

Date: 30/05/2023

To

The BSE Limited  
Department of Corporate Services,  
P.J. Towers, Dalal Street,  
Mumbai- 400 001  
Scrip Code equity: 503101  
Debt: 973776, 973681, 973682

National Stock Exchange of India Limited  
Listing Department,  
BKC, Bandra (E)  
Mumbai-400 051  
Symbol: MARATHON

**Sub: Transcript of Q4 FY'23 earnings conference call**

Pursuant to Regulation 30 and Regulation 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q4 FY'23 earnings conference call held on Friday, May 26, 2023. The Transcript is also available on the Company's website at <https://www.marathonnextgen.com/>.

Kindly take the same on record.

Thanking you,  
Yours truly,

For Marathon Nextgen Realty Limited,



K.S. Raghavan  
Company Secretary & Compliance Officer  
Place: Mumbai  
Encl: A/a



“Marathon Nextgen Realty Limited  
Q4 FY’23 Earnings Conference Call”

May 26, 2023



**MANAGEMENT:** **MR. CHETAN R SHAH – CHAIRMAN AND MANAGING DIRECTOR – MARATHON NEXTGEN REALTY LIMITED**  
**MR. MAYUR SHAH – VICE-CHAIRMAN – MARATHON NEXTGEN REALTY LIMITED**  
**MR. KAIVALYA SHAH – PROJECT HEAD, NEO HOMES, MARATHON NEXTGEN REALTY LIMITED**  
**MR. SAMYAG M. SHAH – PROJECT HEAD, MARATHON FUTUREX AND NEXTGEN – MARATHON NEXTGEN REALTY LIMITED**  
**MR. S. RAMAMURTHY – CHIEF FINANCIAL OFFICER, WHOLE TIME DIRECTOR – MARATHON NEXTGEN REALTY LIMITED**

**MODERATOR:** **MR. BINAY SARDA – ERNST AND YOUNG**

**Moderator:** Ladies and gentlemen, good day and welcome to the Marathon Nextgen Realty Limited Q4 FY '23 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing star, then zero on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Binay Sarda from Ernst and Young. Thank you and over to you, sir.

**Binay Sarda:** Thanks, Melissa. Good afternoon to all the participants on the call and thanks for joining this Q4 FY '23 Earnings Call for Marathon Nextgen Realty Limited. Please note that we have mailed out the press release and presentation to everyone and you can also see the results on our website as well as it has been uploaded on the stock exchanges. In case if you have not received it, you can write to us and we'll be happy to send it over to you.

Before we proceed with the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our businesses that could cause future results, performance or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the results of this quarter and answer our questions, we have with us the management of Marathon Next Gen represented by Mr. Chetan Shah, Chairman and Managing Director, Mr. Mayur Shah, Vice-Chairman, Mr. Kaivalya Shah, Project Head, Neo Homes, Mr. Samyag M. Shah, Project Head, Marathon Future X and Nextgen and Mr. S. Ramamurthy, Chief Financial Officer, Whole Time Director. We'll be starting the call with a brief overview of the quarter gone past, which will then be followed with the Q&A session.

With that said, I'll now hand over the call to Mr. Chetan Shah. Over to you, sir.

**Chetan Shah:** Thank you, everybody, for being part of this conference call. I'll briefly mention about the group. For over 52 years now, Marathon Group has been helping shape Mumbai's skyline. Founded in 1969 by my father, Ramniklal Zaverbhai Shah, the group has completed over 100 projects in the city with a portfolio encompassing townships, affordable housing, luxury residential, retail, small business spaces and corporate parks.

Marathon is design-driven and engineering-focused with a leadership team comprising of technocrats. Myself, Mr. Chetan Shah, Chairman and my brother, Mayur Shah, Managing Director, have completed their engineering from US. And the third generation of the company comprising of three Directors, Mr. Kaivalya Shah, my son, and Mr. Parmeet Shah and Samyag Shah, both Mayur's sons, are highly qualified, having completed their education from USA and bring years of real estate experience to the group.

