



“Antony Waste Handling Cell Limited
Q2 FY '26 Earnings Conference Call”
November 03, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 03rd November 2025 will prevail.



**MANAGEMENT: MR. JOSE JACOB – CHAIRMAN AND MANAGING
DIRECTOR – ANTONY WASTE HANDLING CELL
LIMITED
MR. N. G. SUBRAMANIAN – GROUP CHIEF FINANCIAL
OFFICER – ANTONY WASTE HANDLING CELL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Antony Waste Handling Cell Limited Q2 FY '26 Conference Call. 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 the date of this call. These statements are not the guarantee 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 star then zero on your touch-tone phone.

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

Jose Jacob: Good afternoon, everyone, and thank you for joining us for our Q2 FY '26 Earnings Conference Call. With me, I have Mr. Subramanian, our Group CFO; and SGA, our Investor Relation Advisors. Our investor presentation for Q2 FY '26 is now available on the Stock Exchanges and on our company website. I'm pleased to share that building on the momentum established over recent quarters, we once again delivered a strong and consistent performance in the second quarter of FY '26.

This performance reflects our disciplined execution, operational agility and our continued focus on innovation and sustainability. We have been proactive in leveraging our experience and technical expertise to strengthen project execution, enhance efficiency, expand our capabilities in waste-to-energy while maintaining high service standards across our portfolio.

We are pleased to report that we closed second quarter of FY '26 with a strong year-on-year growth of 16% in operating revenue, reaching Rs.233 crores. This growth was driven by a higher tipping fee, steady contribution from fixed shifts, trips and household collection fees, along with continued improvement in operational efficiency. These factors collectively demonstrate the strength of our business model and our ability to deliver consistent performance across the projects.

From a segmental perspective, our Collection and Transportation business delivered healthy growth with revenue rising 14% year-on-year to Rs.161 crores. The Processing segment also performed robustly, recording 22% year-on-year growth with revenue reaching Rs.72 crores.

This balanced growth across both verticals underscores the effectiveness of our integrated waste management strategy, combining operational excellence with strategic infrastructure investments that are yielding sustainable returns. Our EBITDA for the quarter stood at Rs.57 crores, reflecting a solid 18% year-on-year growth with margin at 22%.

This performance underscores our ability to drive efficiency improvements while pursuing revenue growth initiative. Overall, these results reaffirm our commitment to executing our long-term growth strategy and maintaining high standard of operational excellence.

Furthermore, we are delighted to share that we have secured two new Waste to Energy projects in Andhra Pradesh with a combined value of around Rs.3,200 crores. This achievement stands as a strong reaffirmation of our leadership in the sector. This wins not only demonstrate our proven capability to deliver large-scale, sustainable infrastructure, but also reinforce our ability to consistently expand our presence in this high-growth segment.

We take pride in setting new benchmarks in Waste to Energy Solutions and remain committed to driving the next phase of sustainable growth across the country. As India takes the lead in the ICC World Cup 2025, our pride extends beyond cricket. Alongside the on-field victories, our team have ensured every match reflects India's growing environmental commitment.

From the match between Sri Lanka and Bangladesh on 20th October to the grand final against South Africa on 2nd November, dedicated team and special vehicle worked tirelessly across venues collecting and lifting over 60 metric tons of single-use plastic waste.

Each match demonstrated that sporting spirit and sustainability can go hand in hand, whether it was 8 metric tons collected during the early rounds or 16 metric tons at the final. Every effort shows India's resolve to keep its venues clean and responsible. As our champions raise the World Cup, we celebrate another thing. India leading not only in cricket, but also in creating a cleaner, greener legacy for the world to follow.

Looking ahead, our focus remains on expanding processing infrastructure, enhancing profitability and strengthening our presence in high-growth emerging sector. Backed by a strong operational and financial foundation, we are well positioned to meet the evolving needs of urban India.

As the nation accelerates its transition towards sustainability and circular economic principle, we are fully prepared to deliver solutions that are practical, scalable and outcome-oriented, driving long-term value for our stakeholders.

Thank you. And I am now turning to the financial and other operational aspects. Let me get N. G. in. N. G., over to you. Thank you.

N.G. Subramanian:

Thank you, Jose. I would like to provide a brief update on the operational performance of Antony Waste Handling Cell Limited and its group companies. During the quarter, our Collection and Transportation operations efficiently handled approximately 0.54 million tons of waste, while our processing facilities managed around 0.73 million tons of municipal solid waste, reflecting year-on-year growth of 3% and 10%, respectively.

Overall, total tonnage for Q2 FY '26 reached about 1.27 million tons, marking a 6% increase compared to the previous year. For the first half of the fiscal year, the total tonnage stood at 2.6 million tons, representing a strong growth of approximately 9% on a Y-o-Y basis.

