



ATLANTA LIMITED

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December 22, 2017

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Scrip Code : 532759
Fax No : 2272 3121 / 2272 2037

Trading Symbol : ATLANTA
Fax No : 2659 8348 / 2659 8237 / 38

Dear Sir/Madam,

Re.: Atlanta Limited (BSE Code: 532759 & NSE Code: ATLANTA)

Subject: Filing of Transcript regarding Investors' conference held on December 20, 2017

In continuation to our earlier communication dated December 16, 2017 regarding Investors' Earning Call on December 20, 2017, we are pleased to attach a copy of the transcript regarding the Investors' conference held with the Management on December 20, 2017, for your reference and record.

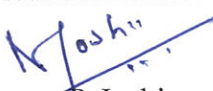
You are kindly requested to acknowledge the receipt of this communication and also let us know in case you need any other information.

Thanking you

Yours truly



For Atlanta Limited


Narayan R. Joshi
Company Secretary



“Atlanta Limited Q2 FY18 Earnings Conference Call”

December 20, 2017



MANAGEMENT: MR. RAJHOO BBAROT - CHAIRMAN, ATLANTA LIMITED
MR. DIPESH GOGRI - CHIEF FINANCIAL OFFICER, ATLANTA LIMITED
MR. AMIT KUMAR SINGH - INVESTOR RELATIONS OFFICER, ATLANTA LIMITED



*Atlanta Limited
December 20, 2017*

Moderator: Ladies and gentlemen, good day and welcome to the Atlanta Limited Q2 FY18 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 presentations concludes. In case if you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajhoo Bbarot - Promoter & Chairman. Thank you and over to you, sir.

Rajhoo Bbarot: Good afternoon, friends and a warm welcome to earnings call of Atlanta Limited for the second quarter of financial year 2017-18. I have with me our newly appointed Chief Financial Officer, Mr. Dipesh Gogri and the Investment Relation Officer, Mr. Amit Kumar Singh. The investor presentation is already uploaded on exchanges and company's website for your reference.

Now I will start by providing a brief about the second quarter highlights and then our CFO will take you through financial performance of the company and finally, we will take your questions. However before that, let me introduce that Atlanta Limited is the flagship company of Atlanta Group and we are primarily engaged in construction, operation and maintenance of roads as well as real estate projects. In addition, we are also taking up the highway works on EPC basis. Currently, EPC and real estate are the two key business segments of the standalone entity. We do EPC contracts for roads and highways for government, as well as for our captive projects. Our EPC order book stood at Rs. 3.5 billion as on quarter ended September 30th 2017. We are currently gearing up to bid around Rs. 130 billion worth of EPC projects and our focus is to add about Rs. 10 billion value of EPC works before this fiscal ends.

Atlanta is prequalified to bid for projects worth over Rs. 14 billion on its own. In real estate, we have got 3 ongoing projects. Total aggregate cost of about Rs. 5.9 billion. Phase I of our Atlanta Enclave project is already completed and more than 98% of the finished inventory is sold out. Phase-II is likely to start within the next quarter and is expected to be completed by December 2020. The total cost of this project is around Rs. 3.5 billion. Our second real estate project is Olympic Lifestyles, wherein we have proposed to develop around 5 lakhs square feet of saleable area in Jodhpur district of Rajasthan. We are also in the process of developing another affordable housing project in Kandivali suburb of Mumbai, that is Atlanta Heights and there, we have got developable FSI of about 1.5 lakhs square feet. We are currently having two BOT assets which are part of Atlanta Group. First is Nagpur-Kondhali section of NH 6, which is operational since in September 2011 with concession period up to 2026. Similarly, second project is Ropar Doraha section of NH 1 which is operational since November 2016 with concession period up to 2029.

Now, let me throw some light on our core strategy and current updates. Primarily, we focus to bid EPC based projects. Now, new projects are on the block including Rs. 7.5 lakhs crores value of projects are going to be announced in Bharatmala and in the first phase, 16,000 km of projects are lying in the pipeline. We are developing affordable and small ticket size houses on most of our land parcels.

