

Date: June 4, 2024

To

**The BSE Limited**

Department of Corporate Services,  
P.J. Towers, Dalal Street,  
Mumbai- 400 001  
Scrip Code equity: 503101

**National Stock Exchange of India Limited**

Listing Department,  
BKC, Bandra (E)  
Mumbai-400 051  
Symbol: MARATHON

**Sub: Transcript of Q4 FY'24 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'24 Earnings Conference Call held on Thursday, May 30, 2024. 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,**

YOGESH  
ASHOK  
PATOLE

Digitally signed by  
YOGESH ASHOK  
PATOLE  
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**Company Secretary & Compliance Officer**

**Membership No.: A48777**



“Marathon Nextgen Realty Limited  
Q4 FY’24 Earnings Conference Call”

May 30, 2024



**MANAGEMENT:** **MR. CHETAN SHAH – CHAIRMAN AND MANAGING  
DIRECTOR – MARATHON NEXTGEN REALTY LIMITED**  
**MR. MAYUR SHAH – VICE-CHAIRMAN – MARATHON  
NEXTGEN REALTY LIMITED**  
**MR. KAIVALYA SHAH – DIRECTOR – MARATHON  
NEXTGEN REALTY LIMITED**  
**MR. SAMYAG SHAH – DIRECTOR – MARATHON  
NEXTGEN REALTY LIMITED**

**MODERATOR:** **MR. NACHIKET KALE – ERNST AND YOUNG**

**Moderator:** Ladies and gentlemen, good day and welcome to the Marathon Nextgen Realty Limited Q4 FY '24 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 call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nachiket Kale from Ernst & Young Investor Relations. Thank you and over to you.

**Nachiket Kale:** Thank you, Yashashri. Good afternoon to all the participants on the call. Thanks for joining this Q4 FY '24 Earnings Con-Call for Marathon Nextgen Realty Limited. Please note that we have mailed out the press release and presentation to everyone. The results are also published on our website and also has been uploaded on the Stock Exchange. In case you have not received the same, please feel free to write to us and we will 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 would cause future result performance or achievement to differ significantly from what has been expressed or implied by such forward-looking statements.

To take us through the results of this quarter and answer your questions, we have with us the Management of Marathon Nextgen, represented by Mr. Chetan Shah, the Chairman of the company and the Managing Director of the company, Mr. Mayur Shah, also the Vice-Chairman. Mr. Kaivalya Shah, Director and Mr. Samyag Shah, Director, we will be starting the call with a brief overview of the quarter, which will be then followed by the Q&A session. I will now hand over the call to Mr. Chetan Shah. Over to you, sir.

**Chetan Shah:** Thank you very much. Just one correction. Mr. Mayur Shah is not present today. He is traveling. Welcome, friends. We are in Mumbai, May 28, 2024. I am Chetan Shah, Chairman and Managing Director of Marathon Nextgen Realty Limited. We have announced our financial results for the fourth quarter and full year period, ending March 31, 2024. The performance during the quarter and during the year has been in line with our expectations due to initiatives taken in controlling the cost and increase in prices.

We have witnessed a rise in profit margins. We delivered robust performance for the full year, which underscores our strategic agility as we navigate the dynamic real estate market across various regions of Mumbai. We have successfully expanded our portfolio, enhanced our operational efficiencies and delivered innovative solutions that resonate with our customers' demands.

The cumulative results of FY '24 illustrate a robust and growing company marked by increased profitability and a strengthened balance sheet, underscoring the robustness of our business model and the effectiveness of our strategic initiatives. These accomplishments are a direct outcome of our strategic efforts, the dedication of our team and the trust our customers place in us. As we

move forward, we are well positioned to capitalize on emerging opportunities, advancing our expansive pipeline of projects designed to meet the evolving needs of our customers across the value chain from affordable to luxury segments.

We are deeply grateful for the continued support of our stakeholders as we strive to achieve our growth objectives. Operational highlights for FY '24 are area sold stood at 561,475 square feet, booking value stood at INR817 crores, collection stood at INR695 crores, average realization stood at INR19,069 per square feet for commercial and INR12,209 per square feet for residential. Friends, this is the square feet of super built-up area.

Now, from next meeting onwards, we will start converting it into the carpet area or Rera area. Consolidated results for the quarter show that profit before tax increased to INR44 crores compared to INR22 crores in FY '23. Profit after tax increased to INR40 crores compared to INR16 crores in FY '23. And consolidated yearly financial performance, which is of more importance now in this meeting. Net revenue stood at INR705 crores as compared to INR717 crores for the year FY '23.

