

**MALE' WATER & SEWERAGE COMPANY PVT LTD**  
**QUARTERLY REPORT - Quarter 4 2019**



**Financial Highlights**

Details	Amount	Percentage -Quarterly
Revenue	219,782,804	22%
Operating Profit	64,756,739	17%
Earnings per Share	197	17%
Net Profit	52,622,796	17%

**Operational Highlights**

**MAJOR ACHIEVEMENTS**

CUSTOMER SERVICE ENHANCEMENT

- o Customer Service Staff Training Program continued during the quarter.

OPERATIONAL ENHANCEMENT

- o Repairs to Dhuvaafaru Ice plant.
- o Installation of new 800kW C32 engine Dhuvaafaru Operation Centre.
- o Upgrade and installation of new panel system Hulhumale' Operation Centre.

MANUFACTURING ENHANCEMENT

- o Commencement of light-weight production of TaZa bottled water.

WATER & SEWER PROJECTS COMPLETED

- o Male' Industrial Village (MIV) Project - Testing and repairing leaks of water and sewerage network of MIV (Project client: Ministry of National Planning and Infrastructure)

**CURRENT BUSINESS POSITION**

- The company has worked diligently to provide the people of Male' with potable water and manage wastewater sustainably, and at present serves approximately more than 50% of the Maldivian population.
- MWSC currently has 8 operation centers; Male', Hulhumale', Vilimale', Gulhifalhu, Thilafushi, Dhuvaafaru, Kulhudhuffushi, and has employed more than 800 employees.
- MWSC is the sole manufacturer of PVC and PE pipes in Maldives, and PVC pipe commercialization is planned for the local market.
- Always strive to deliver quality products and services to customer and have implemented and follows stringent international standards (ISO/OHSAS/HACCP).

**BUSINESS CONCEPTS**

- Sustainable service: Since MWSC is a company providing a necessary utility, we aim to provide a reliable and uninterrupted service. Hence, we strive to secure the 24-hour service by investing in a long term "Water Security Plan". We ensure sustainable service by upgrading our systems well in advance.
- Excellence in customer service: We strive to provide excellent customer services that is accessible to all our customers conveniently. To achieve this, we have established online application, mobile app, Self-service kiosk, 24-hour Customer Service, etc.
- Works carried out comply with Quality Management System (ISO/OHSAS/HACCP).
- Cost reduction strategies such as light weighting of preforms

**HOW WELL BUSINESS OBJECTIVES AND GOAL ARE ACHIEVED**

- MWSC's vision statement is to provide safe water and sewerage services that is sustainable, affordable and environment friendly.
- Water Security: To make MWSC's service more reliable and secured, the company has built separate water production & storages at different locations in Male' apart from the main production center. Also, we have integrated the production center in Hulhumale' & Male' through the Sina-Male' bridge pipeline.
- MWSC set out a 10-year strategic plan in 2017 that state a strategic goal to achieve MVR 2 billion in total revenue by 2027 of which 70% of income will come from non-utility sectors. This objective leads the company to invest in other profitable businesses to diversify the company's business activities and gain revenues apart from the utility service provided by the company.
- For Q4 of 2019, MWSC has made a sales revenue as follows;

Net Utilities, Manufacturing & Trading Revenue	2019, Q4 (MVR)	2018, Q4 (MVR)
	2,584,035,753	2,352,661,227