Regarding the updates on arbitration, we have received around Rs. 4 billion of the total Rs. 14 billion of awards in favor. We expect to realize the balance Rs. 11 billion within next two fiscals.



We are aggressively pursuing the remaining receivables in order to retire the remaining debt and generate growth capital. So that is all regarding the strategy and current updates and now I hand over the call to Mr. Gogri to take you through the financial performance of the company.

Dipesh Gogri:

Thank you, sir and very good afternoon to everyone. Presenting the standalone financials of Atlanta Limited. The company on standalone basis reported revenue of Rs. 513 million in the second quarter of financial year 17-18 as against Rs. 387 million in the corresponding quarter of financial year 16-17. EBITDA for the second quarter of financial year 17-18 was Rs. 353 million and EBITDA margin stood at 69%. Profit before tax stood at Rs. 290 million in the second quarter of financial year 17-18 as compared to Rs. 157 million in the corresponding quarter of the previous year. Profit after tax stood at Rs. 212 million in the second quarter of financial year 17-18 as compared to Rs. 127 million in the corresponding quarter of financial year 16-17. Earnings per share was Rs. 2.6 in the second quarter as against Rs. 1.55 in the second quarter of the previous financial year. This is all from our side. We now open the floor for questions and answers. Thank you very much.

Moderator:

Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Kunal Shah from Allegiance Advisors. Please go ahead.

Kunal Shah:

Sir, I have got two specific questions. One question is that what is our cash flow status sir? I mean not looking into the profitability numbers, where do we stand as far as our cash flows for the 6 months go sir?

Rajhoo Bbarot:

And second question please

Kunal Shah:

The second question is sir, since we already are in the process of receiving a lot of arbitration awards, right, post that are we intending to raise any further capital which was mentioned in the starting statement of your that post this you are also looking to have a growth capital, right? So are we looking at anything else in the way of raising money?

Rajhoo Bbarot:

To your first question, we are having a policy of booking the award money as and when we receive the decree. Now whatever we have disclosed that we have received in this presentation also, about 60% has already come in the current quarter and the balance is coming within this week. Once the decree is allowed the cash flow position is in line with whatever the projections are there, it is not that we are first making the booking and then we are getting the payment at a substantially delayed period. Normally payment comes within 25 to 40 days and some of the payment has already come out of what we have booked. Moreover, whatever balance is there is likely to come within next 8 to 10 days. Now regarding your second question, once we get this balance receivable we will be becoming debt free by Jun'18. Principal company's outstanding debt is around Rs. 168 crores which is targeted to be retired by June end, something in last quarter of current fiscal and first quarter of next fiscal. So Atlanta per se will become debt free.

Kunal Shah:

Perfect sir. That would be the standalone entity, right?



- Rajhoo Bbarot:** Standalone entity will be debt free. Now, our subsidiaries where we are holding the assets, there also we are likely to receive substantial amount of money in both the entities and ultimately those SPVs also will become debt free probably during the next financial year. Such as for our Nagpur-Kondhali projects, we have already prepaid principal amount up to 2018. So now your third question was whether we will be interested in raising any capital or not?
- Kunal Shah:** Yes sir.
- Rajhoo Bbarot:** See, at the moment we are adequately funded for taking one more project for hybrid annuity. We will be having roughly about Rs. 300 crores of surplus cash after payment of taxes and retiring all the debts. Thus, we will not be in need for raising any capital. Now, government is harping on annuity contracts. So if we go for another contract, beyond about Rs. 10 billion, we may think for raising the equity but at least for one more project of hybrid annuity we are funded
- Kunal Shah:** So sir, what would be the size of that where we will be comfortable without, what would be the size of the project till the stage where we would not be required to raise any fund at all?
- Rajhoo Bbarot:** Till we get one project of about Rs. 10 to 15 billion, we won't require. But beyond that, we may.
- Kunal Shah:** Okay. So till the time we are reaching to Rs. 10 billion to Rs. 15 billion mark, there is no need of money, post that probably we may require.
- Rajhoo Bbarot:** Exactly.
- Kunal Shah:** Sir what would be the debt at the consolidated level sir, standalone it is Rs. 160 crores sir. At the consol level?
- Rajhoo Bbarot:** It is totally about Rs. 750 crores but with around Rs. 1,100 crores of receivables we will totally retired it and will left with about Rs. 250-300 crores of surplus. It will be adequate for funding our one of the hybrid annuity projects.
- Kunal Shah:** And sir what would be the reasons when we are looking for projects sir? I mean are we looking at which state....?
- Rajhoo Bbarot:** We have got Pan India presence. We executed projects in Maharashtra, Gujarat, Rajasthan, and Punjab, presently we are working in Assam. So practically except Kerala, West Bengal and 3-4 states, we have got our presence everywhere.
- Kunal Shah:** Okay, so we are open to anywhere.
- Rajhoo Bbarot:** Yes.
- Moderator:** Thank you. We have the next question from the line of Mahantesh Maralinga from Finquest Securities. Please go ahead.