Our operations continue to demonstrate resilience, consistency and excellence across various sectors. Waste to Energy plant at PCMC sustained strong performance momentum, generating over 41 million green units in the second quarter and more than 66 million units during the first half 2026.

This performance not only reaffirms our technological capability and operational efficiency, but also our commitment to clean, green energy generation. Through these efforts, we avoided approximately 2,347 tons of carbon dioxide emissions in second quarter and around 5,780 tons of CO₂ emissions in H1 FY '26, making a tangible contribution to India's renewable energy goals and reducing our carbon footprint.

The consistent performance of our WTE facility serves as a benchmark for similar projects under development in Andhra Pradesh, further reinforcing our leadership in sustainable energy from waste. Our Construction and Demolition Waste Recycling Facility also continued to operate efficiently, achieving an industry-leading recycling rate of 96%.

This achievement reflects our ability to convert waste to valuable resources and reinforces our commitment to advancing circular economic practices. Such consistent performances across facilities highlights our operational excellence and focuses on building scalable, sustainable infrastructure solutions.

Our Resource Recovery segment delivered an exceptional performance in H1 FY '26, recording its highest-ever sales. Refuse Derived Fuel sales surged by an impressive 48% Y-o-Y to approximately 95,600 tons, while compost sales remain healthy at around 9,800 tons for the first half year.

And for the quarter, RDF and Compost sales stood at 40,000 tons and 3,200 tons, respectively. This significant improvement underscores our steady progress in advancing circularity. On the ESG front, we continue to make tangible strides in line with our sustainability roadmap.

The Scope 1 and Scope 2 emissions for the half year stood at 13,300 tons and 1,450 tons of carbon dioxide emissions, respectively, while awarded emissions were estimated at 5,800 tons, reflecting our efforts in resource efficiency and carbon reduction. Our on-going workforce strength expanded to 10,550, demonstrating our continued investment in building a skilled and committed team to drive operational excellence.

Now, let me take you through the consolidated financial performance for Q2 and H1 FY '26. In Q2 FY '26, our total operating revenue witnessed an excellent growth of 16%, reaching Rs.233 crores compared to the same period last year. And for the half year, our total operating revenue stood at Rs.456 crores, marking a strong growth of 15%.

In second quarter FY '26, MSW Collection and Transportation contributed 61% of the total revenue, while Processing accounted for 27% and Contracts and Others comprised the remaining 12%. This is almost similar to what were the ratios in the last year period, where the respective contributions were 62%, 26% and 12%, respectively.

For the quarter, the group reported an EBITDA of Rs.57 crores, representing a strong 18% year-on-year growth, while EBITDA margin stood at 22%. For the first half, EBITDA stood at Rs.119 crores, reflecting a 15% Y-o-Y growth with EBITDA margin at 23% as per our stated guidance. These results underscore the group's operational efficiency and financial discipline. We could have done better, but due to the softer processing volumes, which reflected in under-absorption

of certain fixed costs and due to extended monsoon period were the main reason why the margins could have been better.

The profit after taxes for the quarter was Rs.17 crores, reflecting a notable growth of 13% as compared to Q2 FY '25. And for the first half, PAT was Rs.40 crores, which is a growth of 10% over the same period last year.

This is despite an increase of 25% in depreciation costs and a 23% increase in interest expense due to optimization of the WTE and C&D projects and the rollout of new NNMC C&D contract. As of September 2025, the group's gross debt stood at approximately Rs.438 crores and cash and cash balances of around Rs.95 crores, reflected in a net debt of approximately Rs.343 crores. This indicates a net debt to equity of 0.4x.

The group's weighted average cost of debt is approximately 9.4%, and our DSOs remained stable during the quarter at 114. I would also like to highlight an important corporate update regarding the ongoing restructuring initiative.

As stated before, as part of our strategic plan to optimize both operational efficiency and financial strength, the company had earlier proposed a merger of AG Enviro Infra Projects Private Limited, our largest wholly owned subsidiary with Antony Waste Handling Cell Limited, our listed holding company.

I'm pleased to share that this merger is now in its final stage as the Honorable NCLT Mumbai bench has admitted the Joint Company Scheme Petition. This development marks a significant step forward in our efforts to streamline our corporate structure and unlock operational synergies and enhance long-term shareholder value.

This concludes our remarks. We would now like to open the floor for Q&A.

Moderator: The first question is from the line of Rohan Mehta from Nexus Capital.

Rohan Mehta: Sir, firstly, you mentioned earlier that the company aims to reduce the dependency on the corporation. Could you just share any updates or progress that we have made towards diversifying into the other business segments?

