"Antony Waste Handling Cell Limited
Q3 FY '26 Earnings Conference Call"
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Moderator: Ladies and gentlemen, good day, and welcome to Antony Waste Handling Cell Limited Q3 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectation of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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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 Q3 FY '26 earnings conference call. With me, I have Mr. Mahendra Ananthula, our Group President, Operations, Business Development and Diversification; Mr. Subramanian, our Group CFO; and SGA, our Investor Relation Advisors. Our investor presentation for Q3 FY '26 is now available on the stock exchanges and on our company website.

Before turning to the company's performance, I would like to briefly touch upon a few encouraging development from the union budget 2026-'27. The budget places a strong emphasis on strengthening municipal finances through market-based funding mechanism, including a Rs.100 crores incentive for single tranche municipal bond issuance, along with continued support under the Amrut scheme for small and midsized cities.

Similar cities, including Surat, Indore, Ahmedabad, Vadodara, Ghaziabad and Pimpri-Chinchwad increasingly tapping municipal and green bonds. These initiatives are expected to improve the financial health of urban local bodies, accelerate investment in urban infrastructure and create a more enabling environment for long-term sanitation and waste management projects, an area where the company remains well positioned to partner with municipalities.

In addition, the proposed partial credit guarantee framework for private developers represents a positive structural reform for the urban infrastructure ecosystem. The proposed infrastructure risk guarantee fund is expected to enhance lender confidence, particularly during the development and construction phases of municipal-linked projects such as solid waste management, where revenue visibility typically strengthens over time.

By mitigating early-stage risks and lowering the cost of capital, this framework can help attract long-term private investments into essential urban services, improving project viability and affordability while reinforcing the overall financing framework for sustainable urban infrastructure.

During the quarter and the 9-month period, the company delivered a steady performance driven by strong execution across its integrated municipal solid waste management operations. Operating revenue for the quarter reached Rs.240 crores, reflecting a 9% year-on-year growth, supported by higher volume across project sites and contractual tariff-linked escalation. Enhanced asset utilization and effective on-ground execution further reinforce the scalability of our operating model and disciplined management of long tenure contracts, positioning the company well to meet India's evolving urban waste management needs sustainably.

From a segmental standpoint, the Collection and Transportation segment recorded steady growth with visible increasing 7% year-on-year to Rs.175 crores. The Processing segment continued to perform well, delivering a healthy 12% year-on-year growth, with revenues reaching Rs.66 crores. This balanced performance across both verticals highlights the strength of our integrated waste management approach, where consistent operational execution is complemented by targeted investment in processing infrastructure supporting sustainable returns.

Furthermore, our recent project win further strengthen our leadership position in India urban waste management space. The award of two large Collection and Transportation contract by BMC significantly expand our presence in Mumbai, increasing operational coverage from 2 to 7 wards through a consortium led by our wholly owned subsidiary, AG Enviro Infrastructure Projects Private Limited with a 51% stake.

These contracts carry a combined revenue potential of approximately Rs.1,330 crores over a 7-year tenure, enhancing long-term revenue visibility and providing annuity-like cash flow while offering operating leverage through fleet optimization and route rationalization.

In addition, our subsidiary, Antony Lara Enviro Solutions Private Limited secured a 10-year DBOT concession from Thane Municipal Corporation to set up and operate a 600 to 800 tons per day municipal solid waste preprocessing and stabilization facility, backed by a fully reimbursable capital outlay of Rs.67 crores. The project meaningfully expand our processing capabilities and strengthen our focus on RDF generation, with landfill diversion and compliant legacy waste remediation, in line with sustainability and circular economy objectives.

Additionally, I would like to highlight that the company successfully completed the merger of AG Enviro Infrastructure Projects Private Limited with Antony Waste Handling Cell Limited effective from December 31, 2025, following NCLT approval. This consolidation streamlines operations, enhance organizational efficiency, optimizes cash flow and strengthen the balance sheet, enabling more effective capital allocations towards growth and creating long-term shareholder value.

Looking ahead, our focus remains on expanding processing infrastructure, improving operational efficiency and strengthening our presence across high-growth urban waste management projects. Backed by a strong operational and financial foundation, we are well positioned to serve the evolving needs of urban India. As the nation accelerates its shift towards sustainability and circular economy policies, we are fully prepared to deliver solutions that are practical, scalable and outcome-oriented, creating a long-term value for all our stakeholders.

