interest of the parties.</p>
8.	<p><b>Other relevant material updates about the business of the Company</b></p>	<p>The Company shall keep its stakeholders informed as and when any material developments take place having Significant impact.</p> <p>As the current environment is very dynamic and resultant situation is evolving, the business operations are highly influenced by the decisions taken by the Government and Regulators, from time to time. Accordingly, any material change in the business operations and its impact will be updated from time to time.</p>

This is for your information and records.

Thanking you.

Yours faithfully

**For Marathon Nextgen Realty Limited**

**K. S. Raghavan**  
**Company Secretary & Compliance Officers**