Friends, as you are aware, the revenue from our Monte South project where the company is 40% investor doesn't get recognized in the top line, but it does come in the profitability. EBITDA increased to INR309 crores as compared to INR293 crores in FY '23. Profit before tax increased to INR180 crores compared to INR156 crores in FY '23, an increase of 15%. Profit after tax increased to INR169 crores compared to INR124 crores in FY '23, a massive increase of 36%.

On the debt front, the net debt decreased from a year ago of INR838 crores to INR751 crores as on March 24, making our debt-equity ratio at 0.75 from earlier of 1.07 last year. So we are very comfortably placed on the debt-equity front also. As for the cash flows, as of 31st March, 2024, balance collections from sold units, which includes completed and ongoing projects, in all launched projects stood at INR804 crores.

Total pending estimated project costs to be incurred stands at INR957 crores. Total estimated revenue from unsold inventory stands at INR1577 crores. This is estimated at current selling prices. And these numbers are based on 40% revenue share for Monte South, where our company is 40% stakeholder.

Friends, now I invite questions and any queries from you. Thank you very much.

**Moderator:** Thank you. We will now begin the question-and-answer session. We will take our first question from the line of Faraz from Sykes & Rays. Please go ahead.

**Faraz:** Hello, sir. Very good afternoon to you. I have a few questions. My first one would be, sir, in Q4, I think the area sold has been low over the past one year. And with respect to that, this is despite significant ramp-up and everything in the Panvel project. So if you could please explain if there is relatively lower demand in these projects and particularly in the Bhandup project?

**Chetan Shah:** Is it Panvel project you are talking about or Bhandup project?

- Faraz:** No, the overall relative demand in the other projects as well. If you can just highlight all, that would be great, Panvel as well.
- Chetan Shah:** So for Panvel project, I would request Samyag to throw some light.
- Samyag Shah:** Good afternoon. So, we typically have never seen it as a sort of quarter-on-quarter game because what happens is through a life cycle of a project, there are different times when different projects are getting completed and when they get completed, you get a push. When you launch, you get a push. So to look at it quarter-on-quarter I think will not be the right way, at least for the real estate industry.
- As for talking about the Panvel project, we have a last few towers of our phase 1 which will now -- this financial year, we are expecting Occupation Certificate in all of them as well as our Phase 2, as well we are constructing quite fast and there is a little bit of balance inventory left. So this financial year, because a few of the towers are now going to be ready with Occupation Certificate and we would have delivered quite a lot of the clubhouse amenities, podiums and completing -- our aim is to complete the entire Phase 1 of 2,800 units this financial year. So going forward, we expect better sales.
- But like I said, to look at it quarter-on-quarter would not be very advisable for real estate because every project has a three, four-year cycle. And there are launches that get planned, there are completions that get planned. So typically we see a little bit of an upswing in those cases. And that's what will get reflected over the next year.
- Management:** Yes, and I agree with Samyag, the quarter-on-quarter would be a difficult number to kind of gauge real estate. But that being said, we have seen a phenomenal response in Panvel and Bhandup. But that being said, if you're talking about the numbers of last year, the agenda of last year was construction and slightly lesser in terms of launches because we have a lot -- we launched quite a lot in FY'23 and lesser in FY'24. And like I said, the agenda to FY'24 was construction. So while if you look at it, the construction pace has been going at a rapid pace in both Bhandup as well as Panvel.
- Chetan Shah:** Yes, so that effectively answers the questions that you try to look at it on a 12-month cycle, the bookings and the sales revenue. And if you see our...
- Faraz:** There is no drop in demand as such in projects.
- Chetan Shah:** Yes, so just to answer that part of the question, no, there is no drop in demand. In fact, because of this Atal Setu connectivity, Panvel has seen a robust inquiry. So at the next launch, we will have that inquiry really converted into sales and there is no lull in demand. As for Bhandup also, whatever we are launching, whichever period we have had a launch, we have had a very successful track record of almost 50% to 60% of the launch flats being booked in that quarter itself. So no, there is no demand slack at all in both these locations.
- Samyag Shah:** One thing I just wanted to add to this, in some locations like Panvel, we have actually been able to increase our rates also by 5%-6% year-on-year. So there is no question of lull in demand. It's

just a question of timing the launches and the type of inventory and completion. That's what is affecting it.

**Faraz:** So since you mentioned the hike, I just wanted to understand with respect to South Mumbai and surrounding areas, which include all your redevelopments and everything. What is your outlook on the demand and pricing strategy, like say medium term not even long term?

