



# “Antony Waste Handling Cell Limited Q3 FY25 Earnings Conference Call”

**February 17, 2025**

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WASTE HANDLING CELL LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 FY25 Antony Waste Handling Cell Limited Conference Call.

We would like to mention that this conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 \*, then 0 on your touchtone phone.

I now hand the conference over to Mr. Jose Jacob - Chairman and Managing Director from the Antony Waste Handling Cell Limited. Thank you and over to you, sir.

**Jose Jacob:** Good afternoon and thank you for joining us for our Q3 FY25 Earnings Conference Call.

With me, I have Mr. Mahendra Ananthula - our Group President, Operation Business Development and Diversification; Mr. Subramanian - our Group CFO and SGA, our Investor Relations Advisors. Our Investor Presentation of Q3 FY25 is now available on the Stock Exchange and on our Company website.

I am pleased to share that for Q3 FY25, we achieved a record high quarterly operating revenue of Rs. 221 crores witnessing a strong growth of 15% compared to the same period last year. Our total operating revenue, which includes income from the sale of recyclables and RDF (Refused Derived Fuel) but excludes contract revenue stood at Rs. 243 crores, reflecting a good growth of 12% on year-over-year basis. This excellent result was attributed to higher volumes, better composed RDF revenues, increased tipping fee and greater green energy generation from our WTE plant.

During the quarter, our collection and transportation business achieved an impressive 18% year-on-year revenue growth, reaching Rs. 163 crores. Our processing business also saw a decent growth of 9% recording Rs. 58 crores in revenue driven by power sales from our PCMC waste to energy plant, initial contribution from our CIDCO bio-mining project and as well from commercial start of C&D operations. EBITDA for the quarter stood at Rs. 59 crores, reflecting an 18% growth with an EBITDA margin of 24%, expanding by 120 basis points compared to the same quarter last year. The strong financial performance underscores our operational efficiency, strategy growth initiative and optimized waste processing and energy recovery, demonstrating effective asset utilization and a firm commitment to sustainable waste management practices.

We are delighted to share that our Construction and Demolition Waste management side has started yielding impressive results underscoring its significant market potential and growth

opportunities. This achievement reaffirms our commitment to sustainable waste management solution and positions us well to capitalize on emerging opportunities like this. In addition, our wholly own subsidiary, AG Infra Project Private Limited, has been recently awarded a contract worth Rs. 976 crores by the Navi Mumbai Municipal Corporation for Collection and Transportation Services. Revenue from this contract will start in a phase manner with full ramp up being expected towards end of Q1 FY26. This further strengthens our financial positions and build up our portfolio in municipal solid waste management. Looking ahead, we remain focused on scaling our investment and sustainable waste management and operational excellence. Our recent initiatives not only contribute to revenue growth but also align with our broader vision of environmental responsibility. By leveraging innovation, efficiency and strategic expansion, we are committed to delivering strong, sustainable and long-term results while creating a cleaner, greener future for the communities we serve.

Thanking you and I now turn to the operational aspects. Let me get Mahendra in. Mahendra, over to you. Thank you.

**Mahendra Ananthula:**

Thank you, Jose. I would like to provide an update for the operational performance of Antony Waste Handling Cell Limited. During the quarter, the PCMC waste to energy plant maintained its strong operational performance. Having successfully completed the inaugural year with a plant load factor of approximately 71% the facility further improved its efficiency, achieving an impressive PLF of about 77% in quarter 3 of FY25. The achievement not only reflects operational excellence but also sets a benchmark in line with global industry standards.

During the quarter, our collection and transportation operation efficiently managed approximately 0.49 million tons of waste and processed around 0.69 million tons of municipal solid waste. The total tonnage for quarter 3 FY25 stood at approximately 1.18 million tons, representing a 3.2% year-over-year increase when adjusted for completed projects. Over the first 9 months of FY25, we managed total MSW volume of approximately 3.56 million tons, reflecting a 5.7% year-over-year growth after similar adjustments. This strong performance underscores the resilience of our operations and reinforces our confidence in meeting our internal volume growth projections.