Marathon has strong in-house capabilities in design, engineering, execution, marketing, sales and prides itself on its transparency, customer centricity and is among one of the most trusted developers of Bombay. The group has ongoing projects and land banks at Lower Parel, Byculla, Mulund, Bhandup, Thane, Dombivli and Panvel.

If we come to the consolidated financial year, '23 financial performances, Net revenue grew by 134% year-on-year to INR717 crores, compared to INR306 crores in FY '22. EBITDA grew by 129% year-on-year to INR293 crores, compared to INR128 crores in FY '22. Profit before tax, PBT, grew by 346% year-on-year to INR156 crores, compared to INR35 crores in FY '22. Profit after tax, PAT, grew by 218% year-on-year to INR124 crores, compared to INR39 crores in FY '22.

We have shared all the Q4 data also, so I would skip that and I will just say that we are pleased to report strong performance during the quarter and the full year led by momentum in sales, booking across our projects. We have had a phenomenal year in terms of pre-sales amounting to about INR530 crores, giving healthy visibility for the coming quarter. We recently received occupation certificate for phase 2 of Monte South till 54th, first floor of Tower 1 and we continue to witness incredible response to the launch of the higher floors.

In our unwavering commitment towards debt reduction, we managed to reduce the debt by INR352 crores during FY '23. We remain positive on demand environment and would continue to focus on strengthening our financial performance by reducing debt, enhancing our collection efficiency and generating healthy operating cash flows. With a strong launch pipeline and strong execution capabilities, we are confident to achieve outstanding and profitable growth over the mid to long term.

Main operational highlights for the year FY '23, area sold stood at 452,000 square feet, booking value stood at more than INR601 crores, collection stood at INR548 crores, average realization stood at INR20,206 per square feet for commercial and INR9,250 per square feet for residential. On the net debt front, the net debt as of the year end was INR1,195 crores, which was reduced by 31, March '23 to INR838 crores, which I already mentioned.

Thank you very much for initial remarks and we can now start taking questions.

**Moderator:**

Thank you. Ladies and gentlemen, we will now begin the question-and-answer-session. We have the first question from the line of Monika Arora from Shares Giants Wealth Advisors. Please go ahead.

**Monika Arora:**

Hello. Thanks for giving me this opportunity. Congratulations on a good set of numbers. So my first question is, you have vast potential of future land area, if I see, in your listed company. So any timelines or more details? When do you plan to develop this land? And are you considering it doing yourself or it will be done by a JV partner or someone? It will be a joint development or how is it? I want your thoughts on that.

**Chetan Shah:**

Sure. So we have -- at group level, we have a large land bank as we mentioned in Parel, Dombivli and Bandup area. So these three land banks at opportune times, we are transferring to the listed entity here and we are doing. For example, we have already done 6.5 acre of Bandup already transferred here. The Panvel 25 acre of Nexzone development that is happening is also happening in a 91% subsidiary of the listed company. So at every opportune time, we are transferring.

Currently, we have a large development already in the pipeline. So if you see the project under pipeline, they are substantial and some of the next phases of those projects under pipeline, the numbers we have shared on the PowerPoint, those are also in line. For next three years, we have from a committed land already with the company, we have a substantial cash flow revenues coming over next three years.

**Monika Arora:** Okay. And so I just want to understand that out of the projects that you have recently launched, how much is the inventory which is still available? Like I am just talking about the ready to move one, the ready to move unit?

**Kaivalya Shah:** Yup. So out of the total OC received is I think the question, the Occupation Certificate received but unsold value is around INR390 crores and around 1,85,000 square feet is what is unsold. The inventory part that is the inventory. Is that your question?