**Chetan Shah:** Yes, the families are growing and South Mumbai land parcel is definitely not growing, free site being free. So the density is increasing in South Mumbai, if you see. And with density increasing, the amenities that a builder can provide in new redevelopment projects are also lesser and lesser. That's why we see a lot of South Mumbai moving towards Lower Parel, Byculla region. And that's where we are seeing growth in both the projects, Marathon Futurex where a lot of offices are shifting from city to Lower Parel. And in our Byculla project, a lot of residences from Walkeshwar, Peddar Road and Colaba are shifting to Byculla.

**Faraz:** So like over the last two, three years, what would be like the general trend of the price hike in Monte South?

**Chetan Shah:** That's about, if you look at three years, then it is about 25%. Last year has been about 10%.

**Faraz:** So I have just one last question. So your Nexzone Phase 1 I think in Panvel is almost complete. So and your estimated date is around I think Q3 December 25. Is there any chance that this project can be done ahead of schedule or we are expecting the same timeline?

**Chetan Shah:** No, most likely it is going to be ahead of the schedule. In fact, a lot of apartments have been given possession as part occupation also. So it's most likely going to be ahead of schedule, but the RERA deadline has been December 25.

**Samyag Shah:** December 25. So technically, legally we cannot sort of claim anything else. But practically speaking, we are ahead of schedule by about two quarters, three quarters.

**Faraz:** Oh, brilliant. Thank you so much, sir. Thanks a lot.

**Moderator:** Thank you. We'll take our next question from the line of Ninad Sabnis from Ninad Sabnis. Please go ahead.

**Ninad Sabnis:** Yes. Hello. Good afternoon, sir. So I have a few questions. The first question was - have you considered a villa or a bungalow project especially in the suburb areas where the premium pricing can't be seen. Has the company explored a luxury villa project in these areas?

**Chetan Shah:** No, we have not. If you are talking about MMR region, yes Panvel and all those faraway places it's still possible, but if you see city and suburbs like suburb up to Mulund or suburb up to Borivali all these FSI potentials of 2, 2.5 restrict the potential of villas being constructed. Because then you will not be exploiting the full potential of land. So I don't think in the city of Mumbai and suburbs of Mumbai, villa projects are possible. In MMR region yes far away. We have explored one in Panvel area where it could be a combination of flats and villas, but there's nothing on immediate pipeline.

- Ninad Sabnis:** And you would say the same for Thane and Dombivali region as well?
- Chetan Shah:** Yes, Dombivali is still possible somewhere, but Thane again is almost like Mumbai.
- Ninad Sabnis:** Got it. All right. The second question I had that you earlier mentioned that we have generated significant amount of cash flow and that has reduced our debt. So is there any plan to refinance the existing debt and what's the current rate at state of interest at which we have borrowed and what's the plan with that?
- Chetan Shah:** Yes we are in line with our philosophy of reducing debt and making the company robust bettering our debt equity ratio. We have reached 0.75 which was our target a year ago. So that is what we have achieved. After achieving the debt reduction the second thing was actually cost of debt. How best we can do that. So we have done refinancing of substantial debt and Kaivalya will share the numbers.
- Kaivalya Shah:** To add on to what Chetan bhai said FY23 our average cost of debt was 15.5% and FY24 our average cost of debt is around 12.5%. So we have refinanced quite a lot of projects and brought down the rate of interest and we are continuously doing so. So we are repaying the debt as well as refinancing the debt and hence bringing the cost of debt also down.
- Ninad Sabnis:** Understood. And as you say that, like are there any plans to then raise funds for these new redevelopment projects?
- Chetan Shah:** Yes. If new development for the growth of the company funds are definitely required. Either it could be from equity or it could be from debt. Now with our equity growing because of the robust profit numbers also getting added into reserves our networth growing from that perspective even further raising debt will not be a big problem and there is a possibility that we may want to look at equity option also.
- Ninad Sabnis:** Got it. Thank you, sir. Thank you so much and best of luck for the future.
- Chetan Shah:** Thank you.
- Moderator:** Thank you. We'll take our next question from the line of Ravi Mishra, an individual investor. Please go ahead.
- Ravi Mishra:** Good afternoon, sir. Thank you so much for the opportunity. I have a couple of questions. So starting with our EBITDA this quarter has been among the lowest in the last four quarters. So how do we anticipate it to shape up going forward?
- Chetan Shah:** See EBITDA has always been in the range of 30%, 35%. So the last quarter EBITDA margin was 40.3. So I don't see where you're saying that EBITDA has gone down. However, what is actually of more importance is the profit margin, what is that happening on an annual basis? If you see our profit margin has also grown and profit amounts have also grown in sync with our net worth growth.