Thank you. And now turning 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 on the operational performance of Antony Waste Handling Cell Limited. During quarter 3 of FY '26, our operations demonstrated strong resilience and consistent execution across all business segments.

Our Collection and Transportation operations handled approximately 0.53 million tons of waste, while our processing facilities managed around 0.88 million tons of municipal solid waste. Overall, total tonnage for the quarter reached approximately 1.42 million tons, marking a solid 19% increase compared to the same period last year.

For the 9-month period, cumulative tonnage stood at approximately 4.01 million tons, representing about 12% year-on-year growth, underscoring the scalability and efficiency of our operations. Our waste-to-energy plant at PCMC generated over 2 million green units in the quarter and more than 68 million units during the 9 months ending December '25.

While quarter 3 generation was lower due to extended shutdown to carry out certain technical modifications, the plant is now fully operational, and we expect normalized operations during quarter 4 of FY '26. The waste-to-energy operations has helped avoid about 1,215 tons of CO_2 equivalent emissions in quarter 3 and 6,994 tons in 9 months ending December '25, contributing meaningfully to India's renewable energy targets and further reducing our carbon footprint.

The waste-to-energy facility's consistent performance also serves as a benchmark for the upcoming projects in Andhra Pradesh, reinforcing our leadership in sustainable energy from waste.

Taking a moment to update on the two Andhra projects at Kadapa and Kurnool, both projects are identical in plant configuration, each with a processing capacity of 750 tons per day and a gross power generation capacity of 15 megawatts. Total project capex is expected to be around Rs.600 crores to Rs.650 crores with debt/equity ratio of around 75-25. The EBITDA margin would be similar to our PCMC site, which is upwards of 40%.

The concession agreements and power purchase agreements have been executed for both projects and the land is expected to be transferred within the next 4 to 6 weeks. The planned construction period is 24 months, and the projects are expected to commence revenue generation from FY '29 onwards for the next 20 years.

Our construction demolition waste recycling facility maintained industry-leading efficiency with a 96% recycling rate, highlighting our ability to convert waste into valuable resources and reinforcing our commitment to circular economy principles. Across all facilities, these consistent operational standards reflect our focus on building scalable and sustainable infrastructure solutions.

We also continue to advance our resource recovery initiatives during the quarter. In quarter 3 of FY '26, the company sold about 37,840 tons of refuse-derived fuel and about 4,359 tons of compost, while cumulative sales for the 9-month period reached about 1,33,661 tons of RDF and about 14,217 tons of compost, demonstrating the scale, consistency and the impact of our waste-to-resource efforts.

In the area of ESG, we made significant progress in advancing our sustainability agenda. Over the 9-month period, Scope 1 and Scope 2 emissions were about 19,900 tons and 2,650 tons of carbon dioxide equivalent, respectively, while avoided emissions reached around 7,000 tons, highlighting our focus on efficient resource utilization and carbon footprint reduction.

Additionally, our on-ground workforce grew to 10,951 employees, reflecting our ongoing commitment to nurturing a skilled and dedicated team that drives operational excellence across all our operations. Moving forward, our priority will be to integrate sustainability more deeply across all operations, improve efficiency in waste recovery and advance process optimization through technology and innovation.

With a proven track record of disciplined execution and a focus on technology-driven solutions, we are confident in our ability to surpass evolving environmental standards, set new industry benchmarks and responsible waste management and creating enduring value for all of our stakeholders.

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

N. G. Subramanian: Thank you, Mahendra. Good afternoon, everyone. Let me take you through the consolidated financial performance of Q3 and 9 months ending December '25. In Q3 FY '26, our total operating revenue witnessed a growth of 9%, reaching up to Rs.240 crores compared to the same period last year.

And for the 9-month period, our total operating revenue stood at Rs.696 crores, marking a steady growth of 12%. The Q3 revenue was softer than our expectations, primarily due to lower power sales.