N.G. Subramanian: Yes. So we have been looking at diversifying our revenue sources. So with the start of the Waste to Energy project, our revenue stream shifts from corporations to state electricity boards. So with the bagging of the two new Andhra Pradesh WTE projects, we are able to kind of de-risk that project significantly.

Additionally, with the Construction and Demolition Waste Project, our revenue from sale of byproducts is a significant shift in our revenue dynamics from that particular segment. So these two initiatives have tried to increase our revenue footprint from a non-municipal corporation level.

- Rohan Mehta:** Sure. Sure. And sir, secondly, so for H1 this year, if we see EBITDA margins are around 23%. So do we expect margins to sustain at this level? Or I mean, is there potential for further improvement in the coming quarters? How do you see the EBITDA margins going forward?
- N.G. Subramanian:** So we normally expect the margin to be in the range of 22.5% to 23%. I mean, that's what we have seen historically. Now, with the monsoon period slightly extending beyond the September period, we are seeing these margins to be sustainable because going forward, we expect upsides from higher process volumes to kick in. So 23% is our stated goal to achieve these margins.
- Moderator:** The next question is from the line of Ketan Shera, an Individual Investor.
- Ketan Shera:** I've got two questions. One question is on our receivables. Now with passing time, we are getting more and more projects, but at the same time, our receivables are increasing significantly. So what can we do about the receivables, which are outstanding?
- I understand there are some receivables with municipalities and there are litigations going on, but the ones which are not under litigation, how we can improve the receivable situation? And the other question is on the return metrics like our ROCE and ROE. Even though our margins are pretty good, but our return ratios are pretty low and in fact for the past couple of years, they have fallen significantly. So how can our return ratios also improve going forward?
- N.G. Subramanian:** Yes. So on the receivables part, if you look at our DSOs, we have been pretty steady over the last 7 to 8 quarters. I mean, given the nature of our business, which is with municipal clients, though we have diversified list of client types, we have kind of spread ourselves across very stable municipal corporations.
- So if you look at our tables that we have provided over the last 14 quarters, our receivables have been steady in the range of around 90 to 114 days. Whether we like these to come down, the answer is definitely, yes.
- So we are working in a way where we can increase the non-municipal corporation pipe over the next couple of years, wherein the revenue from sale of power from the Waste to Energy projects and from EPR credits and also from sale of byproducts keep increasing. Once the revenue pipe from that segment increases, we expect our DSOs to also to be addressed.
- Your next question on the ROCE and the ROE front, I would like to draw attention to Slide number 34 in our presentation. One of the main factors why we are seeing the ROCE and ROE numbers being softer is mainly because of the capital employed phase over the last 3 years.
- From FY '21 onwards, our capital employed stage has gone up from Rs.591 crores to around Rs.1,300 crores. And that's mainly because of our scale-up of operations in various C&T projects and the WTE projects and our Construction and Demolition entities.
- So as and when we do our capital phase, the denominator increases, but the stable EBITDA nature also provides us a stable revenue stream and a profitability stream, which kind of extends over a period of time.

So that is one of the main reason why you are seeing a softer trend in ROCE, ROE because the capital initiation phase was what drove most of this fall. Now, going forward, assuming that we don't bag any new contracts, we will start seeing a healthy growth in our margins and the ROCE and ROE metrics.

Ketan Shera: Okay. So does it mean that because of the capital-intensive nature, our return ratios would always be depressed going forward?

N.G. Subramanian: So there are two phases to it, Ketan. So what happens is if I bag a new WTE project, for example, I need to incur the capex on day one, right? Only after the capex has been done, do I start the operations of that front. So you will see a denominator spike up, but the revenue and EBITDA will be a smaller amount. And these are 20-year projects.

So as and when the assets get depreciation, the denominator falls off, but your EBITDA margin remains the same, right? So that expands your ROCE and our ROE numbers. Now if the company is continuing to bag new contracts, your denominator will keep increasing, but that will also give a significant revenue growth pipeline.

Currently, we are exiting September 2025 with a total order book position of around Rs.12,500 crores. So that is the kind of orders that we already have, based on the capex that we have invested. Any new capex that we do will also increase the order book and the revenue visibility.

Ketan Shera: Yes. No, of course, I mean, I appreciate that. And it's also visible in the numbers that 3 or 4 years ago, our revenues were at a different level and the revenues are at a different level currently. Fair enough. And one more question I have is you've got some intangible assets and intangible assets under development. Could you throw some light what are these?

N.G. Subramanian: Okay. So these are actually capital expenditure done under DBOOT projects. So these are under Accounting Standard 115. Since we do a lot of waste processing contracts, any capital expenditure that I do sits as intangible assets or as financial assets and not as plant and machinery or land and building.