**Market Highlights**  
**Launching of New Products**  
 • (Nil)



**Advertising and Promotion**

CAMPAIGN NAME	ACTIVITIES	OUTCOME
MWSC App “Alhaifintha”	“Alhaifintha promotional campaign on social media continued.	Consistent increase in the number of downloads and transaction via MWSC App.
Thahtatha Taphatha(TT) campaign	TT campaign launched on world toilet day to create sewer awareness to public. Online posters uploaded to social media. TV commercial released. Distributed leaflet to public.	Increase awareness among public. Number of complain received regarding sewer related issues have decreased.
Online Application	Online advertising. Social Media Awareness. Out of home ad were place. TV commercial.	Online applications received are still few, hence, planned to extend the campaign to 2020.
105	Social Media Awareness. Online advertising.	105 calls are received during working hours and off-peak hours, indicating awareness of the 24/7 Hotline. Planned to extend this campaign during first two quarter of 2020.
Fannu Expo	Participation in Fannu Expo to promote MWSC’s utility services, and increase sewer awareness to public.	Utility services and sewer awareness were created to large number of utility users. This created good PR image of the company among public.
Iskurun Fen	Continuous water saving awareness on social media.	Helped us improve our public image, while effectively creating awareness on water wastage
Unsung Heroes – Men’s Day celebration	Launch unsung hero campaign to create awareness about hardworking men’s of MWSC from various field. An advertorial video was launched on social media and during the men’s day special event. Medical health camp was conducted for staff to create awareness in maintaining good health during their busy schedule at work.	Due to this campaign people started to realize the hard and underappreciated work done by the male staffs of MWSC. We plan to further expand the campaign through our sewer campaign bringing a closer focus to those work.

**Partnership with other suppliers**

- There were no partnership agreements signed within Quarter 4, 2019.
- Our authorized distributor brands are AVK, Wavin, Tank Connection, Xylem (Flygt, Lowara Wedeco) and Elster.
- Our reseller brands are Hydranautics, Accepta, Filmtec Membranes

**Diversification**

- No diversification strategies executed within Quarter 3, 2019.

Board Activities



Directors Name	Designation	Board meeting	Audit committee	Risk Committee	Remuneration Committee	Compliance Committee
Ahmed Mausoom	Chairman	5/5	0/0	0/0	0/0	0/0
Adam Azim	Managing Director	5/5	0/0	0/0	0/0	0/0
Mohamed Shareeef	Deputy Managing Director	5/5	0/0	0/0	0/0	0/0
Fathimath Hana	NED	5/5	8/8	0/0	0/0	0/0
Sahamath Abdul Rasheed	NED	3/5	8/8	0/0	0/0	0/0
Ibrahim Anwar	NED	5/5	0/0	0/0	0/0	0/0

Meeting	Number of Meeting
Board meeting	5
Audit and Remuneration committee	8
Risk Committee	0
Remuneration Committee	0
Compliance Committee	0

## Ongoing Project Details



#	Project Name	Project commencement date	Project completion date	Project value	Completed value (Billed Amount)	Project completion %
1	S.HITHAHDHOO N&S - D&B of SEWER SYSTEM	2016	2019	95,887,375	95,887,375	100%
2	GA.KOLAMAAFUSHI - WATER & SEWER	2016	2019	53,381,802	53,381,527	100%
3	Male' - Storm water upgrading phase 4	2017	2020	12,215,710	6,718,641	55%
4	Prov of water supply facility - Milandhoo	2017	2020	44,270,172	36,661,843	83%
5	Prov of water supply facility - Ungoofaaru	2017	2020	38,707,211	32,806,858	85%
6	K. Funadhoo Supply & Inst. Of Sand filters	2017	2020	117,000	-	0%
7	Hanimaadhoo - Prov of water supply facilities	2017	2020	44,249,041	36,423,192	82%
8	Hoarafushi - Prov of water supply facilities	2017	2020	49,231,304	40,726,056	83%
9	Male' - Road upgrading - con of pump well	2017	2020	6,831,240	3,757,182	55%
10	Guraidhoo water extension works	2018	2020	486,917		0%
11	Rasdhoo - Water Project – 2018	2018	2020	26,841,361	11,846,826	44%
12	Kurendoo - Sewer Project - 2018	2018	2020	29,401,919	10,378,101	35%
13	Male - MIV Temporary water connection	2018	2019	128,050	128,050	100%
14	Male-Fabr.of stormwater pump control pnl	2018	2019	163,200	163,200	100%
15	Male'-Industrial Village, Testing of water	2019	2020	561,718	533,632	95%
16	HMALE-Sewer line ext to Swimming Pool	2019	2020	134,596		0%
17	Goidhoo -Design&Built W&S facilities	2019	2021	43,683,667	6,552,550	15%
18	Kinolhus - Design&Built W&S Facilities	2019	2021	34,007,577	5,101,137	15%
19	Kudafari - Design&Built W&S Facilities	2019	2021	36,081,054	5,412,158	15%
20	Maalhendhoo -Design&Built W&S Facilities	2019	2021	40,542,783	6,081,417	15%
21	Thinadhoo -Supply&Install 1000Tonx2Tanks	2019	2021	6,824,283	1,023,642	15%