Thank you. Welcome back, and I'm sorry for the disconnect. Just to go back, as in Q3, the operating revenue grew by 9% to Rs.240 crores and for the 9-month period stood at Rs.696 crores. The revenue was softer in Q3, primarily due to lower power sales. In Q3 FY '26, the revenue mix remained largely consistent with the prior year, with C&T contributing to 65% of our revenue, processing being 24% and contract and other making up the balance 11%. This compares with Q3 FY '25, where the contributions were 65%, 23% and 12%, respectively.

The stability and diversification of our revenue streams provide the company with strategic flexibility and foundation for sustained long-term growth. For the quarter, the company reported an EBITDA of Rs.50 crores with margins at 18.4%. The operating margins were impacted by higher employee cost, a normal occurrence in Q3 due to the annual appraisal and the incentive cycle, along with incremental manpower additions to support significant volume increases at select C&T sites.

Anthony Waste Handling Cell has long prioritized a pro-employee approach, with 95% of his workforce already compliant under the minimum wages categories for the wage code and the management staff basic pay averaging 40%, allowing seamless adjustment to meet the 50% threshold with minimal impact on gratuity and no change to cap provident front contributions.

For the remaining workmen, 88% faced no wage code effect, while the 10% saw only slight incremental adjustments, offset by ESIC contributions effective Jan 2026 that neutralized prior Mediclaim cost. The company has appointed experts to assess its correctness, and this matter will be resolved in Q4. For the 9-month period, our EBITDA was Rs.169 crores, with margins standing at 21.4% as per our stated guidance.

Depreciation costs have risen by 21% year-on-year. This is post capitalization of new project vehicles with 335 vehicles being added at new NMMC project and few incremental deployment at PCMC and Nagpur sites. The profit after tax for the quarter was Rs.15 crores and for the 9-month period, our PAT was Rs.55 crores.

As of December 2025, the group's gross debt stands at approximately Rs.425 crores, with cash and bank balance of around Rs.75 crores, resulting in a net debt of approximately Rs.350 crores. This indicates a net debt to equity of 0.4x. The group's weighted average cost of debt is approximately 9.1%. We know that the days sales outstanding remained elevated at approximately 114-115 days during the period, which continues to be a key area of focus for us. Encouragingly, subsequent collections efforts have yielded positive results, bringing the DSO down to around 96 days. We remain committed to further optimizing our collection processes to sustain this improvement.

Looking ahead over the next 2 years, our recent project wins, coupled with steady execution at existing operations, position us strongly for sustained growth. Key additions include the Atkoli project, the 2 BMC C&T contracts and our 2 Andhra Pradesh waste-to-energy projects. These align seamlessly with the government's ambitious dump site remediation accelerator program launched in November '25, targeting Lakshya Zero Dumpsites by October 2026 through remediation by high-impact legacy sites.

This robust platform supports our revenue growth target of 20% CAGR. Moreover, as higher value pursuing contracts gain traction and rising demand for scientific-based remediation and circular economy solutions, we anticipate an improved margin profile of around 20% to 23% going forward as well.

This concludes our remarks, and we open the floor for the Q&A. Thank you.

Moderator: The first question is from the line of Ronak Shah from Equirus Securities Private Limited.

Ronak Shah: So sir, my first question is regarding the approval in terms of the escalation. So now what is the status of the committees which are likely to give the escalation approval and how you are seeing that will translate into the incremental revenues for next 2 to 3-odd years?

Mahendra Ananthula: Yes, the escalation for the Noida and Nagpur projects have already been obtained. We have also received most of the monies thereof. The same goes for the PCMC waste-to-energy project, where the tipping fee – yes, sorry for the call getting disconnected. So what I was saying is that in the two C&T sites, Nagpur and Noida had long-pending escalation issues. Both have been resolved. The clients have already paid us most of the money, and we expect to receive rest over the next few months.

On the PCMC WTE front, where the tipping fee also is subjected to escalation post COD, that also is approved by the client, and we have already received the payment. So from now on, we are getting payment based on the escalated tipping fees. So all this has helped us in maintaining our cash flows. Thank you.

Ronak Shah: So sir, PCMC tipping fees based on our understanding is around Rs.500-odd per ton, which has got increased by around 5% to 6-odd percent or is there any something different amount?