- Management:** Also to add on to that year-on-year EBITDA has always grown. I think you're looking at quarter-on-quarter EBITDA. That fluctuates quite a lot. Year-on-year if you look at FY20, we were at 30.9 and FY24, we're at 40.1 and the trajectory is rising from 30 to 41.
- Ravi Mishra:** Understood. So further on do we anticipate more contribution from Bhandup and Panvel versus that from Lower Parel and South Mumbai in FY25? And in that case how will it affect our margin and gross realization per square feet?
- Chetan Shah:** We have always had a balancing thing. As you understand Marathon has three segments in which Marathon operates. One is city where it is a higher value premises and then there is a mid-segment, which is Mulund, Bhandup, Vikhroli area. And third segment is Dombivali, Panvel. We try to make that each of these segments contribute equally to the growth of the company and that's why when one segment is not doing well. The other segments actually take over. But fortunately for us, all three segments have been doing robustly well. And we don't see any imbalance there. As soon as a project gets over, say, in South Mumbai, we take up another project. Like in Monte South, we had Tower A and Tower B. And now Tower C is also coming up.
- And then we have a balance, if you see in our presentation. There is an ongoing project slide where Tower D is also in the pipeline. As soon as we have a lesser contribution from city, we launch that inventory also. So I don't see any lesser contribution from city. But equally important is growth in all three segments. So we keep on monitoring that.
- Management:** Yes to add on to that, around INR6,000 crores – INR6000 plus inventory of Monte South is yet to be sold/launched. So that will be coming in the next three to four years as we speak in terms of launches. While Monte South in terms of area will be lesser and Bhandup in terms of area will be higher. But I think in terms of revenue contribution, it's a balanced portfolio.
- Ravi Mishra:** Understood. So one more last question from my side. So as you can see, the company has a significant track record of projects delivered before the year 2000. All right. So which may now be old enough to qualify for redevelopment. So does the company have any plans to redevelop its own old projects? So I just wanted to understand what is the potential opportunity over there?
- Chetan Shah:** We keep on getting redevelopment proposals from our erstwhile developed projects and residents. However, we have not actually executed any of these projects. Mostly they are in Mulund area. So maybe in future we will get into that segment. The profitability as we see in suburban redevelopment projects are not very high. So they are not really attractive. However, redevelopment in cities actually can be considered. So currently we are looking at such opportunities.
- Ravi Mishra:** Understood, sir. So that's from my side. Thank you so much, sir.
- Moderator:** Thank you. We'll take our next question from the line of Rakesh Sali, an Individual Investor. Please go ahead.



- Rakesh Sali:** Yes. Thank you for the opportunity. I have one question. Can you just quantify the gross development value of our land parcels held in Panvel, Thane and Dombivali? And is there any potential project launch lined up in FY'25?
- Chetan Shah:** GDV value would be very high. So currently we have quantified those numbers in our presentation for projects that will be coming up in next three years. Beyond that, we have not done. Another thing about your pipeline for launches. Yes, we have a launch pipeline that we have decided that we will be coming up. One in Byculla, one in Bhandup and another opportunity in Panvel also.
- Management:** Yes, so FY'25 we will be launching in multiple areas, Monte South, Bhandup as well as Panvel. In all, we'll be launching around 12 lakh square feet and the GDV of that will be around INR14 crores to INR1500 crores. That's -- this year's launch. And next regarding the Thane, Dombivali and the rest of the land, I think the GDV is too high to actually quantify.
- Rakesh Sali:** Okay. Thank you. Thank you for that.
- Moderator:** Thank you. We have a next question from the line of Sushrut Gokhale from Caprize Investments LLP. Please go ahead.
- Sushrut Gokhale:** So around 35% of our potential revenue from unsold inventory is expected from Monte South. So what strategies are underway to increase sales and collections from this project?
- Chetan Shah:** Collections are online with whatever booking we have done. There is no lagging collection. The bookings are also robust. Whatever we were booking one year ago, we are doing almost double that booking. So collection -- many collections, number increases because the booking numbers increase. But it is in line with or in sync with the businesses that we are running in Monte South.
- Management:** Yes. So Monte South, FY'23, we did around INR250 crores of business and FY'24, we did around INR600 crores plus business. So sales are increasing, as Chetan Bhai said, and collection also is actually directly proportional to the construction and construction is going at super speed. As we speak this year, we should be expecting the OC to the top floor of Tower A and Tower B is going at rapid pace as well. Yes. Does that answer your question?
- Sushrut Gokhale:** Yes. And also by recent trans-harbor link, so Panvel has now become more accessible, right? So are we seeing any price hikes or further hike in our next Phase 3 project?
- Chetan Shah:** Yes, I'll ask Samyag to answer that.
- Samyag Shah:** So over the last two financial years, from the sales that we've done, about 5%-6% increment we have managed to get in that project. But yes, as and when we do a new launch, there is scope for more upside. We will try and price it such that we can get a higher price and thus higher margin, obviously without compromising on the velocity of sales. We've seen steady sales over there, but sometimes when you hike it too much, you see some impact on volume which we want to avoid. So yes, when we launch it, we will take an appropriate call.