- Mahantesh Maralinga:** Just a couple of questions here. Just wanted to know sir like what are the future projects that we might be bidding for? So this sequential decline in profitability, any reason for that?
- Rajhoo Bbarot:** Sorry I didn't get your second question. Can you please repeat?
- Mahantesh Maralinga:** Sequential decline in profitability, Q-on-Q?
- Rajhoo Bbarot:** Q-on-Q decline in profitability?
- Mahantesh Maralinga:** Sorry, I mean...
- Rajhoo Bbarot:** Because there is no decline per se.
- Mahantesh Maralinga:** No, not Q-on-Q, actually I was just looking at last year figures, sorry. So tell me, just future project that you already have in pipeline for bidding?
- Rajhoo Bbarot:** See, as I said we are pre-qualified to bid project on our stand up to Rs. 1,400 crores and normally the project size we bid is about Rs. 500 crores to Rs. 1,500 crores and depending upon the specific requirement, we sometimes go for a joint venture as well. Thus normally our bidding size is more than Rs. 500 crores and up to Rs 1,500 crores.
- Mahantesh Maralinga:** And Bharatmala project, how is the bidding sir, is it in the annuity model or it is in the hybrid model or how is that?
- Rajhoo Bbarot:** No, annuity is not there. Most of the projects are coming on EPC or on hybrid annuity basis.
- Mahantesh Maralinga:** And you are into purely roads only, sir?
- Rajhoo Bbarot:** We are in highways and our own real estate where we purchase land near the project site and develop after 3-5 years. Once project is completed, we convert the land into a real estate parcel.
- Mahantesh Maralinga:** So, if you breakup the topline, like how much will be road projects and how much will be real estate revenue coming in?
- Rajhoo Bbarot:** No, more than 85%-90% is from road projects.
- Mahantesh Maralinga:** Okay, and this proportion will remain the same around...?
- Rajhoo Bbarot:** More or less it will remain the same.
- Moderator:** Thank you. We have the next question from the line of Rahul Jindal from ICICI Bank. Please go ahead.
- Rahul Jindal:** Sir, my question is specifically to the EBITDA margin, like especially mentioned in your PPT that EBITDA margin for your arbitration is 80%-90%. Could you please throw some light on



the EBITDA margin for real estate and EPC because as per my calculation it is coming to be negative?

Rajhoo Bbarot: No, it is because particularly when work in progress is there, it will be negative, but normally in our highway projects on EPC, it is about 20% EBITDA margin and in real estate it is about 25%-30% EBITDA margin and when there is an award because awards normally we don't book and as and when we get the decree and payment, that time only we are booking. And whatever expenditure is, one is mainly by way of tax and whatever legal costs are there. So normally in EPC, we have got about 20% EBITDA margin.

Rahul Jindal: Okay sir. Any specific reason for increase in trade receivables from Rs. 553 million to Rs. 2,625 million, from March 17 to September 17?

Rajhoo Bbarot: As on this Rs. 36 crores we got in October end, was booked in September when the decree was executed, so it is because of that.

Rahul Jindal: Rs. 36 crores for arbitration?

Rajhoo Bbarot: Yes, that decree was executed, we had booked in September and got the money in October-November, so it is showing as receivables in Q2.

Rahul Jindal: So it will reduce, now your receivable will become Rs. 2,300 million. So still the gap is of round about Rs. 2,100 million?