Mahendra Ananthula: Yes. So the number -- you're right, was Rs.505 as the tipping fees. With escalation, our current tipping fee is about Rs.656 per ton, which will get escalated every year. There was a cascading effect of 3 to 4 years cumulatively, so that's why the first escalation was at a higher rate. But going forward, anything between 3% to 5% is a fair assumption.

Ronak Shah: So sir, based on this, our understanding that these PCMC waste-to-energy project, which usually clocking around Rs.40 crores to Rs.51-odd crores of annualized revenue is likely to inch up by around 5% to 6-odd percent in the next 2 to 3-odd years.

N. G. Subramanian: Yes, that is a fair assumption because there will be a normalized increase in the revenue from WTE, mainly driven by higher tipping fees led by escalation.

Ronak Shah: Noted, sir, noted. And sir, my second question is regarding the new TMC, Thane Municipal Corporation project. So what can be the estimated annualized revenue from these projects and how it differs in terms of the margin profile from the current projects?

Mahendra Ananthula: For the Thane project, the construction capex is fully paid by the client. We expect the entire project to be completed in 6 to 8 months and realize the revenue in by, let's say, December of 2026. And then thereafter, the O&M will start for 10 years.

Ronak Shah: What can be the quantum?

Mahendra Ananthula: The quantum is about -- one second, let me just calculate. It's about Rs.18 crores to Rs.20 crores per annum.

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

Amit Agicha: Sir, how intense is the pricing competition in new municipal tenders? And like what differentiates Anthony versus peers in winning large integrated contracts?

Mahendra Ananthula: It's all segmental, I mean, if you are talking about the waste-to-energy projects, we are witnessing two to three players at the most per project because the clients also are very keen to attract only companies with experience. So that's why there are only max three to four companies. In the case of Andhra, there were only two bids. One was ours and the second was another competitor. So the competition intensity is not so much in waste-to-energy projects.

It's, of course, a different thing in Collection and Transportation contracts, wherein as we explained earlier as well, that a lot of these kind of projects also attract regional players. So if we are bidding in Mumbai, there would be about four or five players. If we are bidding in Uttar Pradesh, there will again be four or five players, but those players will not be common because again, there are only two or three national level Collection and Transportation players.

Amit Agicha: And sir, second question is connected to the debt, like what is the targeted net debt to equity? And can the blended cost of borrowing move below 9%, which is reported?

N. G. Subramanian: Thank you, Mr. Hawa, if you can just repeat your last question, please?

Amit Agicha: Yes. What is the targeted net to debt equity and the company is planning? And can the blended cost of interest move below the 9% which is reported?

N. G. Subramanian: So currently, we are around 0.4x on the net debt to equity. With the planned capital expansions at both Atkoli and the AP project, we would, in the next couple of years, be around 1x to 1.2x our equity. And that is something that is manageable given the balance sheet strength. And the blended interest rate would be around 9.1% to 9.5% for us over the next couple of years. Our target is to bring it below 9% gradually.

Amit Agicha: And also, like, can you just put some color on like the tire recycling projects which was there?

Mahendra Ananthula: I mean, there's no fresh update on that.

Amit Agicha: Okay. And sir, last question, like about the construction and demolition, like what was the proportion of revenue of that and what is the margin over there?

N. G. Subramanian: The construction and demolition project has not been significant in Q3, mainly because post monsoon, the activity has just now started taking traction. So these are not material numbers when we reported the Q3 numbers, but it's EBITDA neutral for now.

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

Neerav Dalal: I had a couple of questions. One is that you said that the revenue was slightly lower because of the PCMC electricity revenues were slightly lower. So if you could just let us know what would be the normalized number for there based on that?

N. G. Subramanian: So the WTE plant when it normally operates, we would have generated close to 9.25 million units. That's assuming 85% PLF. So that would be the kind of generation that we have done, translates to approximately around Rs.13 crores to Rs.14-odd crores of quarterly revenue.

Neerav Dalal: Fair enough. And so this quarter, it would have been....

N. G. Subramanian: It's been very good. The plant was shut down for more than 82 days. Part of it was in the previous quarter and the bulk of it was in Q3. The plant has been operational since December 18 onwards.

Neerav Dalal: Got it. And the other thing in terms of the TMC order that you won, the capex will be funded by the client, right? So that would be part of our project revenues or how would that be shown?