- Chetan Shah:** As an interesting fact, if you use trans-harbor and go towards Pune or Lonavla, you will be passing through our site. And so now the visibility of our project at Panvel has increased tremendously because everybody who is passing by is able to see the neon sign that we have put up on Marathon Nexzone. So next time you do go through that, please observe while you are driving.
- Sushrut Gokhale:** Sure, sure. So when are we planning to launch this Phase 3?
- Samyag Shah:** Phase 3, we are expecting probably Q3 or Q4 of this year. We are taking all effort to launch it this time actually.
- Sushrut Gokhale:** Okay. Thank you. That's all from my end.
- Moderator:** Thank you. We have our next question from the line of Diwakar Rana from Prudent Equity. Please go ahead.
- Diwakar Rana:** Hello. Sir, you know this quarter the performance was muted due to the lower uptake from the commercial segment. So what is the future outlook of the same?
- Chetan Shah:** So we have pretty good inquiries. Currently the inquiries are for leasing of commercial premises. And normally when such leasing inquiries do take place, there is a longer period of gestation because there is a tendering and other effort that we need to do. So all these inquiries will get resulted during the financial year 25. Normally after Diwali, that is the December period, there is a lull in the new office uptake.
- Samyag Shah:** Just would like to add, in office generally Q4 because it's the end of the financial year, we have typically observed it to be a little slower. But on an annual basis, if you check last year, I think we've done about INR230 crores of sales in Futurex. What is interesting to observe is we've also been able to get a better price. So we've almost got much, much better prices during quarter on quarter and it's 20% plus if you compare between Q1 and Q4. So that is definitely adding to the margin and we would hope to continue such a similar performance next year.
- Diwakar Rana:** Okay. So after this refinancing and the debt repayment, what is the basically expected interest cost for the FY25?
- Chetan Shah:** Current is 12.5%. No, the amount. 750. So 12.5% is the effective cost and 750 is the debt. So if you multiply that's about...
- Diwakar Rana:** Next year's projection.
- Chetan Shah:** Yes. So that is the projection. We don't intend to reduce it substantially. However, that 12.5% may come down marginally. So that's about INR80 to INR90 crores of interest.
- Diwakar Rana:** Okay. So what was the basically, I mean, what was the average finance cost?
- Management:** 12.5%. 12.5%. And INR750 crores is the current debt.

- Diwakar Rana:** Okay. And so what was the basically launch pipeline for FY25? I believe you said 12 lakh square feet, right? So what other projects are we launching in that 12 lakh square feet?
- Chetan Shah:** He answered that, but he'll repeat the answer.
- Management:** So we're doing some launches in Monte South, NeoPark, Phase 3, Nexzone, we're doing some launches and Neo Valley, the land that we acquired in the first quarter of FY24, we will be doing further launches. In totality, it will be 12 lakh square feet and the volume will be around INR1,400 crores.
- Diwakar Rana:** INR1,400 crores will be share of marathon, right?
- Management:** No, in Monte South, we'll have to factor in around 40%, which is, we'll have to reduce 600 crores by 40%. So that'll be around 300 crores lesser.
- Diwakar Rana:** Okay. Okay. That's all from my side.
- Moderator:** Thank you. We have our next question from the line of Jaineel Jhaveri from J&J Holdings. Please go ahead.
- Jaineel Jhaveri:** Yes. Hi, thank you for taking my question. I just wanted to know that what is the booking value that we are targeting for next year? So FY25, this year we did, I think 800 crores, only marathon, marathon part of it was 800 crores. So what is it, what is like the target for next year?
- Chetan Shah:** In general if you see, we have been growing between 25% and 33%. So it is one-fourth or one-third of new additions in booking as well as turnover. So that's how our internal targets are, that the company will keep on growing between 24% to 33%. So if we do that, it would be more than INR1,000 crores and less than INR1,200 crores.
- Jaineel Jhaveri:** Okay, INR1,000 to INR1,200 crores. And in terms of finished inventory across all our projects, what would be that amount of finished OC received kind of flats or floors?
- Management:** Yes, I'll have Kaivalya answer that.
- Kaivalya Shah:** Yes. So in terms of, just to rephrase your question, the question is OC received but unsold is your question.
- Jaineel Jhaveri:** Yes, yes, correct.
- Kaivalya Shah:** So around, you know, around 2,25,000 is the area, which is OC received, but unsold. Primarily, the main figure is in Futurex. Commercial sells post OC, quite a lot of it. And Futurex, that's how the sales will happen. In terms of our residential, if you look at it, post OC, the inventory is around 5 to 7%. So the balance inventory is in Monte South and Nexzone.
- Samyag Shah:** I would just like to add one more thing. So in the OC but unsold, there are some portions which are leased as well, that get added. So technically, it's not, you know, unsold per se. It is available for us to be pre-leased and sold at any time. And that number is around 71,500 chargeable area in Futurex. So that also goes in the component of OC but unsold.