**Monika Arora:** Yes, correct. That was my question, sir. And one last question if I could squeeze in. So based on some macro scenarios that we are seeing like rise in the interest rate, so does it affect your demand in terms of how much inquiries you would now receive or conversion rate or the overall demand in the affordable, mid-income and luxury segments? And what is the current state of end market demand? So that is the impact of, specifically the impact of increasing rate hikes and other macro scenarios.

**Chetan Shah:** Mayur Shah will answer that question.

**Mayur Shah:** See, one thing is that the reduced interest rate during the COVID time, which was around 7%, was a kind of a very unique situation, which had never happened for several, I think, couple of decades. But after that, let's say, by increase, what has happened is like 1.5% to 2%. So up to 9% and 10%, the affordable as well as mid-luxury segments, it is not really affected by the interest rate hike because such a range was always there.

If you look at five years ago, the interest rates were always between 9% and 10%. So the impact what we are seeing in our affordable segment is absolutely negligible. Even in a luxury segment, which we have posted our results, even the pre-sale numbers are quite high, actually reaching at INR530 crores, is something which is very good. So in our projects, which we are doing, we are not really affected by the rate increase.

**Monika Arora:** Okay, so you are seeing the same demand as you were seeing before this?

**Mayur Shah:** Not just the same, it is actually demand has increased because the pandemic numbers were very low. So if we look at the pre-pandemic numbers, we are almost reaching there or even going beyond that.

**Monika Arora:** Great, sir. Many congratulations for that. Thank you so much, sir.

**Moderator:** Thank you. We have the next question from the line of Shreegopal Agarwal from Aagman Advisory LLP. Please go ahead.

- Shreegopal Agarwal:** Hi, sir. I just wanted to know your views on the redevelopment opportunity. And are you actively pursuing any such projects for redevelopment?
- Chetan Shah:** Marathon is seriously looking at redevelopment opportunity, but we are very, very specific on the location and the margins which are available. So typically, we are exploring redevelopment possibility in Lower Parel, Worli, or South Mumbai, that locations which we feel has a good demand as well as good margins which are available for redevelopment.
- Chetan Shah:** And our presence is also very much there in South Mumbai in terms of Monte South, the project which is successfully handled and has seen a lot of inquiry.
- Shreegopal Agarwal:** Okay, got it. And the second question is regarding your launch pipeline for both residential and commercial. Can you just throw some information on that part as well, including timeline?
- Chetan Shah:** Yup, sure. So, Kaivalya will mention about the launches that are expected next year.
- Kaivalya Shah:** Yup. So in terms of launches, there are a few projects. Firstly, Monte South, where we are intending to launch the second part of Tower C. Then we have another phase in Bhandup, where we intend to launch a new project altogether. There is also an existing project called Neo Park, we intend to launch the third wing of that and in our Panvel project Next Zone, we also intend to launch a few things. So in totality, we intend to launch around 7.5 lakh square feet of area, approximately valuing around INR1,000 crores.
- Shreegopal Agarwal:** Okay. And sir, lastly, what are the expected future cash flows for your ongoing and upcoming project?
- Chetan Shah:** So what we are saying is that the pre-sales numbers are the numbers that get reflected in the future sales, which are all committed numbers. So if you see balance collections from sold units completed and ongoing in all launch projects, that will stand at about INR565 crores. And total pending estimated project costs to be incurred stands at about INR1,193 crores. So total estimated from revenue from unsold as well as sold of all the launch projects is about INR2,092 crores.
- Shreegopal Agarwal:** Okay. So that answers my question.
- Chetan Shah:** Thank you. Thank you so much.
- Moderator:** Thank you. We have the next question from the line of Abhishek Getam from Alpha Invesco. Please go ahead.
- Abhishek Getam:** Yup. Hello. Thank you, sir. So my question was regarding Monte South. So I believe that Monte South is very prominently based in South Mumbai, and it has a lot of brand value for us. So after the launch of phase 3, which this is phase 3 is first part of Tower C, right, sir?
- Chetan Shah:** Well, it is not phase 3, but it is Tower C.
- Abhishek Getam:** Okay. So after this completion of phase 3, I mean, launching of phase 3, how much will still be available to us to launch in future in Monte South project?