I would also like to highlight a special initiative that we undertook in partnership with the Navi Mumbai Corporation during the Coldplay event which was organized in Navi Mumbai. We had deployed 150 plus Swachhta Warriors and 30 plus vehicles collecting over 14,000 kgs of waste in 3 days out of which 8,000 kg of plastic, which was recycled and remaining 6,000 kg of wet waste which was composted, ensuring zero waste event. This achievement reflects the trust our clients places on us. During the quarter, our PCMC Waste to Energy plant generated over 23+ million green units in quarter 3 of FY25 reinforcing our commitment to reduce fossil fuel dependence and minimize carbon emissions. Additionally, our operations contributed to the avoidance of 3,334 tons of fuel to equivalent, further supporting our sustainability goals and environmental responsibility.

During the quarter, the Company sold approximately 38,500 tons of Refuse Derived Fuel that is RDF and 6,400 tons of compost bringing the total for the first 9 months of FY25 to around 1,03,000 tons of RDF and 16,600 tons of compost. Overall, operational metrics including both RDF and compost grew by 7% year-over-year highlighting strong market demand for recyclable materials. Our secular economy initiatives continue to deliver strong results, reinforcing our commitment to sustainability. By converting municipal solid waste into RDF, we not only support environmental conservation, but also help cement companies meet their alternative fuel requirement targets driving industry wide adoption of sustainable practices. Additionally, over 20,000 tons of Construction and Demolition Waste processed in Dahisar plant in Mumbai, an impressive 96% of waste has been successfully recycled into valuable resources.

On the ESG front, our Scope 1 and Scope 2 emissions for the first 9 months of FY25 totaled approximately 19,545 tons and 2,213 tons of carbon dioxide equivalent respectively, with avoided emission amounting to around 10,172 tons, additionally our ground staff strength currently stands at 10,157, reflecting our continued investment in skilled workforce to support our operations and sustainability initiatives. As we navigate the evolving landscape of municipal solid waste management, we remain committed to driving sustainable growth and enhancing operational efficiency. Our strong track record, innovative approach and unwavering commitment to excellence will continue to be the pillars of our success enhancing us to achieve our strategic objective and contribute to a cleaner, more sustainable future.

Thank you and I now hand over the call to N. G. for financial highlights.

**Subramanian N. G.:**

Thank you, Mahendra. Good afternoon, everyone. For the 3rd Quarter ending FY25, our operating revenue grew by 15% reaching Rs. 221 crores compared to the same period last year. Our total operating revenue, which includes income from sale of recyclables and RDF excluding contract revenue stood at Rs. 243 crores, 12% Y-o-Y increase.

In 3rd Quarter, the revenue composition stood at 62% of MSW C&T, 24% of processing and 14% of contracts and other sources. For the current quarter ending December '24, this contributed to the sales of 65% from C&T, 23% from processing and 11% from contracts and others. Our diversified revenue streams continue to provide flexibility and position us for sustained long term growth. The group achieved a consolidated EBITDA of Rs. 59 crores for the quarter ending December '24, marking the growth of 18% with an EBITDA margin of 24%, which has expanded by 120 bps compared to Q3 FY24. This quarter has been the highest for the group in terms of reported total revenue and reported EBITDA. The PAT for the quarter stood at Rs. 18 crores, which is a growth of 16% compared to Q3 FY24. As of December '24, the group's gross debt stood at Rs. 431 crores and cash and cash equivalents was around Rs. 65 crores reflecting in a net debt of approximately Rs. 366 crores. This indicates the net debt to equity ratio of 0.5x. The group's weighted cost of debt is approximately 9.6% and our DSOs have remained stable during the quarter at 105.

Our standalone Company's performance during the quarter has been weak and is primarily because Antony Waste had initially submitted bids for various project and executed them

through multiple SPVs as mandated by tender conditions. Overtime due to the operational excellence of these SPVs and involving technical qualification criteria, project began to be awarded directly to material subsidiaries. As newer contracts are now received directly by our 100% owned subsidiaries and other material subsidiaries, it is more appropriate to assess the Company's performance on a consolidated basis. Additionally, we are actively working to optimize our operations and streamline our group structure to enhance overall efficiency and sustainability.

