

Q2

QUARTERLY REPORT  
2024

MW|S|C



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# Introduction

Welcome to the Quarterly Review Report of Male' Water and Sewerage Company Pvt Ltd (MWSC). This report provides a comprehensive overview of MWSC's performance during the last quarter. This document serves as a testament to the company's commitment to transparency, accountability, and continual improvement in delivering essential services to communities.

## Quarter in Review

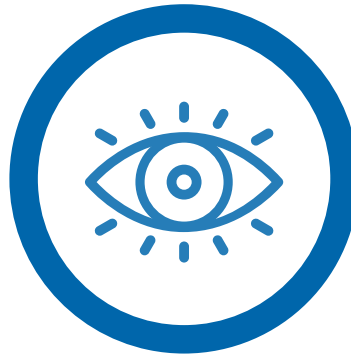
In the second quarter, MWSC continued its proactive commitment to operational excellence in both the Utility and Manufacturing segments. Key milestones included the commissioning of BH26 and BH27, the installation of a significant fuel storage tank, and advancements in real-time monitoring and sea-outfall pipe laying projects. Customer service enhancements and the launch of the 'Fenun Dhirun' art exhibition highlighted the company's dedication to community engagement and environmental awareness. Progress in water supply and sewerage projects across various islands further demonstrated MWSC's forward-thinking approach, positioning the organization for sustained growth and success amidst evolving operational landscapes.

In the second quarter of 2024, our financial performance demonstrated significant growth and resilience, reflecting our strategic focus on revenue enhancement and operational efficiency. Revenue increased by 25% to MVR 416.9 million compared to the previous quarter, showcasing our robust business operations and effective market strategies.

Our gross profit also saw a substantial increase of 10%, with a gross profit margin standing at an impressive 48%, underscoring our ability to manage costs and optimize production efficiencies. The net profit for this quarter was MVR 63.1 million. Although this represents a decrease from the last quarter, it is important to note that this reduction is primarily due to provisions made for impairment losses, slow-moving inventory, and retirement gratuity. These provisions were necessary to ensure our financial statements accurately reflect potential future liabilities and maintain our commitment to transparency and prudence. Despite these provisions, our net profit remains strong, indicating the underlying strength of our business model and our capacity to generate solid returns. We remain optimistic about our performance going forward and are committed to sustaining our growth momentum in the coming quarters..

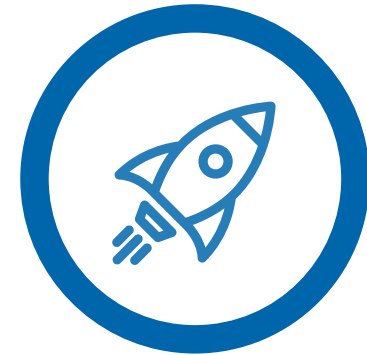
## Strategy Overview

Established in April 1st, 1995, MWSC has been a pioneer in revolutionizing water production and wastewater management in the Maldives. Since its inception, the company has remained dedicated to providing the people of Male' with safe, potable water and sustainable wastewater management solutions.



### Vision

To provide safe water and sewerage services that is sustainable, affordable and environment friendly.



### Mission

To contribute to the continuous development of the Maldivian Society, and improve the quality of life of its people, through the provision of safe water and sewerage services



### Core Purpose

To help our communities lead a pure life



### Core Values

**P**assion, **U**nbiased, **R**espect, **E**ntrepreneurial

## Strategic Initiatives and Achievements

This section provides an overview of key actions undertaken by MWSC to advance its mission and vision, showcasing notable progress made in delivering essential water and sewerage services to communities while upholding core values of sustainability and excellence.