- Jaineel Jhaveri:** Okay, so that is part of this 2,25,000?
- Samyag Shah:** Yes, it is.
- Jaineel Jhaveri:** Okay, and what would be the value that you all ascribe to this 2,25,000 in crores?
- Management:** So Futurex, like I said, 1.25 lakhs will be around INR250 crores. And the rest of the residential will be around INR130 crores.
- Jaineel Jhaveri:** Okay, so commercial is INR250 crores, residential is INR130 crores and total is INR380 crores?
- Management:** Yes, 250 crores.
- Management:** And you can sell all of it and you can get all of that in cash, you know, as and when you sell it approximately.
- Management:** Yes, correct.
- Jaineel Jhaveri:** And what is the kind of sale rate that's happening on this OC plus unsold? Like what was it, if you can give me a comparison of what was it like last year and then what is it this year?
- Chetan Shah:** These are not dead inventory as such because some OCs are received during the year. So it gets added there. And, you know, some of the OC received but unsold got sold during the year. So it is a that inventory comparison would not be a perfect number. However, we can give you the number.
- Management:** Yes, so last year, Monte South was selling at around 22,000 on super built up area. And this year we have sold at 23,500 plus. So that's the kind of rise that we have seen. Now, typically post OC, there is always that GSC benefit that, you know, the developer has. Now you can add like more 5% on top of that 23,500 or, you know, have that leverage to negotiate and close the transaction. That's about Monte South and about Nexzone also we have seen a similar rise. And again, like I said, the GSC benefit is always available.
- Jaineel Jhaveri:** But Yes, I understand the point that you can't compare it because it will keep on moving. The OC plus unsold flats would keep on moving. Okay. All right. Thank you so much. Thank you.
- Moderator:** Thank you. We'll take our next question from the line of Riya Mehta, an individual investor. Please go ahead.
- Riya Mehta:** Hi team. Good afternoon. Thanks for the opportunity. So my question is, do we have the operational capability and management bandwidth to simultaneously launch more projects and scale up our construction run rate alongside the ongoing project?
- Chetan Shah:** Yes, we at Marathon are into real estate, A to Z of real estate, meaning acquisition of land, planning on the land, survey. We have the whole team. We have about 880 people staff. So from execution perspective, if you see, you can say that we are only 60% of the bandwidth that we have, we are utilizing. Why 60%? That is always because of the want of the right opportunity and want of the acceleration in face numbers. So these are the two things that will hold us back.

Otherwise, in terms of execution capability, we have a lot more to go even with the existing strength that we have.

**Riya Mehta:** Okay. Thank you so much. That's all from my side.

**Moderator:** Thank you. We'll take our next question from the line of Jojo Shaju from Alpha Invesco Research Services. Please go ahead.

**Jojo Shaju:** Yes. Yes, sir. Thanks for the opportunity. So my question is regarding the Monte South. So you already mentioned you have done very well if you look at the yearly basis. So I'm looking at a quarter on quarter basis.

**Moderator:** Jojo, I'm sorry to interrupt. Mr. Shaju, can you use your handset mode, please?

**Jojo Shaju:** Yes. Is it better now? Yes. So my first question is regarding the Monte South project. So you already mentioned you are doing very well if you look at the yearly basis. But on the quarterly basis, you used to do a pre-sales of upwards of INR100 crores in every quarter. But in Q4, this number has come down drastically, like below INR50 crores. So is there any demand slowed down? Or can you just give some details on the customer if there is walk-ins and all?

**Chetan Shah:** So the inquiries and other things are still robust. What happens is there is a festive period, you know, if you see Diwali and Christmas period, during which a lot of holidays are there and people do come with the family for inquiring and finalizing. So always December quarter has been a good quarter from that perspective. However, some more information, Samyag will share on that.