Moving forward, we remain committed to our consistent efforts as the efficient operations of our PCMC WTE plant, the successful commercial launch of our C&D waste management project and the commencement of revenue from a new C&T contract positions for strong revenue growth over the next couple of quarters. We expect steady and sustainable progress in the upcoming quarters and towards financial year 25 and 26, which reinforces our confidence in achieving our long-term strategic goals. This concludes our remarks. We would now like to open the floor for Q&A.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '\*' and '1' on their touchtone phone. If you wish to remove yourself from the question queue, you may press '\*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, if you wish to register for a question, please press '\*' and '1' now. Our first question comes from the line of Prashant Kothari from Stock Market Read. Please go ahead.

**Prashant Kothari:** Good evening, everyone. I have a few questions. First in Q2, the EBITDA margin stood at around 21.4% and in Q3 we see an improvement to around 23.5%. What are the key cost efficiencies or the revenue mix changes that are driving this?

**Subramanian N. G.:** Yes, Prashant. So the revenue mix has a direct implication on the positive flip which we have achieved in the EBITDA margins for 3rd Quarter. If you see over the last 3 quarters, we have seen the contribution from project revenue coming down, which is basically reflecting the construction phase of the Company getting over. So once the construction phase has got over, what we are seeing today is the core operating revenue getting reflected in our reported numbers. That is why you are seeing a significant shift in the margin profile from lows of 20% to around 23.5% that we have just reported.

**Prashant Kothari:** And second question, in Q2, the guidance for Rs. 78 crores CAPEX in FY25 was given and plan to be debt free was also given in 5 years if there are no new large projects, right. So given the cash flows generated in Q3 and the upcoming project investments, do you still expect to stay on this trajectory?

**Subramanian N. G.:** Yes. As of today, we don't see any change to revisit our assumptions over here. So we will still be looking at the same similar CAPEX over the next couple of years.

- Prashant Kothari:** And last question, what scale of revenue collection do you foresee from the EPR segment in the next 2-3 years?
- Mahendra Ananthula:** We have applied for EPR credits for plastic as part of our PCMC WtE operations and our application is already filed with CPCB Central Pollution Control Board. We will update you maybe in the next quarter when there is more clarity in terms of how many credits we have got.
- Prashant Kothari:** So by next year, should we expect these approvals to be received?
- Mahendra Ananthula:** We will at least have clarity in terms of how many credits we have got and then we will go in the market. These are still early days for the EPR from the plastics. So let us explore, we are also expecting the policy and the business to evolve over a period of time.
- Prashant Kothari:** One last additional question please, your PCMC WTE plant has achieved 76% PLF in Q3 almost which is above industry average, congratulations on that. With discussions ongoing for a much larger WTE plant at the Kanjurmarg, what are the expected capacity and timelines for that?
- Mahendra Ananthula:** In the recent budget speech, BMC commissioner has announced the waste to energy plant in Kanjur. I think in the last call we also mentioned that we submitted a proposal to BMC for the same. We are looking at capacity of about 3000 tons per day. Almost 4-5x that of the PCMC plant.
- Prashant Kothari:** So it will take 2-3 years at least for the?
- Mahendra Ananthula:** For the construction.
- Prashant Kothari:** Yes. Thanks a lot.
- Moderator:** Thank you. A reminder to all the participants, if you wish to register for a question, you may press '\*' and '1' on your touchtone phone. The next question comes from the line of Neerav Dalal from MIB Securities India. Please go ahead.
- Neerav Dalal:** Hi. Thank you for the opportunity. I had two questions. One is that if we see the operating revenue that is C&T and processing, it is up 15%. However, we see that the volume of waste is 3%. So is it correct to assume that the volume number is important, and the results are reducing or could you let us know about the bridge between 3%-15%?
- Subramanian N. G.:** So the collection and transportation volumes have inched up by less than 4% because these are stabilized projects and areas that we work in. So we are seeing around normally an urban center generates anywhere between growth of 3%-6% volumes growth. So we reported around 3.1%, so that is the kind of growth that we are seeing in the areas that we provide services in. The spike in revenue comes primarily due to escalations getting passed on to us through the increase in fuel and minimum wage bills and other miscellaneous items.