- Chetan Shah:** So Monte South project is consisting of totally five towers. Okay. So Tower A, Tower B, it's already launched and it is at the significant level of progress. Tower A is in fact ready up to 51 floors and balance 14 floors are getting ready in next three months. Tower B is also substantially completed and already launched earlier. Tower C, our first phase of lower 20 floors, we have already launched. And as Kaivalya mentioned, in the next year's pipeline, we will have about 3 lakh square feet to be launched in Tower C.
- Now, after Tower A, Tower B and Tower C, there is going to be a Tower D, which is residential, which is yet not projected or given a deadline, a milestone of launching, which is about 6.5 lakh square feet. And there is going to be a commercial tower, which is fifth tower, that is also yet to be launched, which is more than 10 lakh square feet. So this is in totality the Monte South project.
- Abhishek Getam:** On the slide, we mentioned that Monte South phase 3, we have a commercial also, right? So this year we'll be launching residential and commercial both in Monte South.
- Chetan Shah:** No. See, phase 3, only Tower C second part, 3 lakh square feet is what we will be launching in next 12 months. Tower D, which is a residential and commercial, about 6 lakhs-plus 10 lakhs. 16 lakhs is something that is not right now announced as a deadline. We have not even registered with the RERA. So those are future upcoming projects. You will see that in part of our upcoming projects list, PowerPoint that we have shared. Yes.
- Abhishek Getam:** Understood. Just to reiterate again, the commercial is 10 lakhs square feet, right?
- Chetan Shah:** It is between 10 lakhs square feet and 12 lakhs square feet. Yup.
- Abhishek Getam:** And so we intend to sell this or lease this model?
- Chetan Shah:** That is yet not decided. So it could be both ways, like how we have done in Marathon Futurex. If a customer comes to lease it, we will lease it. And if customer comes to buy it, we will sell it. So it is a start of sale and not really complete project as a lease or complete project as sale. What is happening is even if it is a lease, the pre-lease areas really get sold to the investor at much higher rate. So we prefer to lease it, hold it for a few months, and then sell the pre-lease component. But our model is to sell everything.
- Abhishek Getam:** Right. So that is a good information. So another one, so what we understand is currently in our portfolio, Monte South is one of the most luxurious and one of the highest value projects. And presumably from last call, so Monte South also has a higher EBITDA margin, is a higher EBITDA margin project. So after we finish Monte South, the other projects like Neo Park, which is a low EBITDA margin compared to Monte South or Panvel, so what will replace going ahead this high value project Monte South?
- Chetan Shah:** So Monte South itself will continue for almost five years hence. So the timeline is going to be between five and eight years to complete all the full Monte South project. So that contribution will keep on coming to the company. Having said that, the other projects where EBITDA margins are lower are seeing a very good booking at initial stage. So in fact, the interest burden on this affordable segment, if you see Neo Park and Phase 3, all these projects have very low

interest burden. So from the PAT perspective, both become equal, although EBITDA margin may be lower, but the interest portion itself will also be lower.

**Abhishek Getam:** Understood, sir. Thank you. Sir, last question was, so we have put a land bank slide, this Thane 100 acres and Dombivli 50 acres. So is it at the group level or the listed entity level?

**Chetan Shah:** It is at group level. But at the group level, what we have been doing, as and when the land actually gets ready, ready for development, the same is transferred as a JV or JDA with the listed entity. So that is what has been happening over the years.

**Abhishek Getam:** So can you give some flavor on Thane or Dombivli? I mean, do we see this in recent, in two, three year launches or it's out of, not so recent launch? It will not be in recent launch.

**Chetan Shah:** Right now, both are into still pre-development processes. So once they are ready for development, that is when it will come. We don't see that happening in next two years.