N. G. Subramanian: It won't be part of our project revenue. This would be similar to the bridge financing that we need, build the plant, transfer the assets. So it will be a lump sum revenue that we'll get as reimbursement of expenses incurred. It will not be part of the project revenue.

Neerav Dalal: Okay. So that will be booked as and when the project will be up for O&M?

N. G. Subramanian: Correct. So it's a milestone-based payment. So as and when the design, the construction, the equipment procurement and the handover happens, 90% of the capex is reimbursed in a time-bound manner. The balance 10% of the capex will be reimbursed 1 year after the commencement of operation.

Neerav Dalal: So when do we expect commissioning of this project?

Mahendra Ananthula: By December '26, the plant should be commissioned.

Neerav Dalal: Okay. So at the moment, you will not be booking any revenues from this any percentage of completion revenues out of this...

N. G. Subramanian: Yes. So we will book the revenue as and when we raise the bill and the same gets acknowledged by the client.

Neerav Dalal: Correct, sir. But it's not there as part of the current quarter or the 9 months?

N. G. Subramanian: No. That's not part of the current revenue.

Neerav Dalal: Okay. Okay. And just lastly, in terms of the WTE projects that we are looking at, what are the other opportunities across the country any at the moment that you've bid for or there is any expectation of any bids coming up?

Mahendra Ananthula: I mean, as we speak, there is one live tender in the eastern part of the country and a few more on the drawing board stage. We are expecting a few more tenders in South India, especially Tamil Nadu in the next 2 quarters after the elections in Tamil Nadu.

Neerav Dalal: Okay. Okay. And the size will be similar, say, for the Eastern part, would it be similar to Hyderabad -- to Andhra or would be different?

Mahendra Ananthula: The size is by and large similar, yes.

Neerav Dalal: Okay. Okay. And lastly, now that the BMC elections are done and we have the new party coming in, the elections being completed, do you see any positives, negatives in the next 6 to 12 months out of this?

Mahendra Ananthula: Collection and Transportation contracts are already bid out, and they already have been awarded. So, with the new standing committee and other general body coming in, we expect decision-making to be faster and execution should be smoother.

Neerav Dalal: So faster in terms of bidding out or...

Mahendra Ananthula: No, they already are awarded, so the execution will be smoother in terms of decision making...

Neerav Dalal: Okay. And any changes in terms of payment and stuff?

Mahendra Ananthula: No, we don't expect any changes to happen.

Neerav Dalal: No, no, positive or negative?

Mahendra Ananthula: I think the same as they had tendered out, as we have agreed in our proposal.

Neerav Dalal: Okay. So as such, there is not much difference, except for the execution might improve than what it is coming through?

Mahendra Ananthula: Execution might improve. And of course, financially, I mean, we will get revenue getting recorded from the...

N. G. Subramanian: There won't be any administrative delays now that the elections happened with the teams being in place and the HODs will be much more empowered. So the delays that we have seen in the last 3 years should not be there.

Neerav Dalal: Okay. So we expect explanations to be -- to happen faster than recoveries to be faster?

N. G. Subramanian: Yes.

Moderator: The next question is from the line of Siddharth Bhattacharya from Autumn Investments & Infrastructure.

Siddharth Bhattacharya So a couple of questions from my end, just to understand things in perspective over here. So basically, in our two segments, which is C&T as well as Processing, just wanted to understand the extent of fixed costs that have built up over here. Because when I look at your quarter on -- I mean, Y-o-Y quarterly numbers, operating leverage have built up this quarter versus Q3 FY '25. So just wanted to understand what could the swings be likely from here on? If you could help me understand that perspective.

N. G. Subramanian: So, in the Collection and Transportation business, close to 61% to 64% of our revenue is labour and fuel. So, the operating leverage is mainly very limited in that aspect to that extent. The fixed cost is not more than 18% for us, which is vehicle-related costs and thereabout, the maintenance and the AMCs that we pay.

In case of Processing, I mean, the fixed cost is much higher. That would be in the range of close to 45% to 50%, given the fact that these are heavy machineries and equipment and hiring costs that needs to be ascertained and given for a duration of the contract.

Siddharth Bhattacharya Okay. Okay. So effectively, if volumes increase in our C&T division as well as Processing the operating leverage that kicks in, in the subscription cost. Is that the right way to look at this?

