



Press Release

Marathon Realty Private Limited

September 15, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities – Term Loan (LRD)	355.00	IVR BBB/ Stable (IVR Triple B with Stable outlook)	IVR BBB-/ RWDI (IVR Triple B Minus; Rating Watch with Developing Implications)	Rating upgraded; removed from Rating Watch with Developing Implications; Stable outlook assigned	Simple
Long Term Facilities – Term Loans	150.00	IVR BBB/ Stable (IVR Triple B with Stable outlook)	--	Rating Assigned	Simple
Total	505.00 (Rupees Five Hundred Five Crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The resolution of Rating Watch with developing implications and assignment of Stable Outlook reflects the Proposed Scheme of Amalgamation and Arrangement which is structured to centralize project ownership and land banks under Marathon Nextgen Realty Limited (MNRL) (Subsidiary of Marathon Realty Private Limited (MRPL), listed company and part of Marathon Group), the scheme to take around ~10 to 12 months subject to the requisite approvals. Further, we are considering consolidated approach for rating wherein MNRL's projects are also considered and hence, such scheme of amalgamation and arrangement is unlikely to impact the operations as well as unlikely to result in significant financial liability on the company. MRPL (on consolidated basis) will retain an indirect ownership in the transferred assets through its shareholding in MNRL.

The upgrade of the ratings assigned to the bank facilities of MRPL reflects improvement in sales velocity, improvement in cash flow cover and significant progress of the project. The ratings continue to derive strength from strategic location of the project, experienced promoters and strong group and maintenance of DSRA and Escrow mechanism. The ratings



Press Release

are, however, constrained by geographically concentrated revenues, inherent cyclical nature of the real estate sector and uncertainty related to finalization of unleased portion.

Key Rating Sensitivities:

Upward Factors

- Timely receipt of the lease rentals
- Renewal of upcoming expiring lease at higher than present rates along with more favourable terms leading to generation of more than expected cash surplus
- Progress of the project as per schedule within the stipulated cost
- Scheduled sale of flats and adequate cash flow generation.

Downward Factors

- Non- renewal/ fresh tie-ups at competitive rates upon the expiry of lease tenor/termination of lease agreement with any of the tenants leading to reduction in occupancy rates and/or cash surplus
- Any cost or time overrun in completing the ongoing projects
- Weaker-than-anticipated sales performance and lower-than-expected collections/ customer advances leading to cash flow mismatches
- Any company related and/or external factor leading to less than projected cash flows will lead to a rating downgrade.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Expected improvement in cash flow coverage cover during the tenure of the loan on the back of strong booking**
MRPL cash flow coverage ratio is expected to be on higher side with expected average cash cover to be around 112x through FY26-FY30 (on consolidated basis). Expected improvement in cash flow coverage is driven by steady execution of projects with expected improvement in sales velocity along with increase in per sq. ft. sales price.
- **Improvement in sales velocity**



Press Release

MRPL has reported improvement in sales velocity in its real estate projects as the sales booking stood around 64% of the total saleable flats as on March 31, 2025 (consolidated basis).

- **Strategic location of the projects**

MRPL's project, Marathon FutureX and Mafatlal Chambers, is in Lower Parel, Mumbai, which is one of the prime and well-established residential and commercial locations with good connectivity through railways and roadways. It is centrally located at the busy junction of Lower Parel and Curry Road. The other projects i.e. Marathon Monte Carlo is located in the Mulund, Mumbai, which is also favourable locations.

- **Experienced promoters and strong group**

The promoters of the Marathon group, founded in 1969 by the Shah family of Mumbai, have long track record in the real estate industry with around 52 years of experience. Marathon group has delivered more than 100 projects spanning across different segments of real estate projects. 4 million sq ft of land under development.

- **Maintenance of DSRA and Escrow mechanism**

As per the terms of sanction, there is an escrow account mechanism in place as per which all rent receivables are to be directly deposited into the escrow account and utilized first for debt servicing before release of any surplus cash flows. The presence of an escrow mechanism provides comfort in the form of restricting cash flow fungibility. Furthermore, MRPL maintains debt service reserve account (DSRA) equivalent to three months interest & instalment.

Key Rating Weaknesses

- **Geographically concentrated revenues**

All of the past and ongoing projects of the group is located in Mumbai, Maharashtra which exposes the company to geographical concentration risk. Any adverse movement in the regional real estate market can impact the overall operations of the company.

