

Issue Details

Issue Size	₹ 298.62 Crore - ₹ 299.99 Crore	Price Band:	₹313 - ₹315
IPO Date:	21 st December 2020 to 23 rd December 2020	Offer Ratio:	QIB:50%, HNI:15%, Retail: 35%
Bid Lot:	47 Equity Shares and in multiples thereafter		

Company Profile

Part of the 'Antony' group, and promoted by Jose Jacob Kallarakal and Shiju Jacob Kallarakal, Antony Waste Handling Cell Ltd. is one of the top five players in the Indian MSW management industry with an established track record of more than 19 years (incorporated in 2001), providing full spectrum of MSW services which includes solid waste collection, transportation, processing and disposal services across the country, primarily catering to Indian municipalities. They are among the select few players who have pioneered in both MSW collection and transportation sector. They are also among the key players in landfill construction and management sector with in-house expertise for construction and management of landfills in a scientific manner. They are also present in the emerging waste management areas in India such as MSW based WTE.

They primarily undertake: (i) MSW C&T projects which involve door to door collection of MSW from households, slums, commercial establishments and other bulk-waste generators from a designated area through primary collection vehicles like compactors, dumper placers and tippers and transportation of these materials, to the processing facility, transfer station or a landfill disposal site.; (ii) MSW processing projects which involve sorting and segregating the waste received from MSW C&T, followed by composting, recycling, shredding and compressing into RDF, as required; and (iii) Mechanized sweeping projects which involve deploying of power sweeping machines, manpower, comprehensive maintenance, consumables, safe disposal of the waste and any other items required for completion of the cleaning operation of the designated areas, through themselves and/or Subsidiaries.

They currently operate in Kanjurmarg site, one of the largest single location waste processing plants across India. Kanjurmarg site (which is currently run by Antony Lara Solutions Private Limited ("ALESPL"), a joint-venture between the Company and Lara Central De Tratamento De Residuos Limited) in Mumbai.

Key Strengths

- A leading service provider in MSW management sector with end-to-end capabilities
- Strong track record of project execution
- Diversified business model
- Access to technology backed vehicles and equipment enables to manage operations efficiently
- Experienced Promoters and management team with strong domain expertise

Financials (Restated)

(₹ In Millions)

Particulars	Sept 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Equity Share Capital	127.94	127.94	71.51	13.08
Reserves	2,171.69	1,976.87	1432.01	1188.08
Net Worth	2,299.63	2,104.81	1,503.52	1,201.16
Total borrowings	2,089.11	2,093.76	1,838.01	1,525.65
Revenue from Operations	2,073.92	4,505.10	2,836.89	2,761.36
EBITDA	595.97*	1396.60	910.05	843.88
Profit/Loss Before Tax	299.04	819.56	476.80	487.87
Net Profit/Loss for the year	290.50	620.76	346.82	398.84

*Not annualised

Key Risk Factors

- The Company is dependent on municipal authorities for a substantial proportion of business and revenue. Many Municipalities have been struggling to fund various solid waste management projects from their own revenue receipts and are highly dependent on state/central grants/budget allocation. Any decline in the budgetary allocation towards MSW projects will have a material adverse impact on the business, financial condition, and results of operations.
- They operate in an industry which may require them to have high working capital. Inability to meet such working capital requirements may have a material adverse effect on the business, financial condition and results of operations
- There are outstanding legal proceedings involving the Company, Subsidiaries, Directors and Promoters.
- Their operations include activities that could be hazardous to the health of the employees and other risks which could expose them to material liabilities and increased expenses and negatively impact employee morale.
- The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact the business, financial condition, cash flows and results of operations.
- The Company have had instances of non-compliances in relation to regulatory filings to be made with the RoC and the RBI under applicable law.
- They have, until date, not completed execution of any WTE project. They cannot assure that they will be successful in executing the project or will achieve better returns as compared to the existing MSW C&T projects, or any returns at all.
- They are exposed to claims from inadequate performance and defects that may affect their projects and which may have an adverse effect on business.
- The Insurance coverage may not adequately protect them against certain risks and claims and they may be subject to losses that might not be covered in whole or in part by the existing insurance coverage.
- Certain of their projects are running on an extension basis without written confirmation of terms and conditions by the respective authorities, which may lead to a potential dispute with the authorities
- If they are unable to protect their trademark beyond the expiry period, others may be able to use the trademarks and tradenames to compete more effectively.
- The Company, certain of its Subsidiaries and certain of its Group Companies have availed unsecured loans, and may in the future avail, unsecured loans that may be recalled by the lenders at any time.
- The Company has had negative cash flow in the past and may have negative cash flows in the future. Refer point 14, page 28 for details.
- The audit reports on the Company's audited financial statements for the Fiscals 2020, 2019 and 2018 and for the six month period ended September 30, 2020 contain certain audit qualifications and emphasis of matter.

(Please refer the entire list of risk factors given in section II (page 22 onwards) given in RHP)

Object of the Offer

(₹ In Millions)

Particulars	Amount⁽¹⁾
Part-financing for PCMC WTE Project through investment in Subsidiaries, AG Enviro and/or ALESPL	400.00
Reduction of the consolidated borrowings of the Company by infusing debt in the Subsidiary - AG Enviro for repayment / prepayment of portion of their outstanding indebtedness	385.00
General corporate purposes	[•] ⁽¹⁾
Net Proceeds	[•]

(1) To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the RoC.

Comparison with peers

Company	FV/Share (₹)	EPS (Basic)	RONW (%)	NAV (₹ per share)	P/E (times)
Antony Waste Handling Cell Ltd.	5.00	27.48	20.09	136.81	[●]

*There are no listed companies in India that engage in a business similar to that of the Company.

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Registration details:

JM Financial Services Ltd.

Corporate Identity Number: U67120MH1998PLC115415

Stock Broker - INZ000195834

(NSE - Member Code- 10548 | BSE - Clearing No. 325 | MSEI - Membership No.-58300); NCDEX-1282; MCX- 56555

Depository Participant- NSDL - IN-DP-NSDL-241-2004 | CDSL - IN-DP-CDSL-236-2004.

Investment Adviser- INA000012351. Portfolio Manager- INP000000621

Mutual Fund Distributor- ARN0002; Research Analyst-INH000001196

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