N. G. Subramanian: In C&T business, when the tonnage increases, there has to be a proportional increase in facilities that needs to be worked up. If these were adequate, we just have to incur variable costs to manage the extra waste.

So that is EBITDA positive. In case of waste processing, any increase in tonnage has a stepped-up impact on the EBITDA because you have to ensure a certain processing facility and any significant change only then has an impact on my processing EBITDA.

Siddharth Bhattacharya Okay. And within the Collection and Transportation, so what is the operating efficiency?

N. G. Subramanian: During the first phase of our Collection and Transportation, the efficiency normally is around 80% to 90% over the project life, it goes down to 80%, and then we kind of augment it with hiring additional vehicles during the project life.

Siddharth Bhattacharya Okay. And for our Processing, you said we are at 85% today? And how high it can go to?

N. G. Subramanian: We can at the most press the pedal up to 100%, but these are high efficiency. There are always downtime that happen and these are mission-critical activities. So we normally would be comfortable with a 90%, 95% max through the system. Otherwise, we have to enhance the capex to kind of take in additional waste.

Siddharth Bhattacharya Correct. Correct. And in terms of the volume context, sir, could you help me understand is there some variation in various quarters that we go through?

N. G. Subramanian: Normally, we have seen the tonnages increase during the wet season, which is from June till maybe end of October because it's also the festival season. So if you're looking at 100% of the volumes being in a calendar year, I would say 55% of the tonnage would come in during the wet season and the balance would be the dry season. There is some seasonality in our business.

Siddharth Bhattacharya Got it. So if I'm looking now at consolidated growth effectively, it will come in from some volume additions for our C&T as well as Processing, plus the new sites that we sort of get contracts for over the next few years, right? Is that the way to look at that?

N. G. Subramanian: Yes, that's the right way of looking at it.

Moderator: The next question is from the line of Hemkesh Khattar from Green Portfolio Management Services.

Hemkesh Khattar Sir, just wanted to get like a clear picture on the revenue side because in the last 3 years, our revenue has grown at a CAGR of 13%, while the management has continued to give a guidance of long-term growth of 20%. That has not materialized so far. So when can we expect the incremental revenue to pick up from all the projects that the company is doing?

N. G. Subramanian: So I mean, mainly because of elected members not being part of the municipal machinery, there has been significant delay in new project wins and allocations happening. Now that bulk of the elections have happened, we see growth kicking in. The two AP projects, the Atkoli project and the MCGM contracts that we bag kind of ensures that we will be able to work in that trajectory and achieve the 20% CAGR growth.

Hemkesh Khattar Okay. And regarding the ROCE also, that has also like remained around 12% only. So do you expect the ROCE also to improve going forward?

N. G. Subramanian: In the kind of projects that we have, the capex is upfront, so over a period of time, you'll see ROCE and ROIC kind of improve gradually.

Hemkesh Khattar Okay, sir. And regarding the Andhra plant. So as you said before that you expect both the plants to set commercial operations in FY '29. So will both plants get operationalized simultaneously?

Mahendra Ananthula: Yes, that's right because both the projects were awarded simultaneously and are moving parallelly. Maybe there will be a lag of 1 month purely because of the land handover date. But both of them will get commissioned almost simultaneously with maximum lag of maybe 1 or 2 months.

Hemkesh Khattar Okay, sir. And are there any other like waste-to-energy plants that we are targeting?

Mahendra Ananthula: As I just mentioned, there is one live tender in the eastern part of the country. And there are a few more tenders which the municipalities are making in Tamil Nadu, which should come out after the state elections in May.

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

Shivam Parakh: So I had two questions. First question was I needed an update on the dividend strategy post the merger. And second question was more of a clarificatory part. So I needed clarification on the order won for Collection and Transportation. So Rs.1,330 crores order was over a 7-year period. So is that Antony's revenue potential over the 7-year period or the combined revenue potential of all the three players in the joint venture?

N. G. Subramanian: On the dividend part, I think with the merger getting completed, we are in a much better position on the cash flows front to start initiating this process. So, the board is evaluating that part. On the revenue potential, the project, yes, the entire revenues of the SPV, so Rs.1,000-odd crores that we have mentioned is of the revenue potential of the SPV.

