

## **Earning's Call Speech Q1 FY 19**

**Mr. Rajiv Mittal:**

Thank you.....

Dear Friends, Good Evening.

I welcome you all to the Earning's Call post announcement of Q1 FY19 results of VA Tech Wabag Limited. I am joined today in the call, by our CFO Mr. Parthasarathy Gopalan.

To begin with, continuing our success in the Steel sector, we have secured an order worth INR 171 Crore from National Mineral Development Corporation ('NMDC') towards Design, Erection and Commissioning of Zero Liquid Discharge ('ZLD') Plant at Integrated Steel Plant, Nagarnar, Chhattisgarh. The project will be self-financed by the client, and includes Operation & Maintenance for 5 years. The recycling plant will ensure Zero Liquid Discharge through Multi Effect Evaporation System. This is an important project to help control both water exploitation & environmental degradation by industries and we are positive that this will be a start of more such projects in India.

Our colleagues in Romania have converted the framework order worth EUR 20 Million from Purolite in Romania towards Design & Engineering, Procurement, Construction, Supply, Installation and Commissioning of Effluent Treatment Plant for the client's resin production facility. The plant will ensure effluent discharge in accordance with the Romanian water quality regulations. We will also Operate & Maintain the plant for a period of 15 years, post completion. The project will be completed in a period of 20 months.

Our colleagues in Austria have converted the Phase 4 of Al Saad BWRO, Saudi Arabia framework contract worth EUR 10 Million. As most of you are aware, we are already executing Phase 1 & 2, of this project towards pre-treatment plant for a capacity of 400 MLD and Phase 3 towards design and supply of a new drinking water treatment plant.

Coming to execution, it once again gives us immense pride and pleasure to update you that the construction and installation of Sewage Treatment Plants and Terminal Lift Pumping Stations at Al Madina Al Shamaliya (AMAS) Sewage Treatment Plant in Bahrain, is complete. The team has achieved the completion of pre-commissioning test run, wet run, road works etc. The long sea outfall works have been completed and commissioned. We have started receiving sewage from the client and the plant is under commissioning which is progressing well as per plan.

In our Koyambedu TTRO project, the engineering and ordering is substantially complete. The civil works at the treatment plant front and pipe laying front are progressing well, and the project is on schedule for completion.

In our PETRONAS project, engineering and procurement activities have been completed. Civil works are also substantially complete, except for the roads and paving works, which are also in progress. Pipe works and equipment installing are in advanced stage of execution and expected to be over soon. We have also started the pre-commissioning activities to ensure completion of the entire project as per plan.

In our Polghawela project, the project is currently progressing well with basic engineering approved by the client and detailed engineering and ordering of equipment at advanced stage of execution. Major portion of the pipes have reached the site and transmission pipe laying work is under progress. The project is on schedule for completion by March 2020.

In our APGENCO Project at Rayalaseema in the State of Andhra Pradesh, post achievement of COD in March 2018, all peripheral civil works and finishing of punch list points is underway. The Performance Guarantee Trial Run is expected to be conducted in March 2019. ~~We are happy to announce that we have received the Extension of time for this project up to end of June 2019 from the client???~~

In our TSGENCO Project at Kakatiya in the State of Telengana, all punch lists points have been addressed and the PGTR was completed in March 2019. Currently, we are in the process of reconciling the balances with the client to ascertain the final settlement, which will enable us to collect the final receivable amounts and also the retention money from the client.

As of March 2018, the balance outstanding from GENCO projects was approx. 600 Crore Rupees and we expect to collect around 60% of it during this fiscal year.

I now request Mr. Parthasarathy to take you through the financial highlights for the quarter.

**Mr. Parthasarathy G**

Good evening everyone.

I believe you must have had an opportunity to look at the result update presentation as circulated and uploaded on our website. I would take you through the key financial highlights for the quarter ended 30th June 2018.

On a consolidated basis, we have achieved a Revenue of Rs. 688 Crore in Q1 FY19. EBITDA for the quarter was up by 54% and stood at Rs. 65 Crore. Net Profit for the quarter was Rs. 13 Crore, as compared to Rs. 8 Crore in Q1 of last financial year.

On a standalone basis, our revenue from operations for the quarter was Rs. 340 Crore. EBITDA stood at Rs. 31 Crore in Q1 FY19 and Net Profit at 12 Crore in Q1 FY19. This Net profit of Rs. 13 Crore is after accounting for exchange translation loss of about Rs. 23 Crore.

As you would be aware, our 23<sup>rd</sup> Annual General Meeting for the year ended 31<sup>st</sup> March 2018 was held today. At the AGM, Mr. Mittal made a detailed presentation on the current business and prospects for the future, business drivers in each of the regions we operate, financial highlights for FY 17 – 18, status of APGENCO projects and receivables and working capital levels in line with our well established standards of communication to investors and all other stakeholders.

Our shareholders today at the 23<sup>rd</sup> AGM have approved the businesses regarding appointment of M/s. Sharp & Tannan as the statutory auditors of the Company and issuance of non-convertible debentures / other debt securities amongst the other agendas.

With this, we now open the floor for Question-and-Answer.

**Concluding Para:**

Thank you everyone for your participation in our Q1 FY19 earnings call. We have uploaded the analyst presentation in our website. In case you have further queries you may get in touch with Stellar IR Advisors, our investor relation advisor based at Mumbai or feel free to get in touch with us directly.