**Abhishek Getam:** Okay. Okay, sir. Thank you, sir. That's all.

**Moderator:** Thank you. We have the next question from the line of Dr. Amit Vora from The Homoeopathic Clinic. Please go ahead.

**Dr. Amit Vora:** Yup, my question is regarding this. Just a clarification I wanted. Our ownership in that is 40%. So that's 6 lakh square feet in phase 3 residential and 12 lakh is the total 100% that we own.

**Chetan Shah:** Correct.

**Dr. Amit Vora:** It is 100% now?

**Chetan Shah:** Yes, that is correct.

**Dr. Amit Vora:** Similarly, even in the sales part, current sales, the sales figure given in the slide 14, Monte South, we have the sale value of registered is INR831 crores. So that is the 40% part, not the 100% part.

**Chetan Shah:** No. This is 100% part. And if you see in the column four, we have said ownership percentage, 40%. So we need to apply 40% on these numbers.

**Dr. Amit Vora:** 40% on INR831 crores.

**Chetan Shah:** Yup.

**Dr. Amit Vora:** Monte South, in Tower A, the sales value of registered units is INR831 crores. So 40% of INR831 crores.

**Chetan Shah:** Correct. So if you see the comment at the base of the project below the total, we have said that based on 100% share for all projects. Okay. And then we have given the ownership percentage in column four.

**Dr. Amit Vora:** Column four ownership percentage. Yup. Okay.



- Chetan Shah:** Yup. So the first three lines are Monte South related where it is 40%.
- Dr. Amit Vora:** 40%.
- Chetan Shah:** Yup.
- Dr. Amit Vora:** Okay. Thank you so much.
- Chetan Shah:** You're welcome.
- Moderator:** Thank you. We have the next question from the line of Deepak Gupta, an investor. Please go ahead.
- Deepak Gupta:** Yes. Thank you for taking my question. So I just want to ask your debt levels to have come down a bit. So one is, can we expect a further decrease in the debt level? That is number one. And number two, though, your debt levels have actually come down. I can see that your interest cost in FY '23 is actually almost doubled from INR50 crores to INR96-odd crores. So can you just give some reasonable explanation for this? Thank you.
- Chetan Shah:** Okay. So there are two things. The debt level has reduced, as I mentioned in my opening remark also, and it stands at INR838 crores as of 31, March. And as we see it is still reduced further. We do want to reduce it and bring it to a very reasonable level. As construction model, Marathon considers the debt which is taken for construction finance, that is for completion of the project as a good debt. And that generally forms about 0.5 in the ratio of debt-to-equity. So we are not saying that we will become zero ever. What we are saying is we will try to keep it at 0.5.
- Now, second part of your question was whether March '22 and March '23, why the finance cost has increased. If you see, there was a scheme that was given by government, where you can buy the premium by paying 50% premium rather than 100%. So we actually borrowed money just towards end of December, around 25, December to pay that 31, December installment, wherein we actually ended up saving more than INR100 crores of premium. So when you see the finance cost is increased, simultaneously there is a saving in the project cost. And the next year, that is FY '23, sees total all four quarters of interest expenses, while FY '22 provided only one quarter, that is the last quarter of interest.
- And then again, if you see the finance cost is a percentage of your revenue, then it has substantially improved from the previous year to this year. So that is where, because of the turnover is also higher, the cost of constructing that was also higher, and the interest burden that we normally load into the construction cost, that is also higher. So from that perspective, the finance cost has not actually increased, but effectively it has gone towards increasing the profits.
- Deepak Gupta:** Okay, thank you.
- Chetan Shah:** Yup, thank you.
- Moderator:** Thank you. We have the next question from the line of Jatin Sanghvi, an investor, please go ahead.

**Jatin Sanghvi:** Yup, thanks for giving me opportunity. I have three questions. One is related with inter-corporate deposits, what we have given to our group company, promoter group company, and that itself stood at INR1,021 crores. So can't we take that ICB loan back given to promoter company, and we can repay our loan, and on net-on-net, we are debt free then.