So these are the assets that we have created for our Kanjur project and our PCMC WTE projects. So those are what is getting reflected in the books of account as intangibles. They get amortized over the project life.

Ketan Shera: Okay. Okay. Sure. And we also -- like I was observing the balance sheet, so like in balance sheet, we've got the receivables. And then we also have the other financial assets, which also includes receivables under service concession agreement. So in a way, I find that the receivables were coming under 2 different headings. So any specific reason why we have receivables and also receivables under the other financial assets?

N.G. Subramanian: So this is as per the Account Standard 115, where we need to split the receivables that is accrued to the project over the project life of 20 years or 21 years. So that is receivable over a project life. So that gets amortized as a line item against my revenue. The other receivables in my current assets is my current receivables. So we have a detailed note on our website, which explains the

Accounting Standard 115, which works with the project costing and the project accounting methodologies here.

- Ketan Shera:** Sure. Sure. Okay. I'll do that. And then just last question, if I may. Our cash position also has dropped. So is the money blocked in some EMDs, etcetera, for some new projects that we may have bidden?
- N.G. Subramanian:** Partly yes, partly it has been spent on EMDs and bank guarantees that we have provided for projects under pipeline. And also because during the first quarter and the second quarter, we have seen a spike in our working capital deployment. So that is one of the main reasons why we have seen a fall in our cash and bank balances on a Y-o-Y basis. We expect these things to improve in the second half of the financial year.
- Moderator:** The next question is from the line of Amit Agicha from HG Hawa & Company.
- Amit Agicha:** So my question is like given the finance cost increase, like what is the average cost of debt now versus earlier? And what is the scope to optimize by refinancing or ratings upgrade?
- N.G. Subramanian:** So currently, our cost of debt as of September 2025 is around 9.4%. And we are currently A-rated at a large subsidiary and a BBB+ rated by CRISIL and CARE. So I mean any improvement thereon will always see a benefit coming in to the company.
- Amit Agicha:** And sir, about the Andhra projects, which you said -- like you said Rs.3,200 crores is the capex, right?
- N.G. Subramanian:** No, Rs.3,200 crores is total revenue over 20 years.
- Amit Agicha:** This is for which year?
- N.G. Subramanian:** This is Rs.3,200 crores to be earned over 20 years.
- Amit Agicha:** 20 years.
- N.G. Subramanian:** Yes.
- Amit Agicha:** Okay. And sir, the debtors days also increased to 114. Like can you just outline the plan to reduce this?
- N.G. Subramanian:** Sorry, your audio was not clear. Can you please repeat the question?
- Amit Agicha:** Sir, my question is connected to the debtors days. The debtor days have risen to 114 days, no?
- N.G. Subramanian:** Right. The DSOs are 114.
- Amit Agicha:** Yes. Is the company comfortable with this like clientele milestone? Also, like any...
- N.G. Subramanian:** So normally, we have seen an improvement from third quarter onwards. So if you look at the first quarter numbers and the second quarter numbers, we have seen a slight stability in our receivable cycles and that has been reflected in our payable cycles also. So yes, I mean, our

working capital cycle has been slightly stretched now, but we see things improving going forward.

Amit Agicha: And sir, last question, as far as Kanjurmarg is concerned, like what is the current throughput and residual life of the bioreactor landfill cells, like any planned capex and scope for higher gas to energy recovery?

N.G. Subramanian: Okay. So currently, the total waste that has been accepted at Kanjurmarg is around 6,300 tons a day. The capacity can go all the way up to 7,500 tons over the next couple of years. And the project has a life until 2036. So that's the project balance life that we still have at the site.

Currently, we are generating around 0.97 megawatt of power completely for internal consumption. We are currently thinking of doubling up the capacity and even looking at solar power installation, but given the feedback from the meteorological department, we need to revisit that, given the extended monsoon period in this part of the country.

Moderator: The next question is from the line of Saaksha from Old Bridge Capital.

Saaksha: So a couple of questions from me. Firstly, if you could just share what is the revenue of this quarter for the new C&T contract? And secondly, could you just help us understand the progress on the new Waste to Energy projects, like where are we in that process? Has the construction already started?

N.G. Subramanian: So the incremental revenue from new C&T projects have been similar to what we have done in the last quarter, which was around Rs.14 crores. So that is the kind of revenue that we have had from the new C&T part, which is Navi Mumbai Corporation. That's there.

On the AP WTE projects, I mean, the concession agreements have been signed with all the clusters, which basically means 18 various municipal corporations have executed a contract and the concession agreement is signed. We are in the process of executing the PPA agreement with the APSPDCL.

So that we expect to be completed by the end of this current month. And the financial closure to also be achieved by the end of the current calendar year. So once that is done, we'll start with the construction phase by the last quarter of the current financial year. So once that stops, we have 24 months, of construction phase to start, and that will start from Q4 2026 onwards.