### Utility Segment

	RO12 feed side membrane change at Male' Operations.	200,000 liters Fuel storage tank installation at Dhuvaafaru power house.	Overhead crane mounting completed at Hulhumale' power house.
	<b>Completed</b>	<b>Completed</b>	<b>Completed</b>
	Real-time monitoring installation at pump station ongoing in Male'	Laying additional sea-outfall pipe in Hulhumale'	Site preparation for Installation of ventilation system at pump station & 4 5 in Male'
	<b>95% completed</b>	<b>Completed</b>	<b>Ongoing</b>
BH26 and BH27 commissioning at Male' Operations.	PS 9 & 2 Sea Outfall pipe repair and modification work	PS 9 & 2 pumping mainline diversion to Industrial Village	Construction of pump station 3 in Hulhumale'
<b>Completed</b>	<b>In planning stage</b>	<b>In planning stage</b>	<b>In planning stage</b>



OHAS/OSHA

MWSIC



# Strategic Initiatives and Achievements

## Manufacturing Segment

Started installation of the pretreatment upgrade project at the Hulhumale' Bottling Factory, which aims to solve existing quality issues and enable the production of flavored drinks.

**Completed**

Successfully completed the recertification audit of HACCP at the Dhuvaafaru Bottling Factory, ensuring continued compliance with food safety standards.

**Completed**

Successfully completed the surveillance audit of HACCP at the Hulhumale' Bottling Factory, maintaining rigorous quality control and safety protocols.

**Completed**

Conduit production tested with PP material is now ready for mass production.

**Completed**



# Board Activities

## Board Composition

*The Board composition as of 30th June 2024*



**Shamhooza Ahmed**

Chairperson  
Appointed 26 Dec 23



**Abdul Matheen Mohamed**

Managing Director  
Appointed 28 Nov 23



**Abdul Salam Mohamed**

Deputy Managing Director  
Appointed 26 Dec 23



**Hassan Raef**

Board Member  
Appointed 21 Jan 24



**Aishath Roohy**

Board Member  
Appointed 24 Dec 23



**Shu Kodama**

Board Member  
Appointed 1 Oct 18

# Major Board Decisions

## Changes in Board Composition

- Approved the Annual Report & Directors Report 2023 to be submitted for Shareholders
- Approved the Audited Report and Audited Financial Statements for the year 2023 to be submitted to Shareholders
- Approved the External Auditor and its fees for the year 2024 to be submitted for Shareholders
- Approved the Dividend and Reserves for the year 2023 to be submitted for Shareholders
- Reviewed the report of Audit and Remuneration Committee
- Approved access for the new nominees for the Bank of Maldives Internet Banking
- Approved nomination and endorsement of CFO to EMT
- Approved 1st Quarter Report 2024 to PCB
- Approved Provision of financial support from MWSC to IBM in order to maintain going concern
- Approval of Sale and Leaseback financing from Maldives Islamic Bank Plc
- Approval of Signatories for Maldives Commercial Bank
- Approval of Implementation of discount on water and electricity bills for domestic households during the holy month of Ramazan - April 2024

## Board Activities

Directors Name	Designation	Board Meeting	Audit Committee	Risk Committee	Remuneration Committee	Compliance Committee
<b>Shamhooza Ahmed</b>	Chairman	1/1	0/0	0/0	0/0	0/0
<b>Abdul Matheen Mohamed</b>	Managing Director	1/1	0/0	0/0	0/0	0/0
<b>Abdul Salam Mohamed</b>	Deputy Managing Director	1/1	0/0	0/0	0/0	0/0
<b>Aishath Roohy</b>	NED	1/1	3/3	0/0	0/0	0/0
<b>Hassan Raeef</b>	NED	1/1	3/3	0/0	0/0	0/0
<b>Shu Kodama</b>	NED	1/1	3/3	0/0	0/0	0/0