**Samyag Shah:** So, like we had told you about Panvel as well, you know, quarter in quarter may not be the right way to look at any project. So, you know, we've seen good sales over there over the last financial year. And we are quite confident, you know, for the next financial year also, because, like Kaivalya mentioned, one of the towers is going to, we are aiming that it receives complete OC and that gives a lot of confidence to clients who are buying ready to move in or clients who are buying under construction. So on a overall, you know, a little one year, one and a half year trend, I don't think there should be anything to worry about.

**Jojo Shaju:** Okay, sir. And sir, on the construction side, what is the construction status for the tower B and does it start giving deliveries for tower B also?

**Chetan Shah:** Tower B completion date. So tower B, we have already reached about 40 plus floors of structure that is RCC work. It is totally a 65 storied building. So we still have 25 more floors to go. Booking has also opened only up to 45 floors. So upper floor booking is yet to be launched. So that is in brief, you know, detail about tower B. The total area of tower B is about 6,25,000 square feet.

**Management:** And the deadline of the project of tower B is December 27. And we are very much in line to complete within timeline.

**Jojo Shaju:** And what about tower C, sir? What is the construction status?

- Chetan Shah:** Tower C is at foundation stage. So we are just completing the foundation and coming to the plant.
- Jojo Shaju:** Okay, got it, sir. And on pre-sale side, you mentioned you will be doing roughly 1,200 floors for this financial year. And from looking at the projects in line for the launch and all, you have roughly close to 7,000 floors worth of projects, including the land that you have acquired in Q3. So with this kind of pipeline-linked projects, can we do roughly 2,000 floors annual pre-sales in next three or four years down the line if the cycle continues to be in our favor?
- Chetan Shah:** So whenever we are doing our internal planning, we are on a conservative side and that is what we have said. However, the likely number is going to be much higher than what we are predicting. Okay.
- Jojo Shaju:** So is it safe to assume that we can do roughly that kind of 2,000 floors per year?
- Chetan Shah:** We have a total revenue. So you are right in that those GDP numbers will be achieved in three years' time. But how that is going to be broken up in first year, second year, third year is yet not very certain numbers. But yes, in three years, those INR6,000 crores numbers will be coming in.
- Jojo Shaju:** Okay. Thank you. Thank you very much, sir. And wish you all the best.
- Moderator:** Thank you. We will take the next question from the line of Dr. Amit Vora from the Homeopathy Clinic. Please go ahead.
- Dr. Amit Vora:** Good afternoon, everyone. Good afternoon, Chetanbhai, Samyag, and other dignitaries.
- Management:** Good afternoon.
- Dr. Amit Vora:** My question is regarding a lot of real estate investment drugs are coming. They have planned a lot of big investments in India. So about the topic of refinancing, are we planning to join with them or any tie-ups with them? And in that, can we take the benefit of those REITs?
- Chetan Shah:** Yes. So we don't have too many different projects where we have leased assets. So we are not really participating in REIT aspect of this business. However, Samyag will throw more light on this future business.
- Samyag Shah:** So we have explored REITs in certain cases. Usually from our understanding where it works well is when you have a lot of leased commercial inventory. And we did explore that in Futurex. But since in Futurex we had sold a lot of the inventory and it was a mixed bag with leasing and selling, it was not very attractive as an option for REITs. But yes, it's a really interesting new instrument. And most definitely in our future commercial projects, with the right kind of scale, it could be a really good instrument for us to explore.
- Chetan Shah:** What we are now exploring is there's a mini REIT, which is SME REIT is also permitted. So currently we are exploring that, that even single leased premises can be launched as a REIT. So that is going to be interesting. We have not seen any actual execution done. So we are waiting for some examples being set there.