# Income Statement 2019



	Note	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Revenue	1	253,327,700	262,676,738	253,119,372	219,782,804
Cost of Sales	2	94,291,276	107,993,910	91,858,344	85,223,300
<b>Gross Profit</b>		159,036,424	154,682,829	161,261,028	134,559,504
<b>Other Income</b>		12,133,577	13,888,810	16,225,326	288,911
Selling and Marketing costs	3	1,200,397	1,641,165	1,151,715	1,381,774
Administrative costs	4	42,120,911	56,165,303	51,066,166	47,581,590
Other operating expenses	5	17,698,019	17,500,923	17,599,319	21,128,311
<b>Operating profit</b>		110,150,675	93,264,248	107,669,153	64,756,739
Finance Income	6	29,201	744,817	94,734	41,058
Finance cost	7	3,702,901	5,507,902	6,895,031	2,888,626
<b>Profit before tax</b>		106,476,976	88,501,163	100,868,856	61,909,172
Business profit tax		15,971,546	13,275,174	15,130,328	9,286,376
<b>Profit after tax</b>		90,505,429	75,225,988	85,738,527	52,622,796
<b>Attributable to:</b>					
Parent		90,505,429	75,225,988	85,738,527	52,622,796
Non-controlling interest		-	-	-	-
EPS		339	282	321	197

## Notes to the Financial Statement 2019 Quarter 4



### 1 Revenue

Details	MVR
Utilities	131,089,246
Manufacturing	24,881,154
Ice Manufacturing	577,408
Projects	58,871,645
Trading	4,190,951
Waste Management	172,400
<b>Total</b>	<b>219,782,804</b>

### 2 Cost of Sales

Details	MVR
Utilities	58,013,518
Manufacturing	15,389,273
Ice Manufacturing	725,458
Projects	9,475,924
Trading	1,220,127
Waste Management	399,000
<b>Total</b>	<b>85,223,300</b>

### 3 Other Income

Details	MVR
New con/Re-location/Termination & Others	(4,233,702)
Water Other Income	(4,933,065)
Rental Income	2,706,773
Dividend Income	-
Management & Consultancy	60,000
Miscellaneous Income	6,616,841
Booster AMC Fees	70,748
Discount Received	1,317
Net O&M projects income	-
<b>Total</b>	<b>288,911</b>

### 4 Administrative costs

Details	MVR
Salary & Bonus	13,163,251
Overtime Allowance	1,630,855
Other Allowances	9,043,267
Pension Fund	841,348
Visa Fee and Work permit	55,445
Consultancy charges	123,542
Travelling expenses	659,399
Transport	503,397
Training - Local	752,227
Training - Overseas	3,088,038
Telephone, Postage and Courier	761,401
Water and electricity	(581,122)
Printing and Stationery	389,662
Insurance	898,595
Repair & Maintenance of Building & Furniture -others	1,448,789
Audit Expenses	28,215
Rent Expenses	(4,365,639)
Entertainment & Other Expenses	1,280,111
Freight & Duty	1,988,147
Licence Fees	563,581
IT & IS Licencing & Maintenance	378,232
Outsourced Security & Maintenance	1,158,648
Fire Protection Expenditure	208,413
Other Expenses	2,827
GST Expenses	1,742,755
Withholding Tax	374,153
Director Fee & Board Expenses	307,222
Discount Allowed	43,819
Reimbursable Expenses	133,137
Research and Development Expenses	503,153
Finance Expenses	8,602,198
Exchange Gain	1,854,525
Loss on Sale of Asset	-
<b>Total</b>	<b>47,581,590</b>

### 5 Other operating expenses

Details	MVR
Depreciation & Amortisation	21,128,311
Provision for Bad Debts	-
<b>Total</b>	<b>21,128,311</b>