- Neerav Dalal:** So would it be correct to say that of the 18% MSW C&T revenues, 4% is volume and the other is escalation?
- Subramanian N. G.:** Yes. So 4% will be volume driven, the balance will be escalation driven adjustments.
- Neerav Dalal:** And this escalation would obviously be volatile across different quarters?
- Subramanian N. G.:** So normally, we have seen bulk of our contracts on annual escalation. So once the revenue is up, we don't see a significant shift happening till the time it comes for a recalibration at the end of the next assessment.
- Neerav Dalal:** So would it be right to say that the 3rd Quarter was the quarter where the escalations came into effect or how should one look at that?
- Subramanian N. G.:** So the 3rd Quarter was the quarter where the bulk of our contracts got escalation kicked in from various municipal corporations, which was not part in the past. We are seeing a lumpy impact coming into that. So we are seeing a significant benefit from coming in the 3rd Quarter.
- Neerav Dalal:** So say next year, 3rd Quarter, we could also see escalation, but depends on what the percentage would be?
- Subramanian N. G.:** So if you want to look on year-on-year basis, the volume growth of 3%-4% plus an escalation of fuel and wage bills as and when it changes, yes, change and calibrated as a tipping fee. So maybe the Y-o-Y increase will not be very hard, but it will definitely be different. Also one year down the line, we are talking about new revenues from construction and demolition and your C&T project from Navi Mumbai kicking in, which are at higher rates. So the base effect still changes.
- Neerav Dalal:** Correct, so next year we will have, say, earlier we used to assume like 4%-5% as escalation. So it will be some escalation plus the demolition and plus the new contract setting in, so you will also have some volume growth there from the new contract coming in?
- Subramanian N. G.:** Yes.
- Neerav Dalal:** The second question is we have seen the debt, so on one side, we are seeing the net debt increase, on the other side, we are seeing our average cost of debt coming down, so two questions here, one is that have we renegotiated the PCMC debt lower, and could you repeat in terms of the target for the net debt to equity?
- Subramanian N. G.:** So we have not renegotiated the PCMC loan yet. We are planning to do that maybe 2 years down the line when the PMC loan statement allows us to do that. So the refinancing benefit is coming from our other core businesses, which have seen significant operational efficiency kicking in and also my credit rating has improved in few of my material subsidiaries, which helps us in renegotiating the rates. To comment on our net debt position, if you want to assume that the

Company is not going to bag any new contract and the existing contracts are going to be executed, then this Company would be debt free in 4-1/2 years period of time.

**Neerav Dalal:** Got it. But would it be right to assume that X of the PCMC debt, so what would be the X of PCMC debt, what would be our debt?

**Subramanian N. G.:** Our PCMC currently has a debt of around Rs. 130 crores. So if I look at the total net debt of Rs. 366 crores, you can remove Rs. 130 crores and that is the total vehicle financing and my term loans with my other processing entity over here.

**Neerav Dalal:** Got that. And I am sorry, the PCMC debt is about 12.5%-13% or?

**Subramanian N. G.:** 10.5%.

**Neerav Dalal:** 10.5%. Thank you. Thanks for the opportunity.

**Moderator:** Thank you. Participants, you may press ‘\*’ and ‘1’ to ask a question. The next question comes from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking. Please go ahead.

**Bhavya Gandhi:** Hi, thanks for the opportunity and congratulations on a good set of numbers. Sir, my first question is regarding the incremental revenue that we will be seeing from the new projects. And if you can name the projects and the incremental revenue for next year that will be great which are not yet started or have recently started?

**Mahendra Ananthula:** The most recent project which has recently started is the construction and debris plant for which we got the COD in November. So next year will be the first full year of operations. That will have significant revenue coming from that. The second is the commencement of the new Navi Mumbai C&T tender. The ongoing tender will get over in the last week of March and from 1st April we will start the new tender where there is about 20% increase in revenue.