Rajhoo Bbarot: Now, one more which is there for our Mumbra bypass award, that we are likely to receive this quarter, for which when decree was executed it was booked. Now decree execution is delayed a bit because of position of Maharashtra government, we are likely and hopeful of getting this money in this quarter.

Rahul Jindal: What will be the amount of that money?

Rajhoo Bbarot: Rs. 160 crores I think. Interest rate will slightly go up now.

Rahul Jindal: Rs. 160 crores?

Rajhoo Bbarot: Yes.

Rahul Jindal: It is a substantial amount.

Rajhoo Bbarot: Yes.

Rahul Jindal: No, Rs. 160 crores then the arbitration is Rs. 30 crores.

Rajhoo Bbarot: No, Rs. 160 crores for which decree is already executed.



- Rahul Jindal:** The money will be received shortly?
- Rajhoo Bbarot:** Money was delayed and we are likely to receive in this quarter.
- Rahul Jindal:** And the arbitration amount was Rs. 30 crores which we received in October end?
- Rajhoo Bbarot:** Yes.
- Moderator:** Thank you. We have the followup question from the line of Mahantesh Maralinga from Finquest Securities. Please go ahead.
- Mahantesh Maralinga:** Sir, just wanted to know the current order book in different categories annuity hybrid and also, so what is the number of units that you would be selling that are ready in the Kandivali project and also any other pending projects in the realization part?
- Rajhoo Bbarot:** See, presently what we are having is all in EPC, nothing in hybrid annuity. Otherwise also now Atlanta Limited which is a flagship company is an EPC contractor. If we take a hybrid annuity project, it normally goes in the subsidiary which is a special purpose vehicle and then EPC execution is done by Atlanta. So in Atlanta it will always be EPC income only. We also have got 3 on going real estate projects. Phase I of Atlanta Enclave is completed and Phase-II has started and will be going up to year 2020.
- Mahantesh Maralinga:** Sir, in the subsidiaries, what will be the order book?
- Rajhoo Bbarot:** Subsidiary, there will not be any order book. Subsidiary normally is a special purpose vehicle and EPC contract order is given to Atlanta Limited.
- Mahantesh Maralinga:** No, but subsidiary, what is the order book that they have?
- Rajhoo Bbarot:** Now, both the projects which are there in subsidiary they are completed, now only operation and toll collection is going on.
- Mahantesh Maralinga:** In case in future, if any bidding happens, that will be the new subsidiary or what?
- Rajhoo Bbarot:** There will be a new SPV. In the same company, we cannot take any other contract. It is for a particular specific project.
- Mahantesh Maralinga:** Okay. Now the current two SPVs are one is Nagpur, right?
- Rajhoo Bbarot:** One is Nagpur Kondhali in Maharashtra and second is Ropar to Doraha in the state of Punjab.
- Mahantesh Maralinga:** Okay. And sir the real estate part, what is the number of saleable units that you already have?



- Rajhoo Bbarot:** Saleable units, now presently 220 were there. More than 95% is already sold. Now in Phase-II, we will be having about 800 units for sale. And in our Jodhpur, we are having over 200 units for sale.
- Mahantesh Maralinga:** So this 800 will be in Bombay only?
- Rajhoo Bbarot:** Yes, it will be near Thane.
- Mahantesh Maralinga:** And Jodhpur how many sir?
- Rajhoo Bbarot:** 200.
- Mahantesh Maralinga:** 200? They are completed or yet to be completed?
- Rajhoo Bbarot:** No, it is under progress.
- Mahantesh Maralinga:** Okay and this will be realized in FY18-19 or this year only?
- Rajhoo Bbarot:** Up to FY2020.
- Mahantesh Maralinga:** Okay, in the next 2 years.
- Rajhoo Bbarot:** 2-3 years.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Rajhoo Bbarot for closing comments. Thank you and over to you sir.
- Rajhoo Bbarot:** So now I thank you all for participating in our earnings call. In case of further information, please feel free to get in touch with the investor relations department and we will be happy to provide any additional information so desired. Thank you very much.
- Moderator:** Thank you very much. Ladies and gentlemen, on behalf of Atlanta Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.