# Antony Waste Handling Cell Limited

April 03, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long Term Bank Facilities | 13.50 (Reduced from 16.50) | CARE BBB+; Stable | Reaffirmed |
| Short Term Bank Facilities | 22.00 (Enhanced from 19.00) | CARE A3+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

**Rationale and key rating drivers**

The reaffirmation of ratings assigned to the bank facilities of Antony Waste Handling Cell Limited (AWHCL) factors in its established market position and long track record in the municipal solid waste management industry in India coupled with its sustained scale of operations while maintaining healthy profitability on the back of long-term orders from multiple local bodies. AWHCL reported operating revenue of Rs. 866.22 crore in FY24 (PY: Rs 852.70 crore) and Rs. 690.94 crore in 9M FY25 (PY: Rs 662.71 crore) with PBILDT margin in the range of 19-21%. The ratings continue to derive strength from long standing experience of its promoters which aids in maintaining relations with municipal corporation across India, diversified revenue streams by undertaking various waste management/processing activities and favourable industry outlook owing to increase in quantity of waste generated over the years.

The financial profile of the company continues to be adequate with a comfortable capital structure indicated by overall gearing and TD/GCA at 0.62x and 3.43x, respectively, as on March 31, 2024 as the company avails incremental term debt on to execute new contracts. The ratings remain constrained by AWHCL's stretched collection days on account of delay in recovery from municipal authorities and ongoing litigations, tender based nature of business and changes in Government rules and regulations.

**Rating sensitivities: Factors likely to lead to rating actions**

**Positive factors**

- Significant increase in scale of operations with PBILDT margin of 25% and ROCE more than 18% on sustained basis
- TD/GCA below 2.5 times on sustained basis
- Reduction in collection period to 90 days or less on a sustained basis

**Negative factors**

- Decline in scale of operations below Rs. 600 crore with PBILDT margin below 16% on sustained basis
- Any significant debt-funded capex undertaken resulting in Total debt/PBILDT above 3.0x (on consolidated level) and PBILDT interest coverage below 3.0x on a sustained basis
- Significant increase in collection period adversely affecting operating cashflows

**Analytical approach:** Consolidated

CARE Ratings Limited (CARE Ratings) has applied consolidated approach as the parent company and subsidiary companies have operational & financial linkages and have common management. The list of entities consolidated is detailed in Annexure-6

**Outlook:** Stable

The Stable outlook reflects CARE Ratings' expectations that AWHCL will maintain adequate debt coverage metrics while benefiting from its sizeable order book and established track record of operations.

**Detailed description of key rating drivers:**

**Key strengths**

**Experienced promoters with established position in municipal waste management industry**

AWHCL is part of Antony Group, which is promoted by Mr. Jose Jacob and Mr. Shiju Jacob. The company has been undertaking waste management and waste processing services for over two decades. The said long standing experience has enabled the company to procure new contracts/renew existing contracts with municipal corporations across India. Further, basis its experience in the municipal waste collection the company has also been to diversify in services like Waste Processing &Treatment (to reduce waste volume destined for landfills) and waste to energy. The established market position and experienced promoters are expected to aid the company in scaling up its revenue over the coming years.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

**Healthy revenue visibility with multi-year concession agreements and steady margins**
AWHCL's scale of operations have been increasing over the years, improving from to Rs. 866 crore in FY24 from Rs. 450 crore in FY20, on the back of winning new orders from multiple urban local bodies for waste management. In 9MFY25, the company has reported revenue of ~Rs. 691 crore, translating into steady YoY growth. The revenue is expected to be sustained in the coming years backed by strong order book with average contract period being ~10 years. The ratio of total order book to expected revenue in FY25 is ~7x, which provides medium term revenue visibility. The said increase in scale of operations over the years and strong order demonstrates AWHCL's ability to procure new contracts and its established relationships with municipal corporation across India. The company's PBILDT margin has remained steady owing to presence in segments like waste processing and increase in quantity of waste handled on year-on-year basis. It reported PBILDT margin of 19-20% in FY24 and 9M FY25. Majority of the contracts are fixed-rate in nature resulting in an annuity model with escalation clauses built in for the entire tenure of the contract. The said escalation clause protects the profitability margin to some extent.

**Diversified revenue streams as AWHCL undertakes various waste management/processing activities**
Revenue streams for AWHCL are diversified, the major revenue streams being Collection and transportation of municipal solid waste (C&T), mechanised Sweeping of roads, waste Processing and Treatment, waste to energy and Construction and Demolition Waste Management. In FY24 the revenue contribution was as follows: C&T: 62% (PY:54%); waste processing: 23% (PY:20%) and others:15% (PY:26%). The revenue contribution from waste processing is expected to increase in future as revenue from waste to energy plant which got operational in FY24 is projected to increase. The revenue is also geographically diversified as AWHCL caters to over 23 municipal corporation across India with no municipal corporation contributing more than 25% of the total revenue . Few of its clients include Brihanmumbai Municipal Corporation, Greater Noida Industrial Development, Authority, Jhansi Municipal Corporation, Nagpur Municipal Corporation, Nashik Municipal Corporation, Navi Mumbai Municipal Corporation, Panvel Municipal Corporation and Pimpri-Chinchwad Municipal Corporation.

**Favourable medium-term industry outlook**
The Indian waste management market is experiencing healthy growth due to high population density and increased industrial activity, resulting in significant amounts of both hazardous and non-hazardous waste. While the circular economy concept is relatively new to India, it's gaining prominence rapidly. The Indian waste management industry holds immense potential, with only 30% of the 75% recyclable waste currently being recycled. As India's production of waste increases, the country's government has begun looking to the private sector for help. Municipal bodies mandated with establishing coherent and sustainable waste management systems have been encouraged by the federal government to partner with the private sector. Such industry-wide tailwinds are expected to support AWHCL's operations over the coming years.