- **Cyclical nature of the real estate industry, subject to regulations**



Press Release

The real estate in India is highly fragmented and is capital intensive in nature. The life cycle of a real estate project is long and the state of the economy at every point in time, right from land acquisition to construction to actual delivery, has an impact on the project. This capital-intensive sector is extremely vulnerable to the economic cycles. Adverse movement in interest rate affects the real estate players in both ways by hampering demand as well as increasing the cost of construction. The sector is also subject to multiple regulatory approvals from respective authorities; thus, the timely receipt of regulatory approval is critical for the timely launches of new project phases and future sales/collections.

- **Uncertainty related to finalization of unleased portion**

MRPL is dependent on timely rent remittance by the lessee to meet its debt servicing obligations. Also, the company's ability to rope in a potential tenant at the earliest for its vacant space has to be ascertained. Further, the unleased/unsold portion (~19%) creates uncertainty to the projected cash flows.

Analytical Approach: Consolidated Approach

For arriving at the ratings, Infomerics has consolidated view of MRPL and its subsidiaries as they are in the same line of businesses (real estate), under a common management. Infomerics has analysed the consolidated financial statement to arrive at the ratings. (Extent of Consolidation: Full).

(Reason for change in approach: Earlier, for arriving at the ratings, Infomerics had considered the standalone financials of MRPL. However, as MRPL being a part of Marathon Group has proposed Scheme of Amalgamation and Arrangement which is structured to centralize project ownership and land banks under MNRL, the scheme to take around ~10 to 12 months subject to the requisite approvals. The rating approach has been changed to consolidated to better reflect the group's overall financial and operational profile)

Applicable Criteria:

[Consolidation of companies](#)

[Rating methodology for Real Estate entities](#)

[Lease Rental Discounting \(LRD\)](#)



Press Release

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The project under development by MRPL is funded by a combination of debt, customer advances and promoter funds. MRPL is projected to have comfortable cash cover to service its debt obligations as evidenced by above unity cash flow coverage ratio of the project throughout the projections. In addition, availability of escrow mechanism along with DSRA account will ensure the smooth repayments. On an overall basis, projected cash flow appears to be adequate.

About the Company

MRPL is a flagship entity of Marathon Group. MRPL was incorporated in the year 1994. The promoters of the Marathon group, founded in 1969 by the Shah family of Mumbai, have long track record in the real estate industry with around 52 years of experience. Marathon group has delivered more than 100 projects spanning across different segments of real estate projects. 4 million sq ft of land under development

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	764.50	637.92
EBITDA	199.38	124.81
PAT	127.50	239.45
Total Debt	1647.39	1470.11
Tangible Net Worth	923.19	1137.05
EBITDA Margin (%)	26.08	19.56
PAT Margin (%)	14.54	26.18
Overall Gearing Ratio (x)	1.78	1.29
Interest Coverage (x)	1.34	0.94

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil



Press Release

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					April 9, 2025	July 1, 2024	--	--
1.	Long Term Facilities – Term Loan (LRD)	Long Term	355.00	IVR BBB/ Stable	IVR BBB-/ Rating Watch with Developing Implications	IVR BBB-/ Stable	--	--
2.	Long Term Facilities – Term Loans	Long Term	150.00	IVR BBB/ Stable	--	--	--	--

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



Press Release

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Facilities – Term Loan (LRD)	--	--	--	March 2038	355.00	IVR BBB/ Stable
Long Term Facilities – Term Loans	--	--	--	Upto June 2029	150.00	IVR BBB/ Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-marathon-realty-sep25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis:

Name of the company	Consolidation approach
MRPL	Full Consolidation
Matrix Waste Management Private Limited	Full Consolidation
Nexzone Land Private Limited	Full Consolidation
Terrapolis Assets Private Limited	Full Consolidation
Marathon Nextgen Townships Private Limited	Full Consolidation
Sanvo Resorts Private Limited	Full Consolidation
Marathon Nextgen Realty Limited	Full Consolidation



Press Release

Marathon Construction LLP	Full Consolidation
Marathon Energen LLP	Full Consolidation
Nexzone Fiscal Services Private Limited	Full Consolidation
Marathon Nexzone Infrastructures Private Limited	Full Consolidation
Lalpurma Infra Private Limited	Full Consolidation
Rozama Infra Private Limited	Full Consolidation
Khurjama Infra Private Limited	Full Consolidation
Dhamora Infra Private Limited	Full Consolidation
Citadel Realty and Developers Limited	Full Consolidation
Cornell Housing Infrastructure Private Limited	Full Consolidation
Swayam Realtors & Traders LLP	Full Consolidation
Columbia Chrome (I) Private Limited	Full Consolidation

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.