**Bhavya Gandhi:** Sir, is it possible to share the absolute number, C&D plant and the Navi Mumbai?

**Subramanian N. G.:** Navi Mumbai, I presume we are looking at some Rs. 900 plus cores of revenue over the 9 year period. So that should add up say around Rs. 100 crores of revenue and the C&D plant will give us a very conservative number of Rs. 30 crores per annum. This doesn't include revenue from sales of by products like manufacture sand and aggregates.

**Mahendra Ananthula:** I will put it at Rs. 25 crores because let it stabilize. I think Rs. 25 crores is a reasonable estimate from the C&D plant.

**Bhavya Gandhi:** And this Rs. 100 crores, this is with 20% escalation, so we can assume that Rs. 80-Rs. 85 crores is already there in the current revenues?



- Mahendra Ananthula:** Yes, the existing NMMC is an ongoing mandate, so you are right. So 20% over means Rs. 80 Crores per month becoming Rs. 100 Crores per month.
- Bhavya Gandhi:** Got it. So everything put together, we can assume another Rs. 40-Rs. 45 crores of incremental revenue will be seeing next year?
- Mahendra Ananthula:** From C&T and from construction and demolition, yes, we also have CIDCO Bio-mining project which will be executed next year. So that will also add to the topline. That would be around, let us say about Rs. 45 odd crores.
- Bhavya Gandhi:** That will be full year, so CIDCO Bio-mining will be operational from when?
- Mahendra Ananthula:** It is already operational. We started 3 months ago, so next year will be the first full year of operations.
- Bhavya Gandhi:** Got it. And with respect to the gross debt and net debt, if you can provide figures as a 31st December?
- Subramanian N. G.:** So the gross debt for us was around Rs. 431 crores and net debt is Rs. 366 crores.
- Bhavya Gandhi:** And just if you can throw some light on the outstanding receivables except the 5% amount that we have to block every year, which has been outstanding for more than a year or maybe some timeline if you can provide?
- Subramanian N. G.:** So the total current outstanding for us is around Rs. 225 odd crores and this includes the long term receivables of around Rs. 52 crores.
- Bhavya Gandhi:** Rs. 52 crores, this is more than 365 days?
- Subramanian N. G.:** Yes, that has the retention cost of the tender conditions.
- Bhavya Gandhi:** No, I am not talking about the retention amount. If we separate the retention amount, what would be the amount of plain outstanding debtor more than 365 days?
- Subramanian N. G.:** So that will be around Rs. 38 crores.
- Bhavya Gandhi:** Rs. 7-Rs. 8 crores?
- Subramanian N. G.:** Rs. 38 crores.
- Bhavya Gandhi:** Got it. That is it from my end. Thank you so much.
- Moderator:** Thank you. Participants, you may press '\*\*' and '1' to ask a question. The next question comes from the line of Omkar Bhambid from Fintoo Asset Management Private Limited. Please go ahead.

- Omkar Bhambid:** Hi, thank you for the opportunity. I have two questions to ask. First is the BMC is planning to levy Rs. 100 and Rs. 1,000 from every household per month as fee for handling solid waste from each one. From this move, how Antony is going to benefit? And my second question is, will the shift of Mumbai T1 terminal to Navi Mumbai will impact Company's tonnage or there will be a neutral impact on Company's tonnage due to we have existing patents in Navi Mumbai?
- Mahendra Ananthula:** The first one, BMC decision to levy user charger is a positive step because that will improve BMC's cash flows on account of solid waste management. So, their future waste management projects will probably have sustainable cash flows purely coming from this activity. Secondly, regarding the change of airport, that will hardly impact because most of the dry waste which is generated from the terminal, I don't think it comes to us. It probably gets recycled somewhere else. So it will hardly have any impact.
- Omkar Bhambid:** Thank you, sir.
- Moderator:** Thank you. Next question comes from the line of Payal Shah from Billion Securities. Please go ahead.
- Payal Shah:** Good afternoon, everyone. I just have one question. As mentioned before, we want to reduce the dependency from corporations. So are we looking at other businesses or any update on that?
- Mahendra Ananthula:** Sorry, couldn't get you. Can you just come again, please?
- Payal Shah:** Can you hear me now?
- Mahendra Ananthula:** Yes, better.
- Payal Shah:** So I just have one question, like we have mentioned before that we want to reduce the dependency from corporations. So are we looking at other businesses or any update on that?
- Mahendra Ananthula:** Yes, for those recycling projects, we were looking at land purchase from MIDC. There is change of guard at MIDC. Because of which the decision is taking more time. So, we are also eagerly waiting for a decision from MIDC on the state of our application. Once we get that, I think then we should be able to start our non-municipal business.
- Payal Shah:** That is it for my side. Thank you.
- Moderator:** Thank you. A reminder to all the participants, if you wish to register for a question, please press '\*' and '1' now. The next question comes from the line of Ketan R Chheda, Retail Investor. Please go ahead.
- Ketan R Chheda:** Thank you for the opportunity. I would like to ask one with respect to the VGF funding for the PCMC project, have you received the entire VGF amount or is something still pending? And if it is pending by when are we expected to receive?