- Dr. Amit Vora:** Okay. Sir, about our next commercial after this at Monte South, are we planning a commercial or a retail mall or commercial offices in future?
- Chetan Shah:** Retail mall, we are not in. We are not planning any launches in retail and malls. We do have retail shops coming up in some of our buildings that are road facing, but that's not a mall kind of a thing, but it's a street retail. However, on commercial, by commercial, I mean office spaces, as soon as we complete office buildings, we have a ratio that we try to manage of residential versus office.
- So we are now completing Futurex. In next 12 months, we intend to have those inventories being sold, and then we will have a commercial project launched in city also. In fact, in Monte South, there is a tower, fifth tower, four residential, and fifth one is commercial, which also could be launched. However, there is nothing in immediate pipeline, so it's not likely to be launched in next one year.
- Dr. Amit Vora:** Probably next to next year?
- Chetan Shah:** Yes, probably.
- Samyag Shah:** We're still in the planning stage with that, but we will update as soon as possible.
- Dr. Amit Vora:** I get it. I get it. Thank you so much, sir. Thank you. Thank you, everyone.
- Samyag Shah:** Thank you.
- Moderator:** Thank you. We'll take a last question from the line of Jatin Khetarpal, an individual investor. Please go ahead.
- Jatin Khetarpal:** Thank you for taking my call. I wanted to just share that I've been a long-term shareholder with Marathon, in fact, for more than 14 years, I think, and I'm so happy to see Ramnik Bhai's vision, ethics, legacy has been carried forward so nicely. And with the next generation young guns now coming in, Kaivalya, Samyag, I think, on the board, I think they'll bring in their own strengths and future growth trajectory. So congratulations on that.
- I had a few questions. Most of my questions actually have been answered, but I just wanted to understand on the Futurex, I believe the OC for the final flows is already through. So are we trying to monetize that by selling them this financial year? And also on the Monte South, I heard you saying that you don't really recognize the revenue. So is there a stage where the revenue kind of starts showing in the top line?
- And one last question we have a huge land bank. Our company is holding huge land banks in Panvel, Bhandup, Mulund, which I actually track very closely for many, many years. And so I wanted to understand, we should probably try and monetize that. Some of it has been monetized. So maybe we should, maybe the young guns can aggressively start monetizing those land banks.
- Chetan Shah:** Thanks, Jatin, for putting me in the old gen. Yes, but you're right. We have in this last board meeting, we have added the next gen, 2 of the next gen into the Board. Kaivalya and Samyag

have joined and they are gung-ho about growing the company to the next level. What Ramnik Bhai had thought and what we could take it. And now they are going to be taking it forward.

As rightly mentioned by you, Futurex has received the OC and most of the inventory should be, either leased or sold during this financial year. So that is going to be a big chunk of commercial revenue that will show up in this financial year. As for the land bank, land bank is. As for the Monte South Revenue recognition, we follow the percentage completion method.

So where some of the, project gets the first time recognized when 25% of the construction cost of that building is incurred. So that is the trigger point for the first recognition. And of course, we recognize all the revenues where more than 10% of agreement value is received and agreements are registered. So those are the things that are getting recognized. Maybe Kaivalya will throw some more light on it.

**Kaivalya Shah:** And you're right that Monte South Revenue doesn't show up in the revenue that we, display on our, the revenue basically. INR700 crores doesn't display.

**Chetan Shah:** So basically, Monte South is being executed by an FPB. In that FPB, listed company has 40% investment and other partners have 60% investment. So when you get recognized on a person who owns more than 50% and we recognize it as a line item for profits, so it doesn't get recognized in revenue.

If you do want to know the effective share, that is 40% of the revenue which did not get recognized, that amount is. That amount is about INR240 crores. It is 40% of the revenue if we were to recognize. The accounting principle tells us that that will not come in the top line but the profits will be added as a line item.

**Jatin Khetarpal:** And I wanted to also just understand, I'm sure we are targeting a nice 25%-30% growth for FY'25. But what I would expect also is, what I could sense from the Q4 result was the revenue drop, which is absolutely understandable. It kind of fluctuates from quarter-to-quarter. So what I could understand and hear from the earlier talk was that we are trying to target around INR1200 crores of top line for FY'25.

So that should probably, I think, generate a healthy bottom line. I was very happy to see the net bottom line increase, which is a great way to work for our company. So please keep up the good work and Kaivalya and Samyag, all the best. I'm very happy to see you guys on board. And since our company is a good long-term dividend-paying company, bonus-paying company, I'm expecting better dividends and bonuses to come in the near future, which I'm sure will come with time as we grow. So I'm very happy. Thank you very much. Thank you very much for taking the call and thank you very much for the good work. Mayur is not there today, but please give my regards to him as well.

**Kaivalya Shah:** Thank you, Jatin Bhai. With blessings from R.Z. Shah, and what me, Samyag, Parmeet need to do is, have his values, intact. And while having his values intact, make sure we're leap, we're jumping and, taking the in organization at a very fast pace forward in terms of sales, in terms of construction pace. That's the agenda for us, having faster sales and a faster construction. So that's, we hope to do that.



**Jatin Khetarpal:** They are in your DNAs for both of you and all three of you. So you don't have to worry. I think what you need to bring onto the table is to envisage, a better kind of a future for the group and for our company. I think that will come through. So all the best to you guys. Thank you.

**Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management team for closing comments. Over to you.

**Chetan Shah:** Thank you, Friend, for participating in conference calls. The questions that come to us are sometimes, open up new avenues of thought at management level. So do keep participating in such conference calls and enlighten us with the views and perspective that you bring on a Real Estate Company. Thank you very much.

**Moderator:** Thank you. On behalf of Marathon Nextgen Realty Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.