

for a

ANNUAL REPORT

er

e

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Contents

02 CORPORATE OVERVIEW

Corporate Information Corporate Identity Making in India for 20 years Chairman's Message Managing Director's Letter Key Performance Indicators Ten Years Financial Highlights Community Engagements

30 STATUTORY REPORTS

Board's Report **30** Management Discussion and Analysis **60** Report on Corporate Governance **76**

91 FINANCIAL STATEMENTS

Standalone Financials **92** Consolidated Financials **133**

Notice 172



Comprehensive water solutions



Chasing Opportunities



Thinking Through Tomorrow

The Board



Bhagwan Dass Narang Chairman



Jaithirth Rao Independent Director



Rajiv Mittal Managing Director and Group CEO



Malay Mukherjee Independent Director



Sumit Chandwani Independent Director



Revathi Kasturi Independent Director



S. Varadarajan Executive Director and Chief Growth Officer

Corporate Information



Parthasarathy Gopalan Chief Financial Officer



Rajiv Balakrishnan Company Secretary

Registered & Corporate Office

'WABAG HOUSE' No.17, 200 Feet Thoraipakkam - Pallavaram Main Road Sunnambu Kolathur, Chennai - 600 117 P: +91- 44 - 3923 2323

Statutory Auditors

Walker Chandiok & Co LLP Chartered Accountants Arihant Nitco Park, 6th floor No.90, Dr. Radhakrishnan Salai Mylapore, Chennai - 600 004 P : +91- 44 - 4294 0000

Internal Auditors

G. Balu Associates Chartered Accountants 4 – A, Venkatesa Agraharam Road Mylapore, Chennai - 600 004 P : +91- 44 - 2464 2377

Cost Auditor

S. Chandrasekaran Practicing Cost Accountant Membership No. 4784 4 Sreshta, 57 Subramaniam Street Abhiramapuram, Chennai - 600 018 P: +91- 44 - 2499 0286

Secretarial Auditor

M. Damodaran Practicing Company Secretary Membership No. 5837 M. Damodaran & Associates No. 6, Appavoo Gramani 1st Street, Mandaveli Chennai - 600 028 P : +91- 44 - 4360 1111

Registrar and Transfer Agents

Karvy Computershare Private Limited Unit: VA TECH WABAG LIMITED "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda Gachibowli, Hyderabad - 500 032 P : +91- 040 - 6716 1530

Bankers

- Axis Bank
- Canara Bank
- Export Import Bank of India
- HDFC Bank
- HSBC
- ICICI Bank
- IDBI Bank
- Kotak Mahindra Bank
- Punjab National Bank
- Societe Generale Bank
- Standard Chartered Bank
- State Bank of India
- YES Bank

Olster, Wastewater Treatment Plant, Switzerland

We are providing replicable, scalable and sustainable solutions to ensure the availability of safe and clean water globally.

We are building a more robust and resilient operating model to grow consistently in a slow-growth scenario.

We are raising our performance bar to offer better and bespoke solutions.

We are developing a young talent pool to support our ambitious growth plans.

For a better future for all

During the year, we embarked on an organisational realignment programme. Four geographic clusters were formed to build synergies across geographies; expand global footprint; delivering world-class design and execution capabilities to catalyse our growth vision of \in 1 bn revenue.

Over nine decades of experience with mature process knowhow and competence, we contribute to the wellbeing of present and future generations, as the demand for safe and clean water continues to grow exponentially.

We are leveraging advanced technologies, putting in place better diligence and monitoring mechanisms to minimise risks; besides focusing on governance standards to build a future-ready organisation.

2





Positioned attractively Performing sustainably

for a **better future**

In a world that is desperately seeking sustainable water solutions, WABAG's intervention brings hope of a better tomorrow. We are one of the world's leading providers of design, construction and operational management of water and wastewater treatment plants globally.

We collaborate with local governments and industries across four geographic clusters - India, Europe, Middle East & Africa (MEA) and Latin America (LATAM). Through the conservation and ecological use of the world's most valuable resource, we have made a sustained contribution to the improvement in the quality of life of well over millions of people.

Vision

WABAG shall be a professionally managed Indian Multinational having market leadership in emerging markets and significant position in the global market both in the EPC and service sector of water business.

WABAG shall encourage and practice a culture of caring, trust and continuous learning while meeting expectations of employees, stakeholders and society.

WABAG-ites shall be an innovative, entrepreneurial and empowered team committed to total customer satisfaction and value creation.

Mission

We, at WABAG, exist to provide total water solutions to our valued customers.

Our strong, capable, agile and customer focused team shall ensure that every customer solution is creative, priced competitively and provided in the agreed time frame with essence of quality at optimum cost.

We, at WABAG, always have concern for the welfare of our employees and shall do everything it takes to attract and retain the best of the talent.

Water challenge needs to be addressed with urgency

for a **better future**

Large parts of the world are grappling with unprecedented water challenges. Global water demand is increasing owing to population growth, urbanisation, food and energy security policies and macro-economic processes such as trade globalisation and changing consumption patterns. However, appropriate innovation and initiatives can help save the situation from turning worse. The data presented below shows that we need to act responsibly before it is too late.