Then the second question is, with reference to you, we have launched one new brand, Sunset, maybe what we have, I had seen in the advertisement. So is this brand under a Marathon listed entity, or is it a promoter entity?

**Chetan Shah:** Okay, so first question I'll answer about the debt of INR1,000 crores-plus, right. So in this, the money that is being given to the group companies are for the projects that are so you have to divide that INR1,000 crores into two parts. One is project advances. And another is, the actual loan. So if you see that, the project advances for Next World, for the Thana project of 10-acre INR350 crores, all those things are actually something that is going to come in the future.

So it is not just the loan given, but how we have structured this loan, I mean, this amount that has been given as a project advance will continue earning interest for the company. But as and when the Project 55, that project will get transferred and this money will get transferred as a loan amount. So that is how INR1,000 crores is being seen. Out of that, if you see about INR775 crores is towards the project amount, and balance is actually loan to the group company.

**Jatin Sanghvi:** And regarding Sunset?

**Chetan Shah:** Sunset, okay. We have, we have the person who is handling the Sunset, Mayur Shah and Parmeet, and he will answer that question.

**Parmeet Shah:** Hi, so this is Parmeet Shah. Basically, Sunset was a brand launched by me about four years ago. At that time, of course, Marathon, we had a lot of different entities. And we are continuing to work in those different entities. And of course, now over the last few years, we are really looking at consolidating everything under our listed entity. So that discussion is ongoing, as to just like how we are looking at various entities which are not within the listed entity at the moment. So we are looking at it. But of course, Sunset is just a brand. There are a couple of different entities, where we have labeled it the Sunset brand. So that is a picture as of now. But yes, we are looking to consolidate everything under Nextgen. So yes, there will be, more news on that to come.

**Chetan Shah:** So currently, as it stands, Sunset is the brand outside the listed entity. Yes.

**Jatin Sanghvi:** I have one more question. Basically, that we are in two MMR regions. And we are quite an old company and a very good brand and a goodwill. We have a Macrotech, who is also our in the same Mumbai MMR region. We have Godrej, we have Oberoi, we have Rustomjee. All companies have one umbrella, all entities under one umbrella. They do all projects under one umbrella. So are we in future, we are planning to merge all entities or all your unlisted company or the parent company with Marathon? So, that this confusion with the listed entity and unlisted entity or different promoter entities, it will get resolved?

**Chetan Shah:** Yes.

- Jatin Sanghvi:** And sir, maybe our market cap will get increased a lot?
- Chetan Shah:** Yes, I understand that these many investors have expressed this view and we are also looking at that possibility. As you would understand, currently the percentage holding in the listed entity is already at 75%. So whenever any 100% project gets merged with a listed entity, the holding goes beyond 75%. However, we are looking at external investors also participating and trying to do everything, under one umbrella.
- One thing that, we have to keep in mind is Marathon Group started much earlier and the listed company came in at a later stage. So, there are a lot of legacy projects or land banks that, we had already purchased, even before Marathon Group took over this Marathon Nextgen Realty, which was earlier Piramal Spinning And Weaving Mills Limited. So that is why, there is a lot of things, which are outside. But as I mentioned, most of it are being brought into the listed entity as and when they mature.
- Jatin Sanghvi:** One last question. Whenever, we see consolidated results, the profit from JV from Montesouth, it doesn't reflect right now, in the books. So, have we booked something as a profit or the profit is going to come yet?
- Chetan Shah:** No, we have already started booking because the booking happens on a percentage completion method that we follow at all of our projects. But since the holding into this project is only 40%, it doesn't get reflected in the top line, that is the top revenue, but it gets reflected at the profit level. Profits from joint venture is one of the columns that we have shown and we have already reported that, in our reported accounts. So, there is a profit from joint venture, which is a line item that gets added.
- Jatin Sanghvi:** The amount of profit from JV, it is very small compared to the Montesouth project. The substantial profits still are yet to come?
- Chetan Shah:** Yes, that is correct. So, based on percentage completion, applied to sales already executed. So that major part of the profit is yet to get reflected in the books.
- Jatin Sanghvi:** Thanks a lot for answering all my questions.
- Chetan Shah:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Jojo Shaju from Alpha Invesco Research Services. Please go ahead.
- Jojo Shaju:** Hello. Yes, thank you for giving me this opportunity. Sir, my question is regarding the commercial portfolio. So, I need to understand the construction status on the Marathon Futurex project and also on the revenue front. What is the total revenue potential from this project and how much percentage, we have sort out so far?
- Chetan Shah:** Okay, Samyag is the Project Head for Marathon Futurex. He will answer this question.
- Samyag Jain:** Good evening. So the status of the project is that, overall the project is 38 floors, 38 story building. And out of that, as of December, we had already received OC up to the 35th floor. So