Saaksha: Got it. Clear. And if I could just follow up two more here. So firstly, on your working capital going back there, two things that I noticed. One is that this is the first time probably that there are some inventories on your books.

So is it related to the C&D contract that you have? Is it that? And secondly, if you could just share some more information on what has really led to this spike in receivables? Is it any particular contract? Or is it just a broader shift from C&T to Waste to Energy?

What is really driving this increase because if I compare your H1 this year versus H1 of last year, there's a stark difference in DSOs, right? So if you could just share some more details there.

N.G. Subramanian: Yes. So to answer your first question, there has been a change in the accounting policy internally. We have started having a robust inventory accounts because we have started investing in a central stores system, wherein we have started negotiating with OEM suppliers for bulk purchases and inventory being kept at stock holds across the system, which was not a practice in the past. In the past, we had a very decentralized procurement policy. Now, we have gone in for a centralized stores management system.

So that is why you're seeing inventory as a line item over here. On the working capital and the spike, this has been something to do with the cash collection front from various municipal corporations, not limited to only one. Multiple municipal corporations have faced the same issues. And subsequently, we have realized a significant collection coming in. So that has been the change.

So you have seen a spike in our receivables during the September quarter. The same has got rectified in the month of October. And adjusted for the subsequent collection, our DSOs are around 86.

Moderator: The next question is from the line of Neerav Dalal from MIB Securities India.

Neerav Dalal: A few questions. One is on the couple of contracts that we won, the Rs.3,200 crore contract that we won. What is the envisaged capex of the contracts? And is it similar to what we had done for the Pune project? And I guess in these contracts, there is no subsidy that we are going to get. If you could just give some details on that.

N.G. Subramanian: Yes. Neerav, so the capex will be similar to what we have incurred in the PCMC WTE project. So these are two WTE projects very similar to the construct that we have done of 15-megawatt MSW-based power plants. And these are 21-year projects, and there is a viability gap funding to the tune of Rs.65 crores each from the state and from the municipal corporations there.

Neerav Dalal: So if I were to just clarify, the PCMC was about Rs.250 crores, and we had Rs.50 crores of viability gap funding. So even in this, would that be similar?

N.G. Subramanian: So the capex over here would be slightly higher because of the time -- the PCMC one was done almost 5 years back, right? So there has been an increase in cost of machines and materials and everything. So we are seeing the capex to be around Rs.300 crores to Rs.325-odd crores. And you are right, in PCMC's case, there was an Rs.50 crore VGF. In this case, it's Rs.65 crores VGF.

Neerav Dalal: Okay. Okay. And the other thing was regarding the -- so for the PCMC project, I have two questions. One is we -- last quarter, we had spoken about EPR, and we said that we've used 20% of -- for the first year allocation. So that number was about some 94,400 metric tons.

So if you could just very quickly give a brief in terms of -- so would this 94,000 and 95,000 metric tons accrue to us every year? And so I believe the price -- because it is -- I don't know -- I'm just guessing because it is plastic, it would be about Rs.1 or Rs.1.25 or something for the EPR.

So if you could just give a broad clarification in terms of what would be the realization or what would be the amount that we would get every year on this EPR? That was one question. And the other was what would be currently the outstanding debt for the PCMC project?

N.G. Subramanian:

On the EPR aspect, I think we would be slightly conservative here because the numbers are still going on because the waste characterization is not very -- it's a heterogeneous waste that we collect. So each month, each quarter, the quality of plastic, the quality of waste that gets burned needs to be ascertained for the EPR number to be quantified.

So maybe in the next 2 quarters, we will be in a much better position to quantify the total EPR that we can actually look at it. And the numbers are likely to be of an annual number, and it will only improve going forward because of significant segregation that's happening in the PCMC city. On the debt position of PCMC, I think we have come down to around Rs.142 crores of debt at the project level.

Neerav Dalal:

Okay. And just lastly, in terms of Kanjurmarg project, if we were to look at the waste that we're getting in, so is that number become stagnant or it has declined slightly over the years because the expectation was that obviously at some point in time we'll be reaching 7,500 tons to 8,000 tons a day, but we stuck at this about 6,000 tons, 6,300 tons a day?

So is there something -- so is it that this is what we are getting and the increase would only happen, say -- eventually, say, in the next 5 or 10 years? I don't know. If you could just comment...

N.G. Subramanian:

So on the waste generation in the city of Bombay, I mean the total tonnage that has increased, bulk of the waste has been transferred to the Kanjurmarg site. The other 2 sites, which is Deonar is -- there's a Waste to Energy plant, which is under construction, still going on, and the biomining is yet to happen. So we don't see a spike from the current levels. We can at the most see a 3% to 7% increase going forward over the next 3 to 6 quarters. That's the sense that we're getting today.