- Subramanian N. G.:** Of the Rs. 50 cores of VGF funding, we have received Rs. 45 crores and the same has been applied towards debt repayment. The balance Rs. 5 crores is expected by September 2025.
- Ketan R Chheda:** And we will use that amount again to repay the debt under project?
- Subramanian N. G.:** Yes, we have repaid that debt on the term loan on the project.
- Ketan R Chheda:** And the other question is with respect to the pet bottles project we have submitted a proposal to an FMCG Company, could you share an update on that one? When can we expect to start that project?
- Mahendra Ananthula:** No. I think in the last call also we had mentioned that the FMCG Company had different ideas, so we are not pursuing that now.
- Ketan R Chheda:** And with respect to the tire recycling, I believe you mentioned that we don't have the land and discussions are going with MIDC, so assuming the land thing gets settled, so from that point onwards, how long would it take to start commercializing the project?
- Mahendra Ananthula:** I think the tire thing can be started in about 6-9 months, say 2-3 quarters.
- Ketan R Chheda:** And I assume that you would have identified all the equipment?
- Mahendra Ananthula:** Yes, those are identified.
- Ketan R Chheda:** So those 3 quarters are basically for placing the order and getting the equipments commissioned?
- Mahendra Ananthula:** That is right, yes.
- Ketan R Chheda:** Thank you so much and wish you all the best. Thank you.
- Moderator:** Thank you. Next follow up question comes from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking. Please go ahead.
- Bhavya Gandhi:** Hi, thanks for the second opportunity. Just wanted to again ask on the plastic waste management, are we looking more on the C&T side or we are looking on the recycling side?
- Mahendra Ananthula:** You are talking about the plastic thing?
- Bhavya Gandhi:** Yes, plastic.
- Mahendra Ananthula:** The plastic is on the processing side, processing, recycling.
- Bhavya Gandhi:** So are we planning to set up a plant or something or what exactly are we trying to do over there?

- Mahendra Ananthula:** I was talking in the context of the EPR, the EPR revenue that we get will be from the plastic processing that we do in our waste to energy plant.
- Bhavya Gandhi:** Any quantum of revenue or CAPEX or any timeline if you would like to provide?
- Mahendra Ananthula:** As I mentioned a while ago that we have already filed the application based on all the volumes and so on. Our application is pending with CPCB which opens a wallet and which will decide the credits that we will get. The policy is still evolving, so we will get to know as time progresses maybe in the next one or two quarters to understand the real impact of the revenue that we get from this stream.
- Bhavya Gandhi:** Got it. And in terms of non-municipal revenue, I am just rechecking, one is tire recycling that we are actively looking at, another is vehicle scrapping, third is plastic waste management, right? Is it the fair assumption or are we looking at something else also?
- Mahendra Ananthula:** Plastic in a small way, we have given the plastic to a Company which was converting that into oil. We are still evaluating the technical feasibility and the sustainability of the technology. Once that feasibility is figured out, then we will take a call on that. But as of now, we are talking only about the vehicle and the tire. But the third dimension that we are trying to evaluate, and we have got fairly good response is the revenue from the M-Sand that we get at our construction and debris processing plant. So, for M-Sand there is lot of good response. We are getting lot of good traction, and we have already sold close to 3,500 tons in the first few months of operations itself.
- Bhavya Gandhi:** So what is it called, M-Sand?
- Mahendra Ananthula:** Yes, manufactured sand, you can say the recycled sand.
- Bhavya Gandhi:** Recycled sand, that is done out of construction debris?
- Mahendra Ananthula:** That is right. Yes.
- Bhavya Gandhi:** And would you like to give the revenue EBITDA guidance for next 1 or 2 years?
- Mahendra Ananthula:** Still too early. We would like to club it with P&D Financials, but very broadly, I would say that tipping fee will continue to be the main revenue stream for the C&D plant. Sale of by-products would essentially be between 3%-5% of the total revenue of C&D project.
- Bhavya Gandhi:** Actually, I was asking with respect to the entire overall group revenue and EBITDA guidance?
- Subramanian N. G.:** So we would be looking at a growth of around 15%-18% at least for the next year based on the existing contract. Of course, things will be changing as and when we execute the new contract. EBITDA margin should be in line with what we have already achieved in the first 9 months, if

