

Antony Waste Handling Cell Limited*(formerly known as Antony Waste Handling Cell Private Limited)*

CIN: U90001MH2001PLC130485

1402/03/04, 14th Floor, Dev Corpora,
Opp. Cadbury Company, Eastern Express
Highway, Thane (west) – 400601
Phone: 022 – 4100 8240/9295

www.antony-waste.com | www.antonylara.com | www.antonyasia.com

Ref.: AW/SEC/NSE/2021-22/30

Date: July 20, 2021

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C-1, Block G, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

Dear Sir(s),

Sub. : Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") – Material Subsidiary Update
Ref. : Script Code – AWHCL

Pursuant to Regulation 30 of SEBI LODR Regulations read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 and in terms of the policy for determination and disclosure of material event/information of the Company, we wish to inform that CRISIL Ratings Limited has rated instrument of Antony Lara Enviro Solutions Private Limited ("ALESPL"), material subsidiary company, as follows:

Total Bank Loan Facilities Rated	Rs. 58 Crore
Long Term Rating	CRISIL BBB+/Stable (Assigned)
Short Term Rating	CRISIL A2 (Assigned)

The Rating Rationale of CRISIL dated July 19, 2021 is enclosed herewith.

This is for your information and records please.

Thanking you,

Yours faithfully,
For and on behalf of
ANTONY WASTE HANDLING CELL LIMITED



HARSHADA RANE
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS34268

Encl. a/a

Rating Rationale

July 19, 2021 | Mumbai

Antony Lara Enviro Solutions Private Limited

Rated amount enhanced

Rating Action

Total Bank Loan Facilities Rated	Rs.58 Crore (Enhanced from Rs.10 Crore)
Long Term Rating	CRISIL BBB+/Stable (Reaffirmed)
Short Term Rating	CRISIL A2 (Assigned)

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL A2' rating to the short-term bank facilities of Antony Lara Enviro Solutions Private Limited (ALESPL) and reaffirmed its 'CRISIL BBB+/Stable' rating on the long term bank facility.

CRISIL Ratings had earlier assigned its 'CRISIL BBB+/Stable' rating on the long-term bank facilities of ALESPL vide rating rationale dated June 30, 2021.

The ratings continue to reflect ALESPL's extensive industry experience of the promoters, long term revenue visibility supported by agreement with Municipal Corporation of Greater Mumbai (MCGM), moderate working capital cycle, adequate debt service coverage ratio (DSCR) coupled with escrow mechanism and adequate liquidity. These strengths are partially offset by vulnerability to adverse changes in government regulations and susceptibility of operating margins to variation in waste quantity and input costs.

Analytical Approach

CRISIL Ratings has factored in support that might be extended to ALESPL's 51% owned subsidiary – Antony Lara Renewable Energy Pvt Ltd (ALREPL) for its ongoing project and for timely repayment of debt obligations, as ALESPL has extended corporate guarantee for ALREPL's debt.

Key Rating Drivers & Detailed Description**Strengths:**

* **Extensive industry experience of the promoters:** The promoters have an experience of more than two decades in waste management industry. This has given them an understanding of the dynamics of the market, and enabled them to establish relationships with various municipal corporation. Their industry understanding has helped them in successfully setting up a waste processing unit in ALESPL.

* **Long term revenue visibility supported by agreement with MCGM:** ALES has entered into service concession agreement for 25 years with MCGM, with assured minimum guarantee quantity of 3000 tonnes per day, along with increasing tipping fee for each year. This provides long term visibility for revenues and assured cash flows for the company.

* **Efficient working capital cycle:** Its efficient working capital management is reflected in its debtors of 18 days and inventory of 26 days. Billing to MCGM is done on monthly basis and payment received within 20-30 days. Furthermore, to meet its business requirement, it doesn't need to hold large inventory. This leads to low dependence on bank debt.

* **Adequate DSCR coupled with escrow mechanism:** The average DSCR is likely to be greater than 2 times in the next three years as well as over the repayment tenor, considering minimum guarantee volumes. Also, an escrow mechanism ensures priority of term loan repayment.

Weaknesses:

* **Vulnerability of profitability to adverse changes in government regulations:** The waste management is governed by local municipal and is highly exposed to regulatory environment. Any adverse changes in municipal policies, expenditures or fund allocations may lead to impact on the cash flow and credit profile of ALESPL.