Grim reality

40%

By 2030, the world is projected to face a 40% global water deficit in the business-as-usual (BAU) scenario

36%

On an average about 36% of the population does not have access to improved water resources in Africa

6,900 km³

Global annual water extraction volumes are now estimated at 4,500 km³; this trend is likely to continue in the coming years, with withdrawals reaching 6,900 km³ in 2030

748mn

Around the world, 748 million people lack access to an improved drinking water source

75%

Almost 75% of the Arab population lives under the water scarcity level

Sources: UN Water and RobecoSAM

64 bn

The world's population is growing by about 80 million people a year resulting in an increased freshwater demand of about 64 billion m³/year

60%+

Most Latin American and the Caribbean countries have an extremely limited formal institutional capacity to manage water resources

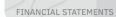
1/5th

Almost one-fifth of the world's population – over 1.2 billion people – live in areas where water is scarce

40%

Globally, the volume of renewable water per capita has declined by 40% in the last 22 years CORPORATE OVERVIEW



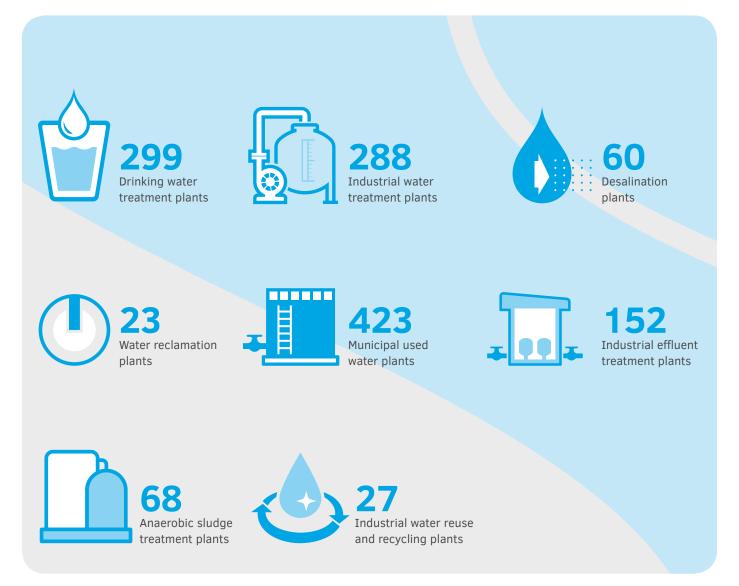


The world needs sustainable water solutions more than ever before. This can be achieved by:

- Employing highly efficient water treatment technologies as well as desalination technologies
- Strengthening water reuse and water recycling
- Utilising used water as a resource for multiple applications

Steering to a better future

A snapshot of how we have created a better future in the water space since 1995.



Comprehensive water solutions

WABAG offers a comprehensive service range in the water sector - extending from project conceptualisation to long-term plant operation.

Full Service Range

- Conceptualising
- Financing
- Design and Engineering
- Procurement
- Equipment Supply
- Construction
- Installation
- Commissioning
- Operations and Maintenance

Product Portfolio

- Drinking water treatment
- Industrial water treatment
- Desalination of sea and brackish water
- Water reclamation
- Municipal used water treatment
- Industrial effluent treatment
- Anaerobic sludge treatment
- Industrial water reuse and recycling

Business Solutions

- DBO Design-Build-Operate
- Turnkey order realisation
- Supply of System Components
- Plant Modernisation
- Plant Upgrade and Extension
- BOOT Build-Own-Operate-Transfer

Technology driven

Our proven technologies are aimed at delivering sustainable performance

- Moving bed process
- Biofiltration
- Membrane filtration technologies
- Denitrification
- Oxidation processes
- Elimination of micro-pollutants
- Water reclamation systems
- Sludge digestion and disintegration

Accreditations

- Our quality management system conforms to international standards (ISO 9001:2008)
- We maintain highest standards in health, safety and environment (HSE) as per (ISO 14001 and OHSAS 18001certifications)

Transnational Presence

- Headquartered in Chennai, India
- International Engineering Centres at Pune and Vadodara
- Subsidiaries across South-east Asia, Middle East, Europe and Africa
- R&D centres located in India, Austria and Switzerland
- Presence in more than 30 countries



ᅌ Ghedir El Golla WTP, Tunisia



Počerady Power Plant, Industrial WTP, Czech Republic





20+

Global reach

We have 21 subsidiaries across diverse geographies spanning three continents

30+

Leadership team

We are a professionally managed company with promoters having an average of 30 years work experience in the water sector 90+

Experience counts

Over nine decades of rich experience in the constantly evolving water solutions industry

100+

Knowhow matters

We possess over hundred patented technologies, enabling us to deliver bespoke solutions to our customers



Al Kharj WWTP, Saudi Arabia

1,200+

Multiple projects

We have executed over 1,200 projects since 1995 for diverse industries and municipal bodies.

2,000+

Team WABAG

Our team of professionals drive consistent innovation, higher efficiencies and better project execution. 5,000+

Record order intake

We have won orders of more than ₹ 5,000 Crore during the year.



Making in India for 20 years

)2002

Commences operations

and maintenance business in Redhills WTP, Chennai

1996

8

Commences water business in India under the name of Balcke Durr and WABAG Technologies Limited

1997

WABAG India wins its first order from Reliance to build the biggest ETP in Asia at that point of time

2**1999**

VA Tech an Austrian conglomerate acquires WABAG Group

2000

WABAG India wins the first municipal order from Chennai Metro water, one of its key clients

2005 SIEMENS

acquires VA Tech Group globally; Management Buyout of WABAG India backed by ICICI Ventures

2004

WABAG India doubles its turnover to ₹ 200 Crore

2003

WABAG India crosses ₹ 100 Crore revenue mark