### 6 Finance Income

Details	MVR
Interest Income	41,058
<b>Total</b>	<b>41,058</b>

### Finance cost

Details	MVR
Finance Expenses	8,602,198
<b>Total</b>	<b>8,602,198</b>

# Statement of Financial Position as at



	Q1 2019	Q2 2019	Q3 2019	Q3 2019
<b>Assets</b>				
<b>Non Current Assets</b>	<b>1,308,707,102</b>	<b>1,321,008,612</b>	<b>1,350,717,438</b>	<b>1,525,772,343</b>
Operating Assets	1,520,125,814	1,521,763,036	1,522,828,299	1,656,637,527
Less : Accumulated Depreciation	748,493,033	768,128,857	789,164,710	813,726,587
Add : Capital Work In Progress	529,424,321	559,724,432	609,403,849	675,211,402
Investment in IBM	7,650,000	7,650,000	7,650,000	7,650,000
<b>Current Assets</b>	<b>868,161,575</b>	<b>934,461,567</b>	<b>988,852,952</b>	<b>910,979,508</b>
Inventories	240,471,758	241,031,021	277,362,211	278,962,067
Advance Payments	69,305,512	90,707,087	95,408,797	67,325,544
Trade Debtors	172,745,857	197,070,599	204,635,508	161,447,790
Other Receivables	79,104,254	70,167,383	89,125,458	123,870,119
O&M Receivables	386,567	386,567	386,567	386,567
Short Term Investments	6,027,581	6,027,581	6,093,963	6,120,128
Foreign Currency Valuation Adjustment	30,814	29,424	26,458	19,718
Cash in Hand & at Bank	285,049,463	314,796,866	292,147,196	221,478,130
WIP - External Projects	13,781	1,248,245	13,781	13,781
Unrealised Interest	15,025,988	12,996,793	23,653,012	51,355,664
<b>TOTAL ASSETS</b>	<b>2,176,868,677</b>	<b>2,255,470,178</b>	<b>2,339,570,390</b>	<b>2,436,751,852</b>
<b>Current Liabilities</b>	<b>574,388,781</b>	<b>792,469,221</b>	<b>752,982,778</b>	<b>709,646,723</b>
Deferred Tax-Liability	10,605,313	10,605,313	10,605,313	10,605,313
Trade Payables	41,464,960	31,171,656	66,641,569	74,683,087
O&M - Collection Payables	9,422,485	9,465,887	9,453,228	9,451,534
HR payable	17,556	36,082	(1,243)	(1,243)
O&M Reserve	1,314,034	1,314,034	1,314,034	1,314,034
Accrued Expenses & Provisions	(6,768,787)	(2,186,612)	(816,073)	3,518,716
Advance Received	28,391,327	26,587,257	23,277,607	22,363,207
Dividends Payable	421,024,441	667,890,834	628,078,849	518,517,541
Deposits Received	481,667	680,417	680,417	680,417
Income Tax Payable	37,894,344	28,745,384	8,336,522	17,622,898
GRIR & Other Clearing Accounts	1,747,226	2,607,570	1,201,751	2,211,721
Current Portion of Long term Loans	28,794,215	15,551,397	4,210,803	48,679,499
<b>Capital and Reserves</b>	<b>1,531,688,998</b>	<b>1,361,283,057</b>	<b>1,445,769,699</b>	<b>1,498,392,495</b>
Called Up Share Capital	267,000,000	267,000,000	267,000,000	267,000,000
Share Premium	3,042	3,042	3,042	3,042
Share Allotment	13,924,260	13,924,260	13,924,260	13,924,260
General Reserve	641,986,207	785,991,604	785,991,604	785,991,604
Retained Reserve	431,486,279	107,681,776	107,681,776	107,681,776
Project Reserve	(325,797)	20,042,290	20,042,290	20,042,290
Asset Replacement Fund	87,109,577	908,667	(343,218)	(343,218)
Current year Profit / Loss	90,505,429	165,731,418	251,469,945	304,092,741
<b>Long Term Liabilities</b>	<b>70,790,897</b>	<b>101,717,901</b>	<b>140,817,913</b>	<b>228,712,633</b>
Long Term Loans	70,790,897	101,717,901	140,817,913	145,266,791
Lease Liability	-	-	-	83,445,842
<b>TOTAL LIABILITIES</b>	<b>2,176,868,677</b>	<b>2,255,470,179</b>	<b>2,339,570,390</b>	<b>2,436,751,852</b>