Also, there is a higher level of segregation that's happening. So bulk of the Construction and Demolition waste, which was also bundled along with MSW, that is not getting transferred to the Kanjur site.

So today, when we are talking about 6,300 tons, it's pure MSW waste as compared to the earlier quality of waste. So the quality of waste has changed drastically. We are seeing higher organic materials being transported and inorganic fractions. We don't see inerts being shipped to the Kanjur site now.

Neerav Dalal:

Okay. Okay. And just on the EPR just lastly, when you say we are monetizing 20% of the first year allocation of -- so the first year allocation is about 94,000 metric tons, and of that, we would have monetized 20%. Would that be the right way to think...

N.G. Subramanian:

Yes. So that's the safe assumption because that was based on the first quarter waste characterization that we got. Now, with the second quarter and until November, waste characterization samples being done, the numbers are slightly stretching on the upper side. So

once the entire cycle is completed, we would be in a much better position to quantify the EPR generation from PCMC WTE for FY '26.

Neerav Dalal: Okay. Okay. And so even at Rs.1 or Rs.1.5, it would come to anywhere between Rs.25 crores to about Rs.40 crores. Would that be right?

N.G. Subramanian: I would not like to estimate at this point of time because it's not just the quality of plastic, right? There's a lot of things that goes into the waste, so it's not pure STP or end-of-life plastic that gets consumed or converted into the EPR metrology. So each batch has a different metrics over here.

Neerav Dalal: Okay. Okay. So there is no -- so because -- so there is no direct correlation...

N.G. Subramanian: Yes. So we are also kind of being very conservative because the metrologies used by other industries may not fit our because we get mixed waste.

Moderator: The next question is from the line of Shivam Parakh from ValueWise Wealth Management.

Shivam Parakh: So my first question was I needed an update on the dividend policy. Since we have a stable business and we are profitable from quite many years, so any update on when the management thinks of passing on dividend to the shareholders?

And second question, I needed some light on the progress in Construction and Demolition business. And whether any updates on vehicle scrapping business, whether any MoUs or any land that we have gotten from the government that we were considering in the last few con calls? And third, was any update on the WTE project that was being considered for the Kanjur project?

N.G. Subramanian: Yes. So on the dividend policy, the Board is considering the proposals over here -- one of the main reasons for merging the subsidiary to the holding company was to make the listed company much more stronger operationally and have a very good balance sheet and income statement. So the Board is evaluating that proposal.

On the Construction and Demolition project, I think we have seen a slight uptick in the volumes that we are handling at the Dahisar C&D project, we expect in the dry season, the volumes to increase. And also, there is a very concerted effort by the BMC to kind of increase the Construction and Demolition Waste that is handed over for waste processing because that is also an EPR mandate to be given to the developer community over here.

Your third point was with respect to the auto scrapping business and the tire recycling business. We are currently in touch with MIDC for sourcing out a non-trade zone for the land parcel. Once we get an understanding with the MIDC, we will be able to brief you on the same.

Shivam Parakh: Okay. Sir, what tonnage are we handling in the Construction and Demolition business roughly per day?

N.G. Subramanian: So currently, we are handling around 225 tons per day, but this was also the wettest period that we have seen. So it has been swinging from 80 tons per day to around 225 tons per day. Once the monsoon period is over, we should be back to around 350-plus tons a day.

- Shivam Parakh:** Okay. Sir, in the last around 2 to 3 con calls that we were considering around 600 tons per day, that was our ambition. So in what years or in how many quarters are we expected to achieve that?
- N.G. Subramanian:** So currently -- the BMC is currently working on a proposal where this tonnage can be transported to us in the next 2 to 3 quarters. So we expect the tonnage's ramp-up to happen maybe by second quarter of FY '27 itself.
- Shivam Parakh:** Okay. Got it, sir. And sir, another question, any update on the Waste to Energy project that was being considered for the Kanjur project?
- N.G. Subramanian:** So the corporation has kind of put a hold on the project for now. That is basically waiting for clarification from the Supreme Court of the country, wherein the usage of the land is being cleared for that aspect. So once we get a clarification on the same, the Waste to Energy project will be back on the table.
- Shivam Parakh:** Okay. And sir, around a few months back in the Maharashtra budget, there was a proposal to increase the solid waste collection fee from the users. So any update? Like have we started increasing from the consumer point of view? Or is the BMC only paying you currently?
- N.G. Subramanian:** So the gazette clearly mentioned that the BMC will collect user collection charges directly from the generators. Unlike other cities, like in Noida, Varanasi, Jhansi, the operator of the collection and transportation is not authorized to collect these charges. So BMC will be collecting this money directly from the various residential buildings and commercial establishments.
- The last we heard is the BMC is yet to get into the system. What they have done is they have stopped private collectors of bulk -- waste from bulk generators and local operators like the collection and transportation companies like Antony has been authorized to collect the waste, but the payment continues to be paid by the municipal corporations today.
- Moderator:** The next question is from the line of Keshav Bharadia from Wallfort Financial.
- Keshav Bharadia:** Congratulations on a good set of numbers. Sir, just had a couple of questions. The first one being, sir, as of today, our Construction and Transportation-- C&T Waste to Management business is restricted to Delhi and Bombay, are there any plans in the pipeline to diversify into other states?
- And secondly, sir, I think a few quarters ago, we had given a guidance of around 25% CAGR on revenue over the next 3 to 4 years, whereas last 2, 3 years have been muted. So any indication on that with the new projects coming up? Can we see that momentum sustain? Or is there any revision in that guidance?
- N.G. Subramanian:** So for the first question on the 25% CAGR growth, I mean that's over 4 to 5 years. That guidance still is on track because, I mean, we are not in a very linear kind of a growth. So the movement we bag a contract, it takes us anywhere between 6 to 24 months for the mobilization of the assets and the revenue to start kicking in.