## Meetings

Board Meeting

01

Audit & Remuneration Committee

03

Risk Committee

00

Remuneration Committee

00

Compliance Committee

00

**Ms Fathimath Liusha**  
Company Secretary

**KPMG**  
Appointed Auditors of the Company

# Executive Management Team



**Mohamed Fazeel Rasheed**  
Deputy Managing Director



**Ali Shaheem**  
General Manager,  
Manufacturing



**Bushra Hameed**  
General Manager,  
Engineering



**Ahmed Hunaif**  
General Manager,  
ICT



**Abdul Matheen Mohamed**  
Managing Director



**Mohamed Imran Adnan**  
General Manager,  
Debt Recovery



**Mohamed Sameer**  
General Manager,  
Business Developmen



**Ali Shareef**  
Chief Financial  
Officer



**Abdul Salaam Mohamed**  
Deputy Managing Director



**Yoosuf Naleez**  
General Manager, Human  
Resource & Administration



**Rusthum Mohamed**  
General Manager,  
Operations

# Financial Highlights

## INCOME STATEMENT & STATEMENT OF COMPREHENSIVE INCOME (unaudited)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	416,894,682	334,200,715	418,124,533	358,421,679	355,381,712
Cost of Sales	216,536,140	152,715,538	277,970,048	238,279,468	236,258,492
<b>Gross Profit</b>	<b>200,358,542</b>	<b>181,485,177</b>	<b>140,154,485</b>	<b>120,142,211</b>	<b>119,123,220</b>
Other Incomes	19,813,095	15,718,296	20,469,124	27,250,609	27,800,609
Valuation Loss/Gain					
<b>Expenses</b>					
Administrative expenses	(98,377,309)	(76,171,717)	(99,993,449)	(85,715,659)	(84,988,659)
Selling and Marketing expenses	(1,790,275)	(2,193,267)	(3,643,601)	(744,433)	(2,808,780)
CSR Activities Expenses	(592,118)	(452,487)	(634,790)	(2,923,058)	(827,605)
Other operating expenses	(22,020,871)	(22,410,593)	(9,710,377)	(8,323,859)	(8,253,259)
Impairment loss on financial assets	(17,610,349)				
<b>Operating profit</b>	<b>79,780,716</b>	<b>95,975,409</b>	<b>46,641,392</b>	<b>49,685,811</b>	<b>50,045,526</b>
Finance Income	2,304,916	505,190	3,365,947	55,675	61,184
Finance cost	(7,903,294)	(6,729,416)	(15,396,301)	(12,377,356)	(12,998,346)
<b>Net Finance Cost</b>	<b>(5,598,378)</b>	<b>(6,224,225)</b>	<b>(12,030,355)</b>	<b>(12,321,682)</b>	<b>(12,937,162)</b>
<b>Profit before tax</b>	<b>74,182,338</b>	<b>89,751,183</b>	<b>34,611,038</b>	<b>37,364,129</b>	<b>37,108,365</b>
Income Tax (BPT)	11,127,351	13,462,677	4,924,443	5,604,619	5,566,255
<b>Profit after tax</b>	<b>63,054,987</b>	<b>76,288,506</b>	<b>29,686,595</b>	<b>31,759,510</b>	<b>31,542,110</b>
Available for sale asset (gain/loss)				-	-
Defined benefit obligation				-	-
Revaluation (Gain/Loss)				-	-
Investment in equity instruments				-	-
Other comprehensive income (Gain/Loss)				-	-
<b>Total Comprehensive Income</b>	<b>63,054,987</b>	<b>76,288,506</b>	<b>29,686,595</b>	<b>31,759,510</b>	<b>31,542,110</b>
<b>Profit attributable to:</b>					
Parent	63,054,987	76,288,506	29,686,595	31,759,510	31,542,110
Non-controlling interest					
<b>EPS</b>	<b>236</b>	<b>286</b>	<b>111</b>	<b>119</b>	<b>118</b>