* **Susceptibility of operating margins to variation in waste quantity and input costs:** Operating margins have been volatile in the past four fiscals in range of 45-58%, on account of fluctuations in waste received and input costs. For instance, margins decline in fiscal 2021 to 53% from 58% a year ago on account of lower average volumes processed. Further, unanticipated increase in input costs may also impact margins in future.

Liquidity: Adequate

Cash accrual are expected to be over Rs 60 crores which are sufficient/insufficient against term debt obligation of Rs 17-18 crores annually over the medium term. In addition, it will be act as cushion to the liquidity of the company. High cash and bank balance of around Rs. 57 crores as on March 31, 2021. CRISIL Ratings expects internal accruals and cash & cash equivalents to be sufficient to meet its repayment obligations as well as incremental working capital requirements.

Outlook: Stable

CRISIL Ratings believes ALES will continue to benefit from its assured cash flows and adequate DSCR over the medium term.

Rating Sensitivity factors**Upward factor**

- Significant improvement in DSCRs of over 2.5 times, supported by substantially higher-than-anticipated cash flow
- Sustenance of operating profitability over 55%, and controlled working capital cycle.

Downward factor

- Any large debt funded project in ALESPL or higher than expected support given to subsidiary, impacts the financial profile
- Unanticipated delays in realization of debtors or sharp decline in operating margins, impacting DSCR below 1.5 times

About the Company

Incorporated in 2009, ALESPL, headquartered in Mumbai, is a joint venture between Antony Waste Handling Cell Limited (AWHCL) and Lara Central De Tratamento De Residuous De Ltda (Lara) wherein AWHCL holds 73% stake and Lara holds balance 27%.

ALESPL undertakes processing of municipal waste through an Integrated Solid Waste Management (ISWM) plant at Kanjurmarg, Mumbai with total capacity of around 7500 tonnes/day for which it has entered into concession agreement with MCGM till February 2036.

Key Financial Indicators

As on/for the period ended March 31	Unit	2021*	2020
Operating income	Rs.Crore	121.05	128.44
Reported profit after tax	Rs.Crore	51.91	52.09
PAT margins	%	42.9	40.6
Adjusted Debt/Adjusted Networkth	Times	0.23	0.34
Interest coverage	Times	5.89	6.48

*Provisional

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Cr)	Complexity level	Rating assigned with outlook
NA	Bank Guarantee	NA	NA	NA	5	NA	CRISIL A2
NA	Overdraft Facility	NA	NA	NA	0.1	NA	CRISIL BBB+/Stable
NA	Proposed Term Loan	NA	NA	NA	0.88	NA	CRISIL BBB+/Stable
NA	Term Loan	NA	NA	Jun-2024	52.02	NA	CRISIL BBB+/Stable

Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	53.0	CRISIL BBB+/Stable	30-06-21	CRISIL BBB+/Stable		--		--		--	--
Non-Fund Based Facilities	ST	5.0	CRISIL A2		--		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Bank Guarantee	5	CRISIL A2	Term Loan	10	CRISIL BBB+/Stable
Overdraft Facility	0.1	CRISIL BBB+/Stable	-	-	-
Proposed Term Loan	0.88	CRISIL	-	-	-

		BBB+/Stable			
Term Loan	52.02	CRISIL BBB+/Stable	-	-	-
Total	58	-	Total	10	-

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
The Rating Process

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations CRISIL Limited D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com	Rahul Subrato Kumar Guha Director CRISIL Ratings Limited D: +91 22 4097 8320 rahul.guha@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com
Naireen Ahmed Media Relations CRISIL Limited D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com	Ankita Gupta Associate Director CRISIL Ratings Limited D: +91 22 4097 8104 ankita.gupta@crisil.com	For Analytical queries: ratingsinvestordesk@crisil.com
	Prayag Sinha Senior Rating Analyst CRISIL Ratings Limited B: +91 22 3342 3000 Prayag.Sinha@crisil.com	

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ("CRISIL Ratings") is a wholly-owned subsidiary of CRISIL Limited ("CRISIL"). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale (each a "Report") that is provided by CRISIL Ratings Limited (hereinafter referred to as "CRISIL Ratings"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. Rating by CRISIL Ratings contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way. CRISIL Ratings or its associates may have other commercial transactions with the company/entity.

Neither CRISIL Ratings nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Ratings Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Ratings Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL RATINGS' PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL Rating's public ratings and analysis as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <http://www.crisil.com/ratings/highlightedpolicy.html>

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL Ratings you may contact CRISIL RATING DESK at CRISILRatingdesk@crisil.com, or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings Limited is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011 to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: www.crisil.com/ratings/credit-rating-scale.html