not better. We are seeing a decent upward traction in the revenue realization from sale of recycled products and also the volume sufficiency kicks in at larger volumes get processed out.

- Bhavya Gandhi:** Sir, earlier we had guided for 25% sort of CAGR in terms of revenue 20%-25% that was?
- Subramanian N. G.:** That holds on, 25% CAGR revenue growth over the next 3-5 years holds off, but we are for the next year's revenue number.
- Bhavya Gandhi:** This 15%-18% is just for the next year, right?
- Subramanian N. G.:** We still hold on to the 25% CAGR growth over the next 3-5 years based on the pipeline of projects that we want to bid for.
- Bhavya Gandhi:** Got it, fair enough. Thank you so much. That is it from my end.
- Moderator:** Thank you. Participants, you may press '\*\*' and '1' to ask a question. The next question comes from the line of Dhruv Raut from DSM Securities. Please go ahead.
- Dhruv Raut:** So my question is, can you share any numbers on C&D business as it has started and how much will it contribute to this year and possibly if you can share for FY26 also?
- Mahendra Ananthula:** This project, we started commercial operations in November and we will be processing close to 400 to 500 tons per day in the next, I would say 3-4 months. After that we expect the tonnage or the waste process to increase to about 600 tons per day. So that is a gradual ramp up that we want to do to make sure that the processing is better and as and when the recycled products are produced, we also create a good market for that. In terms of topline, as we mentioned, we can expect about Rs. 25 crores of topline from this project.
- Mahendra Ananthula:** There is tipping fees.
- Mahendra Ananthula:** Plus little more from the sale of sand and aggregates.
- Dhruv Raut:** And so my follow up question is, are we looking for any WTE plant and what would be the CAPEX for the same?
- Mahendra Ananthula:** Sorry, can you come again, please?
- Dhruv Raut:** Are we looking for any WTE plant and what would be the CAPEX for the same?
- Mahendra Ananthula:** So as mentioned a while ago, we have submitted proposal to BMC to set up a large waste to energy plant at Kanjurmarg, which is where we currently are processing about 6000 tons of waste. We are in discussion with BMC and that should be our next project as and when deal is finalized with BMC. The good thing is that BMC, in their recent budget, announced setting up

of waste energy project at Kanjurmarg, so that shows that BMC has all the intent to go ahead with this project.