only three floors, which were sort of, which had not received OC or was still under construction. As we speak, we have actually completed the terrace work, the top slab work and we are expecting OC for a couple of floors, which is 36 and 37 anytime now, maybe in the next three odd weeks. So that is essentially the status of the project.

Overall inventory, if we were to talk, then these are approximate figures and we could give you the details later as well. So about 1.6 lakhs is the total ready and unsold inventory. However, out of that close to 35,000 square feet is leased. So, it is leased but technically unsold. And we have another close to 1.05 lakhs, so 1,05,000 square feet, which is not ready with OC, which is the 36th to 38th floor.

**Jojo Shaju:** Okay, sir. So going forward, are we going to lease out the space here or are we going to completely sell the space to customers?

**Samyag Jain:** So like Chairman Mr. Chetan Shah mentioned, we would like to have optimum use of the cash flow that is available. So while we will sell, if we can lease and sell at a better rate in a pre-lease fashion, or if we see the market trend increasing, we may want to hold it also. So, whatever will give us the best realization over the next couple of years, we would like to follow that strategy. As such, we are not fixated on just leasing or just selling. We will look at the opportunities available and decide on that.

**Chetan Shah:** For example, we had some of these portions.

**Samyag Jain:** That's correct. So, one of the space on 27th floor, this is Q3 of this year, we had actually leased the space to Nykaa and then we sold it as a pre-lease space to one client. So when we think, the pricing is right and it's a good use and we get good cash flow, we are happy to sell it in pre-lease as well.

**Chetan Shah:** So this was a news item because purchaser was a star family, Hrithik Roshan family. So Nykaa fashion's pre-lease premises was sold to Hrithik Roshan family. Film Crafts was their company, which had purchased that property.

**Jojo Shaju:** Okay, sir. Understood, sir. So just one last question. So, do we have any revenue sharing agreement with the unlisted parent entity for Marathon Futurex?

**Chetan Shah:** No. Marathon Futurex has for the upper floors that we mentioned, we have given you effective area. But yes, there is a revenue sharing of 56%, 43% for the last phase of the Futurex. But the numbers that you are seeing is actually effective numbers.

**Jojo Shaju:** Okay, effective numbers that listed entity will receive, right?

**Management:** Yes.

**Jojo Shaju:** Okay, sir. Thank you.

**Moderator:** Thank you. We have the next question from the line of Shrishti Tandon from NVS Brokerage. Please go ahead.