Shivam Parakh: Okay. So, all the three players combined?

N. G. Subramanian: Yes.

Shivam Parakh: Okay. So, 51% joint venture, so out of the Rs.1,330 crores, 51% would be the revenue coming for Antony, right?

N. G. Subramanian: So, it's a consolidation since Antony owns the majority of the company. As part of the consolidation, the entire 100% of the revenue and the expenses and the debt will be in our books and the proportionate profit will be taken out as minority interest.

Shivam Parakh: Okay, sir. Got it. And sir, like, again, on the dividend front, like -- so could we expect in financial year '27 for the dividend to come up for shareholders?

N. G. Subramanian: The Board would be taking a call on that and we'll keep you updated on the same.

Moderator: The next question is from the line of Ronak Shah from Equirus Securities Private Limited.

Ronak Shah: Sir, my question is regarding your aspiration for the 20% growth with 22% to 23% EBITDA margin. So, considering the Andhra project, which are going to have some contract revenue as well. So optically, is it possible that your reported EBITDA margin for next 1.5 to 2-odd years will marginally look on a lower side?

N. G. Subramanian: Yes. So, this will be similar to the phase that we were won when the construction of the PCMC was going on. So, your EBITDA margin would be lower in that sense because of the Ind AS impact. So, we will be reporting the core EBITDA margin and the reported EBITDA margin separately as we have done in the past.

Ronak Shah: Got it, sir. And sir, can you clarify on the green unit generation quantification because in the second quarter's presentation, there are 66 million plus units generated into the first half faring into the current presentation, it has stepped down to 44-odd million.

Mahendra Ananthula: Yes, because in the quarter 3, we had a shutdown of 82 days because we were undertaking some technical modifications. So that's why the drop in PLF in quarter 3.

Ronak Shah: Okay. Because the cumulative number is altogether different in second quarter's presentation and third quarter's presentation. That's why I'm asking...

Mahendra Ananthula: We will check on that and maybe we'll revert.

Moderator: The next question is from the line of Nitesh Kavanthkar, an Individual Investor.

Nitesh Kavanthkar: I just have one feedback before I ask my question. There are like five times occasion where the call got disconnected. Maybe next call, can you please ensure there's proper connectivity because it's quite disturbing such a big company and then this frequent disconnection of call. Coming to my question, how do you see the revenues growing up for the next year? That's my first question.

N. G. Subramanian: The revenue growth for the next year based on the Atkoli and maybe incremental capex should be in the range of 15% to 18% for us. That's based purely on the contract that we have already executed, signed and the run rate that we are seeing on a consistent basis.

Nitesh Kavanthkar: Okay. So that means this year, we will end up roughly about Rs.1,000 crores. So next year, we should be ending roughly Rs.1,200 crores. Am I right?

N. G. Subramanian: That's a target that we have set internally. I mean the timing of that same base is based on the capex rollout and the timely completion of the projects.

Nitesh Kavanthkar: Okay. And I understand we've been iterating that the EBITDA margin would inch up slowly 22%, 23%. So will that still remain intact?

N. G. Subramanian: Yes. So if you look at the 9 months number, we are around 21-odd percent. So we try to keep that EBITDA as a threshold between 22% to 23%.

Nitesh Kavanthkar: Okay. And again, when do you see a massive growth for the company? I understand we target to achieve 22%, 25% like -- and it's going to be lumpy. But with this going on, right, we are just about Rs.1,400 crores company. So what are your plans actually to make the company big?

N. G. Subramanian: So growth for us is based on a couple of factors. One is bankable projects that is awarded by the municipality sector. That is one of the main drivers for the growth of Antony. So if you look at Antony from 1997 onwards till 2010, we were around a Rs.300 crores turnover entity. From 2020 onwards from a Rs.400-odd crores, we have now come on to a Rs.900-odd crores company.

Now the traction in the municipal solid base is significantly better today than what it was a decade back. So we feel enthused that we can continue the growth rate consistently. And given the balance sheet, we should be able to target this 20%, 25% CAGR growth comfortably. You also need to understand that the counterparty over here is the municipalities, which are slightly tough pay masters. So we are pretty cautious and also measured in our growth and the selection of clients. So that is something that we need to watch out for.