- Dhruv Raut:** Thank you. That is all from my side.
- Moderator:** Thank you. The next follow up question comes from Ketan R Chheda a Retail Investor. Please go ahead.
- Ketan R Chheda:** Thanks for the follow up. Any updates you can share with respect to new opportunities either in C&T or in waste processing areas, any upcoming opportunities, any tenders in different cities or municipal corporations across India?
- Mahendra Ananthula:** When it comes to processing, we are looking at a couple of projects. First of all, our focus is essentially in closing this transaction with BMC for the waste to energy plant at Kanjur. That remains our foremost focus area. In addition to that, we are looking at couple of more waste to energy plants. We just want to be choosy because we want to make sure that whichever project we take, that is going to be commercially sustainable. And in addition to that, we are also looking at, in fact we have bid for certain construction and debris projects. We will update as and when there is progress on that. Same goes for some of the collection and transportation projects.
- Ketan R Chheda:** Thank you so much.
- Moderator:** Thank you. Participants, you may press ‘\*’ and ‘1’ to ask a question. Our next question comes from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking. Please go ahead.
- Bhavya Gandhi:** Thanks for the follow up. If I just wanted to ask, you mentioned that the waste to energy project at Kanjurmarg could be 4-5 that of PCMC, so can you assume that the overall CAPEX would go in the range of Rs. 800-Rs. 1,000 crores?
- Mahendra Ananthula:** Yes, thereabout, maybe slightly more because it is going to also have very large Bio-CNG project in addition to the existing composting and RDF production that we do, so it is going to be an integrated project in that respect.
- Bhavya Gandhi:** Sir, won't it be a heavy burden of debt if we look at the net debt at current levels, it is not that elevated, but with the waste to energy at Kanjurmarg, what would be the net debt to equity or some other matrix if you can provide?
- Subramanian N. G.:** So Bhavya that would be one part of the transaction is also we have the proposal that we have given off also extends the life of the projects beyond the 2036 which is being governed by the existing tender condition. So we are extending the project life. We are also trying to have a risk mitigation tool by reducing the transportation cost linked to the RDF supplier, which kind of speaks of the shine from the EBITDA margins which we are currently facing at the processing entity. So by coming on with this proposal, we are ensuring that there is 100% circularity and sustainability solution being provided for the city of Mumbai, where in the entire waste gets

processed, handled and disposed off in a most efficient manner. So yes, the total debt will definitely increase, but currently my net debt to equity is 0.5x. So even after a drawdown of Rs. 800 crores of debt, I will still be well within serviceable limits based on any infrastructure definition.

**Bhavya Gandhi:** Got it. And can you assume that gives us some affirmation on the renewal of the C&T project at Mumbai, which is due?

**Subramanian N. G.:** These are mutually exclusive contract. So the collection and transportation contract are completely delinked with the processing contracts. Those contracts will be coming up for renewal in 2027-2028. So the collection and transportation contracts and waste processing contracts are mutually exclusive. They have their own life cycles.

**Bhavya Gandhi:** Got it. And you mentioned the press release regarding the end of life plastic for road construction. You have done some collaborative project with IIT Bombay, if you can throw some light on that as well?

**Mahendra Ananthula:** Yes, so that is the project where we collaborated with IIT Bombay, because we wanted to use some of the plastic that we get at our site. So it is about 150 meters of stretch, which has been, sorry, it is about 300 meters of stretch, which has been made, looks strong, so the idea basically is that how this plastic can be used effectively to reduce usage of bitumen.

**Bhavya Gandhi:** Got it. And just one last thing on the waste to energy at Kanjurmarg, if you can throw ROIC, ROCE or ex-IRR cash or ex-IRR or any of that matrix?

**Mahendra Ananthula:** It is still early for this thing, but IRRs and viability at those metrics should be same as what we are seeing in the various processing projects like the PCMC Waste-to-Energy.

**Bhavya Gandhi:** Got it. Thank you so much. Thank you so much for the elaborate answer. That is it from my end.

**Moderator:** Thank you. A reminder to all the participants, if you wish to register for a question, you may press '\*' and '1' now. As there are no further questions from the participants, I now hand the conference to Mr. Jose Jacob for closing comments.

**Jose Jacob:** I want to take a moment to thank our dedicated team for their incredible contribution to our success. Your tireless efforts have been essentially nurturing our goals and we are building on that momentum. Our focus remains on delivering consistent results and creating long term value for our shareholders. We are committed to investing in innovation and leveraging our expertise to strengthen our market position and drive sustainable growth. I am particularly excited about a path towards a cleaner and greener future. Thank you for all of you and I wish you a pleasant evening. Bye.

**Moderator:** Thank you. On behalf of Antony Waste Handling Cell Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.