So, if you look at our revenue chart over last 5 years, from FY '20 to FY '25, you've seen a jump of around 26% CAGR growth with the revenues jumping from, say, around Rs.465 crores to Rs.950 crores.

With the 2 new WTE projects coming in, and over the next couple of years, we'll see this kind of revenues also coming into the system. So the guidance for a 25% CAGR growth over 4 to 5 years still holds good.

The 17% to 18% growth that we are showcasing today is based on contracts that's already there in the system. And this is organic growth, both led by tonnage and tipping fee increase. So that is very much in the play for us for now.

Keshav Bharadia: Understood, sir. And sir, do we have any plans in the pipeline to diversify into other states for collection and transportation of waste because currently, we are only in Delhi and Bombay, I think?

N.G. Subramanian: I think -- I mean, we are present in a lot more other places. We are in MMR and NCR region. So we are in Navi Mumbai, Panvel, Nasik, Nagpur, Jhansi, Varanasi, Greater Noida and Malda.

Keshav Bharadia: Sorry, sir. I meant other states apart from Maharashtra.

N.G. Subramanian: Yes, we are definitely looking at various states in Southern India and Eastern part of the country. I mean, we're also very conscious of the kind of clients that we work with, so we are definitely working with a few large cities in Southern India and eastern part of the country.

Keshav Bharadia: Got it, sir. And just a last follow-up question in terms of the vehicle scrapping and tire recycling venture. I know you said that we are in the process of acquiring a land parcel and in the process of gaining on the approvals from MIDC, but what would the timeline be broadly once we get all those permissions in place?

How long would it take for us to construct the facility? And what kind of turnovers can we expect over here? Let's say, if we invest Rs.100 crores, what kind of asset turnovers can we do over here?

N.G. Subramanian: I mean, the cost of construction and putting a plant in place would not be more than 6 to 9 months is what we estimate because it's all bolt-on acquisitions that you do from the plants, so it's not something that -- except for the civil work of putting a shed and everything; otherwise, everything is you just procure the machines and your -- it's a plug-and-play model.

On the scalability of the project of auto scrapping, I mean, based on large companies like Mahindra CERO or Rosmerta, I mean, we have seen that anywhere between 20 to 80 vehicles per day is a required threshold limit to kind of scale it up. We would be looking anywhere between 40 vehicles to start with as a basic idea to kind of get the juices in.

Revenue realizations would be on a gross asset turn. We don't expect it to be as high as C&T operations. We see that to be around 0.2x to 0.25x. So Rs.100 crores is your capex that you're

pumping in. Till the time the assets and the market improves, we would see around Rs.15 crore to Rs.25 crore of an annual revenue there.