Having said that, the Board is also cognizant of the fact of moving significantly away from the municipality-only business. So we are looking at non-municipal businesses like getting into Click-to-clean business, which is a more of a B2C kind of an area. We are looking at EPR market. We are looking at electricity boards as a client when it comes to waste-to-energy businesses. So we are trying to increase our canvas a bit and also ensure that we are true to our core operating strength.

Nitesh Kavanthkar: Okay. Just one suggestion from my end, okay? Because when I was young, right, I wanted to do a start-up where I pay someone like B2C and collect the garbage and in turn, recycle it. Now I'm basically from Bangalore and Bangalore, everywhere people dump garbage, okay?

And there's no responsibility from anyone to actually wait for the garbage collectors to collect. So can we do something very niche here because everywhere they dump garbage, can we do a new initiative where we pay and then collect and recycle so that we get away from the contracts from just municipalities.

Mahendra Ananthula: See, in municipalities, municipal waste, there are two segments of waste. One is the dry waste, which is the recyclable, which has got value. And that's already a reasonably organized sector managed by the informal sector. So the rag pickers and the aggregators that you see, I mean, they are the people who actually make sure and they have their value chain and activity chain already defined.

For the wet waste, which is lying on the road and so on, that has got no commercial value, right? So there is a responsibility of the Collection and Transportation contractor to collect it and take it to the processing site or landfill as municipality may direct them to.

Nitesh Kavanthkar: Yes. Because the reason right, I've worked even in Chennai for 3 years, I see there also they dump in that OMR road and they burn the garbage everywhere? Because I think there's a huge potential for the business. Maybe there's a lot of value unlocking needs to happen.

Mahendra Ananthula: See, that kind of thing cannot continue for long. I mean, as you have also seen repeatedly in 2016 rules and now the new 2026 rules, there is a shift to much more stringent regulatory and governance practices. So those days probably are behind us and municipalities have no option but to engage professional organizations to manage their waste management services.

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

Rohan Mehta: So I have two questions. Firstly, it would be very helpful if you could share the contribution from the Construction and Demolition segment in this quarter and the 9 months period?

And how much do you see the contribution for the full year and going forward for FY '27? And just in general, your view on the Construction and Demolition segment, are we bidding for new C&D projects currently? Or how are you looking at that basically segment going forward?

Mahendra Ananthula: As of now, the contribution of C&D business is 5%. We expect this to at least double in the next financial year.

Rohan Mehta: Fair. Fair. So it will be broadly 5% in the quarter and overall for the year, broadly ballpark that range?

Mahendra Ananthula: That's right, yes, because there are policy changes which the client is doing now, because of which we expect the revenues to grow sharply in the next few quarters.

Rohan Mehta: Fair enough. Fair enough. And sir, secondly, I just wanted if you could provide any update on recent bids or contracts that we are participating in general, apart from C&D, I mean what kind of projects are we sort of looking at or prioritizing, say, processing projects or Collection and Transportation projects? I just wanted to get your overall view on that?

Mahendra Ananthula: So we are focusing on both processing as well as the Collection and Transportation with special focus on processing because we want to increase the share of processing business in our company. But having said this, we also are extremely careful and choosy about selecting the right project, the right city and the project configuration because what we have realized is that there is no point in winning a project only to make losses in that. So we are careful.

And in terms of projects, as we mentioned, that we have already successfully concluded two waste-to-energy projects in Andhra Pradesh, one Thane Municipal Corporation pre-processing project, the two Mumbai C&T contracts. There are a few tenders which are in the anvil. And the next few quarters, we should be able to get a few more projects.

Moderator: Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Mr. Jose Jacob for the closing comments.

Jose Jacob: Before we conclude, I would 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 very pleasant evening.

Moderator: We have the last question from Shivam Parakh from ValueWise Wealth Management.

Shivam Parakh: Post the commercialization of two Andhra waste-to-energy projects in financial year '29, what could be the revenue targeting for the company?

N. G. Subramanian: So post the AP project commercial operation, we expect close to around Rs.90 crores to Rs.140 crores of annual revenue to start in the first couple of years, and that will scale up to around Rs.130 crores to Rs.140-odd crores going forward. So this will be over and above the Rs.1,000-odd crores of revenue that we have in the system.

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