## Cash flow statement for the quarter



	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Profit before business profit tax	106,476,976	88,501,163	100,868,856	61,909,172
Adjustments for:				
Depreciation & amortization	17,698,019	17,500,923	21,035,853	13,991,849
Interest income	(29,201)	(359,562)	(83,063)	(41,058)
Interest expenses	1,154,913	(10,357,597)	11,817,652	(13,200,971)
Dividend income	-	-	(1,965,535)	-
Provision for impairment of receivables	-	-	-	-
Profit on disposal of proper, plant and equipment	-	8,118	-	-
Provision for slow and non moving inventories	-	-	-	-
Lease Interest	-	-	-	6,205,637
Change in working capital				
Inventories	10,517,598	(559,263)	(36,282,581)	(1,599,856)
Trade and other receivables	44,222,151	(35,993,325)	(36,228,238)	8,804,234
Trade and other payables	(6,519,451)	(19,636,994)	27,905,080	56,938,879
	173,521,004	39,103,463	87,068,023	133,007,886
Interest paid	(1,154,913)	10,357,597	(11,817,652)	13,200,971
Interest received	29,201	359,562	83,063	41,058
<b>Business profit tax paid</b>	<b>(24,272,987)</b>	<b>(22,424,134)</b>	<b>(35,539,191)</b>	<b>-</b>
Net cash generated / used from operating activities	148,122,306	27,396,487	39,794,243	146,249,915
Cash flow from investing activities				
Purchase of Property plant and equipment	(48,593,124)	(13,702,159)	(13,256,869)	(97,325,159)
Loan repayment received from related parties	-	-	-	-
Dividend received	-	-	1,965,535	-
<b>Net cash generated / used from investing activities</b>	<b>(48,593,124)</b>	<b>(13,702,159)</b>	<b>(11,291,334)</b>	<b>(97,325,159)</b>
Cash flow from financing activities				
Proceeds from borrowing	3,298,289	30,927,003	-	-
Repayment of loan	(15,641,066)	(13,242,818)	(11,340,594)	(10,032,513)
Proceeds from share issuance	-	-	-	-
Net payment made from currency SWAP	-	-	-	-
Dividend paid to shareholders	-	-	(39,811,985)	(109,561,309)
<b>Net cash generated / used from financing activities</b>	<b>(10,711,666)</b>	<b>16,053,074</b>	<b>(51,152,579)</b>	<b>(119,593,822)</b>
<b>Net increase/ decrease in cash and cash equivalent</b>	<b>88,817,516</b>	<b>29,747,403</b>	<b>(22,649,670)</b>	<b>(70,669,066)</b>
Cash and cash equivalent at beginning of the quarter	196,231,947	285,049,463	314,796,866	292,147,196
Cash and cash equivalent at end of the quarter	285,049,463	314,796,866	292,147,196	221,478,131

## Segmental performance 2019

As of Quarter 4



	Utilities	Manufacturing	Ice Manufacturing	External Projects	Trading	Waste Management	Total
	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Revenue	750,410,722	124,929,668	3,000,571	90,906,395	18,970,059	689,200	988,906,614
COS	246,461,703	83,866,139	2,402,736	37,719,652	7,233,103	1,683,497	379,366,830
GP	503,949,019	41,063,529	597,835	53,186,743	11,736,956	(994,297)	609,539,785
Other Income	42,230,820	5,952	-	-	1,086,366	-	43,323,138
Indirect Expenditure	267,414,435	18,016,127	936,318	-	8,083,838	656,039	295,106,757
Profit Before Tax	278,765,404	23,053,353	(338,483)	53,186,743	4,739,485	(1,650,337)	357,756,165
Tax	41,814,811	3,458,003	(50,772)	7,978,011	710,923	(247,550)	53,663,425
Net Profit	236,950,594	19,595,350	(287,711)	45,208,732	4,028,562	(1,402,786)	304,092,741