- Keshav Bharadia:** Got it. But sir, the margins will definitely be higher on that.
- N.G. Subramanian:** I hope so. I mean, otherwise, I won't -- otherwise, it's like I am happy doing my MSW business. I mean, it is giving me 23% EBITDA. It is giving me a 9% PAT, and I know this business very well. For the last 25 years, we have been doing this business. So, the auto scrapping business should at least give me a better run for my money.
- Keshav Bharadia:** Got it, sir. So we can expect those approvals and broadly the construction to start in this year, so we can see some contribution from those businesses in FY '27, hopefully.
- N.G. Subramanian:** We are definitely working on with these time lines. I mean, we are also working with few large players to help us take this forward. So we'll keep you updated on this front.
- Moderator:** The next question is from the line of Harsh Sheth from Vadodara.
- Harsh Sheth:** First of all, I think my question was answered, but I just wanted to understand more about the -
- I think the Rs.12,000 crores pipeline that we have. I get it, the pipeline is a long process. But when do we expect the orders to be executed?
- N.G. Subramanian:** So when we talk about orders, we are basically -- see when we bag a C&T contract, it's a 7- or a 10-year contract, right? So the capex is already done. So an annual revenue is, say, Rs.100 crores.
- So -- and let's for example, we are in year 3 today, so I've got 7 more years to go in a 10-year contract, and Rs.700 crores is my order pipeline. So that is what we mean when we say Rs.12,000 crores is my order pipeline. These are basically contracts that the company has signed, capex has been done and execution is ongoing for us.
- Harsh Sheth:** So in the Rs.12,000 crore orders that we currently have, so we have the capacity for that, and whatever new orders we might get we might have to incur capex from the new orders?
- N.G. Subramanian:** Yes. Yes. If the capex -- I mean, if you're looking at a Collection and Transportation contracts, there are two natures of contracts. On one hand, sometimes the corporation provides the capex, like what we have seen in projects like Panvel, Jhansi, Varanasi, wherein the corporations themselves buy the assets and give it to you. So those are capex-light model, so the order pipeline jumps just by bagging those contracts. In other contracts, you need to incur the capex.
- Moderator:** The next question is from the line of Shivam Parakh from ValueWise Wealth Management.
- Shivam Parakh:** So just a follow-up question. Any update on further prospective orders that we have applied for and we can expect to come through for us in this or the next financial year?
- N.G. Subramanian:** So we have bid for a few C&T contracts and two other waste processing contracts, but it's too early. They are still in the letter of intent state. So I think we don't expect any further update till

February now. And maybe in the last quarter, we'll been in a better position to give you color on that front.

Shivam Parakh: Okay. And sir, the new two Waste to Energy projects that we have applied for, if you -- if it is possible from your side, we have applied it in which region of India?

N.G. Subramanian: It is in Andhra Pradesh.

Shivam Parakh: Okay. In Andhra Pradesh, okay, sir. So if we bag that, so we'll have 4 Waste to Energy projects, correct?

N.G. Subramanian: Sorry. My mistake. So the -- no, no, the other two projects are in the western part of the country. It's not in Andhra Pradesh. It's in western part of the country. So those are still under wraps yet.

Moderator: The next question is from the line of Amit Agicha from HG Hawa and Company.

Amit Agicha: Sir, like what are the key risks to margins in the next 12 months, like fuel, wages, equipment, maintenance, interest? I mean, how are these mitigated contractually?

N.G. Subramanian: So the fuel part and labor component for us is around 60% of the operating cost is completely passed through in all our contracts. So except for the timing mismatch, we are pretty much hedged on that front.

We have also initiated this centralized stores, purchase and everything, which has helped us get some bulk discounts and also leverage on our tie-up with the OEM. So we are seeing a slight bit of advantage coming into these ranges. So on the material part, spares, labor and fuel, I mean, these are kind of pretty much hedged for us in that situation.

What we have seen is a slight spike in wage bill. In order to attract good talent into the system, we have tried to be slightly be aggressive in the market, and that is reflected in a slight increase in our wage bill over the last couple of quarters. So if you look at our numbers, you can see a 14% increase in our wage bill on a year-on-year basis. But as a percentage of total revenue, it's been constant at 31% of the total revenue.

Amit Agicha: And sir, like are there any delays in collections with any municipalities? Like what is the current aging profile?

N.G. Subramanian: So currently, our total DSOs on a weighted average is around 114, and we have not seen any spike or significant delays happening over and above what has been seen over the last couple of quarters for us. So I mean, we have not seen any particular corporation delaying over and above what has been the normal course of business for us.

Moderator: Ladies and gentlemen, this is the last question for today. I will now hand the conference over to Mr. Jose Jacob for closing comments. Thank you, and over to you, sir.

Jose Jacob: Before we conclude, I want to take a moment to express my heartfelt appreciation to our entire team for their unwavering commitment and exceptional contributions. Your dedication and hard work have been instrumental in driving our success and sustaining our growth momentum. As

we look forward, our focus remains firmly on delivering consistent performance, enhancing shareholder value and strengthening our leadership in sustainable waste management.

We will continue to invest in innovation, technology and operational excellence to further consolidate our position in the industry. I'm truly excited about the journey ahead, as we continue to build a cleaner, greener and more sustainable future for our communities and stakeholders. Thank you once again for your continued trust and support, and I wish everyone a Happy New Year and a pleasant evening.

Moderator:

Thank you very much, sir. On behalf of Antony Waste Handling Cell Limited, this concludes this conference. Thank you for joining us, and you may now disconnect your lines.