- Shrishti Tandon:** Thank you for the opportunity, sir. Sir, can you please share your growth strategies and major key focus areas for next three years to five years?
- Chetan Shah:** So, growth strategy, we are very seriously looking at acquiring a new redevelopment project in the South Mumbai, Lower Parel and Worli or South Mumbai area, where our presence is very strong and that's the area, which we are really looking at. Other than that, we are already have a good land bank as well as upcoming projects, which is there in our presentation. That also, we would like to bring in quickly as and when the opportunity arises.
- Shrishti Tandon:** Okay. And sir, can you give some insights about the profit visibility and sales?
- Chetan Shah:** The revenue estimated sales, revenue has been shared in upcoming projects. Without applying this 40%, we have a possible revenue numbers of 4660 in upcoming projects and if you see in ongoing projects, we have estimated revenue yet to be recognized of 3,302. So, these are some of the pipelines that we have. Profits are something that, we have to see the profit percentage that we have actually received are going to be better in future. So, from that perspective, profit numbers can be calculated but we are not sharing the future booking statement here.
- Shrishti Tandon:** Okay, sir. Thank you.
- Moderator:** Thank you. We have the next question from the line of Aditya Sen, an Individual Investor. Please go ahead.
- Aditya Sen:** Yes, good afternoon, sir. So, in '19- '20 FY, we gave INR190 crores to Matrix from Sango and five years moratorium on principal and interest. So, how we will be receiving back from FY '24? In what term? Interest or?
- Chetan Shah:** Yes. So, these are the money that are going towards the new project like I mentioned. In Dombivli, we have 50 plus acre of land bank that is available. So, some of those are going to be converted into projects. So, that is regarding Matrix Enclaves. Which other question did you ask?
- Aditya Sen:** Yes. So, what are we going to receive interest on it or just revenue sharing of 20%?
- Chetan Shah:** Not 20%. This is going to be the whole project that will come into MNRL. So, in fact, we will be sharing a small land value to the Matrix Enclaves, but majorly it would be in this company. For example, we have already done similar deal in Bandhup, this new project that we are seeing, where the revenue top line sharing of 12.5% is given to the group company and 87.5% comes to the listed entity. So, similar arrangement at the fair market valuation will be done at the time of launch of such project.
- Aditya Sen:** Okay. Great. And when will you start generating revenue from the Dombivli project? Any idea, on this one?
- Chetan Shah:** Well, it will take another year or so.
- Aditya Sen:** Okay, sir. Another question is when will we recognize a large chunk of revenue from Monte South, regarding RK?

- Chetan Shah:** No, see it is on percentage completion. So, tower A, large chunks will come in this financial year. Tower B, large chunks should come in the next financial year. Tower C would be still one more year away. So, depending on what percentage you are completing, tower A is going to get completed almost 100%, this financial year. So, tower A, all the revenues will get recognized during this financial year, that is FY '24.
- Aditya Sen:** Okay. Thank you so much, sir.
- Chetan Shah:** You are welcome.
- Moderator:** Thank you. We have the next question from the line of Dev Ajmera, an Individual Investor. Please go ahead.
- Dev Ajmera:** Hi. Is there any plans for a bonus share this financial year because Marathon Nextgen always gives a bonus every three years to four years?
- Chetan Shah:** Yes, well, that is up to the Board and AGM to decide. Right now, there is no such proposal in the pipeline. But as you will know, Dev, you are a long shareholder. So, you would know that 97% of current equity is actually bonus equity and 3% is the original equity. So, shareholders have been reasonably rewarded in that sense. If you see over the last five bonuses, yes, it is probably the bonus timing is due maybe a year later, something can be announced. But I am afraid to say that, once we have all the debt within the control and the equity is to be serviced also by way of dividend. So, currently, we are not increasing the equity.
- Dev Ajmera:** Okay, so thank you so much for answering my question. Thanks a lot.
- Chetan Shah:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would like to hand it back to the management for closing remarks. Please go ahead.
- Chetan Shah:** Thank you very much for participating in this conference call. It is really, we are delighted to see the interest in the company. And we are really happy to see some of the questions, which were also deep-rooted questions, on the participants have studied the numbers that, we have shared very well. And we appreciate your questions and thus, see you again in the next con call. Thank you very much.
- Moderator:** Thank you, gentlemen of the management. Ladies and gentlemen, on behalf of Marathon Nextgen Realty Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.
- Chetan Shah:** Thank you.
- Binay Sarda:** Thank you.