**Key weaknesses**

**Moderate coverage indicators with asset-heavy business model**
The company's coverage metrics continue to remain moderate with PBILDT interest cover expected to moderate to ~3.5x over the next 1-2 years owing to incremental term debt availed for setting up waste-to-energy plant (Rs. 173.04 crore as on March 31, 2024). Nevertheless, the total debt/PBILDT is likely to remain adequate at ~2.5x over the coming years. The company's business model remains asset-heavy with the requirement to incur debt-funded capex towards execution of new orders. This, coupled with the relatively longer gestation period for stabilisation of the waste-to-energy plant, is likely to constrain AWHCL's return metrics.

**Delays in collection from municipal corporation leading to elongated collection period**
The company's working capital cycle remains long at ~90 days owing to sizeable average collection days of more than 120 days in the last three years. With municipal corporations being its major customers, the company is exposed to collection risk owing to budgetary constraints, straitjacketed rules, ongoing litigations and other bureaucratic procedures that the government departments work under. As on Dec 31, 2024, the company has total receivables of ~Rs. 135 crore (after adjusting for provision for doubtful debts) due for over 6 months (~38% of total receivables), which indicates substantial delays in collections. CARE Ratings understands Rs. 50-60 crore of the above is attributable to retention money with authorities. The company's ability to improve its collection efficiency without any major write-offs remains a key rating sensitivity.

**Exposure to regulatory risk and tender-based nature of business**
Government awards waste management contracts to private sector via e-tenders with strict technical and financial qualifying criteria. Moreover, changes in government regimes could lead to changes in public spending towards such projects and fiscal constraints could lead to delays in release of committed funding, thereby impacting project execution. The risk is, however, mitigated by AWHCL's long track record in the business and presence of relatively stronger urban local bodies, catering to large and important cities, as customers.

**Liquidity**: Adequate
AWHCL's liquidity continues to be adequate marked by projected GCA of Rs. 140-150 crore p.a. over the next 2 years against committed repayment obligations of ~Rs. 106 crore in FY26 and ~Rs. 100 crore in FY27. Further, as on December 31, 2025, the company had free cash/bank balance of more than Rs. 50 crore. Additionally, the company is expected to incur capex of ~Rs. 120 crore in FY26 towards new contracts, partly funded by incremental borrowing of ~Rs. 100 crore. Its current ratio remained above 1.15x over the last three years.

**Applicable criteria**
Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Service Sector Companies
Short Term Instruments

**About the company and industry**

**Industry classification**

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Utilities | Utilities | Other Utilities | Waste Management |

Antony Waste Handling Cell Limited (AWHCL), incorporated in January 2001, is involved in providing municipal solid waste (MSW) management services in India. It is a part of the Antony Group, which is also involved in automotive body building and its ancillary industries in addition to MSW management services. The company which has been undertaking waste management services for more than two decades. The group provides full spectrum of MSW services which include collection and transportation of municipal solid waste, mechanised sweeping of roads, waste processing and treatment, waste to energy and construction and demolition waste management. The entity is listed on NSE and BSE.

| Brief Financials (₹ crore) | March 31, 2023 (A) | March 31, 2024 (A) | 9MFY25 (UA) |
|---|---|---|---|
| Total operating income | 852.70 | 866.22 | 690.94 |
| PBILDT | 145.77 | 169.47 | 144.02 |
| PAT | 84.56 | 99.89 | 54.64 |
| Overall gearing (times) | 0.58 | 0.62 | NA |
| Interest coverage (times) | 5.64 | 4.54 | NA |

A: Audited UA: Un-audited; NA: Not available Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not available

**Any other information:** Not available

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated**: Annexure-4

**Lender details**: Annexure-5

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|
| Fund-based - LT-Working Capital Limits | - | - | - | - | 13.50 | CARE BBB+; Stable |
| Non-fund-based - ST-Bank Guarantee | - | - | - | - | 22.00 | CARE A3+ |

**Annexure-2: Rating history for last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1 | Fund-based - LT-Working Capital Limits | LT | 13.50 | CARE BBB+; Stable | - | 1)CARE BBB+; Stable (29-Mar-24)<br><br>2)CARE BBB+; Stable (05-Apr-23) | 1)CARE BBB; Stable (07-Apr-22) | - |
| 2 | Non-fund-based - ST-Bank Guarantee | ST | 22.00 | CARE A3+ | - | 1)CARE A3+ (29-Mar-24)<br><br>2)CARE A3+ (05-Apr-23) | 1)CARE A3 (07-Apr-22) | - |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

| Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|
| 1 | Fund-based - LT-Working Capital Limits | Simple |
| 2 | Non-fund-based - ST-Bank Guarantee | Simple |

**Annexure-5: Lender details**

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|---|
| To view the lender wise details of bank facilities please click here |

**Annexure-6: List of entities consolidated**

| Sr No | Name of the entity | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| 1 | AG Enviro Infra projects Private Ltd | Full | Wholly owned subsidiary |
| 2 | KL Envitech Private Ltd | Full | Wholly owned subsidiary |
| 3 | Antony Recycling Private Limited | Full | Wholly owned subsidiary |
| 4 | Antony Lara Enviro solutions Private Ltd | Full | Subsidiary |
| 5 | Antony Infrastructure and Waste Management Services Private Limited | Full | Subsidiary |
| 6 | Antony Lara Renewable Energy Private Limited | Full | Subsidiary |
| 7 | Varanasi Waste Solutions Private Limited | Full | Subsidiary |
| 8 | Al waste Bio | Full | Subsidiary |

Note: As on March 31, 2024

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

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**About us:**
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.



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