# Financial Highlights

## STATEMENT OF FINANCIAL POSITION (unaudited)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property plant and equipment	822,861,584	845,795,961	866,233,090	881,847,923	905,987,172
Work-in-progress	705,813,874	683,714,261	668,328,299	829,733,832	792,393,683
Investment property	15,143,613	15,874,479	15,655,686	16,474,990	16,849,262
Investment in Subsidiaries	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000
Investment in Associates					
Investment in joint ventures					
Available for sales financial Assets					
Deferred Tax Assets			8,807,427		
Intangible Assets	2,411,616	2,611,406	2,820,230	1,414,930	1,541,335
Other non-current assets	67,764,207	62,255,561	69,895,414		
Right of use assets	230,096,297	231,722,428	256,295,535	234,986,819	236,625,080
<b>Total Noncurrent Assets</b>	<b>1,851,741,190</b>	<b>1,849,624,096</b>	<b>1,895,685,681</b>	<b>1,972,108,494</b>	<b>1,961,046,531</b>
<b>Current Assets</b>					
Inventories	489,466,640	507,346,797	503,038,524	482,404,770	505,215,624
Trade and other receivables	999,205,509	988,339,053	651,064,223	831,284,044	718,574,296
Cash and cash equivalent	38,376,450	74,010,227	89,652,850	85,050,743	132,965,570
Other current assets	144,155,564	178,973,654	359,071,197	215,097,478	232,008,351
Net Investment in lease	4,863,352	4,863,352	4,863,352		
<b>Total current assets</b>	<b>1,676,067,515</b>	<b>1,753,533,084</b>	<b>1,607,690,146</b>	<b>1,613,837,035</b>	<b>1,588,763,841</b>
<b>Total Assets</b>	<b>3,527,808,705</b>	<b>3,603,157,179</b>	<b>3,503,375,827</b>	<b>3,585,945,529</b>	<b>3,549,810,372</b>

# Financial Highlights

## STATEMENT OF FINANCIAL POSITION (unaudited)

Continued...

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Equity and Reserve</b>					
Share capital	267,000,000	267,000,000	267,000,000	267,000,000	267,000,000
share premium	3,042	3,042	3,042	3,042	3,042
General reserve	1,309,918,724	1,309,918,724	1,309,918,723	1,233,705,470	1,233,705,470
Revaluation reserve					
Fair value reserve					
Other reserve	165,014	637,798	-	(408,186)	(473,394)
Retained earning	336,978,666	298,678,187	169,137,591	423,819,060	347,431,364
Non-controlling interest					
<b>Total Equity</b>	<b>1,914,065,446</b>	<b>1,876,237,751</b>	<b>1,746,059,356</b>	<b>1,924,119,386</b>	<b>1,847,666,482</b>
<b>Non-Current Liabilities</b>					
Loans and borrowing	135,382,565	193,715,310	218,983,656	215,824,428	300,505,181
Deferred tax liabilities	(12,534,749)	(4,177,679)	-	(4,177,679)	(4,177,679)
Other non-current liabilities	252,148,508	259,137,540	338,242,930	250,952,353	257,835,837
<b>Total non-current liabilities</b>	<b>374,996,323</b>	<b>448,675,172</b>	<b>557,226,586</b>	<b>462,599,102</b>	<b>554,163,339</b>
<b>Current liabilities</b>					
Current tax liabilities	22,410,881	(21,304,272)	7,526,453	14,544,018	1,063,836
Derivative financial instrument					
Trade and other payables	987,952,776	1,110,128,250	1,034,303,009	1,024,675,420	1,054,685,745
Borrowing	166,195,267	144,450,804	119,204,562	97,462,216	34,629,542
Other current liabilities	62,188,011	44,969,475	39,055,861	62,545,387	57,601,429
<b>Total current liabilities</b>	<b>1,238,746,936</b>	<b>1,278,244,257</b>	<b>1,200,089,885</b>	<b>1,199,227,041</b>	<b>1,147,980,551</b>
<b>Total liabilities</b>	<b>1,613,743,259</b>	<b>1,726,919,428</b>	<b>1,757,316,471</b>	<b>1,661,826,143</b>	<b>1,702,143,891</b>
<b>Total equity and liabilities</b>	<b>3,527,808,705</b>	<b>3,603,157,179</b>	<b>3,503,375,827</b>	<b>3,585,945,529</b>	<b>3,549,810,372</b>

# Financial Highlights

## CASH FLOW (unaudited)

Cash flow from operating activities	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Profit before business profit tax	74,182,338	89,751,183	27,783,423	132,207,122
<b>Adjustments for:</b>				
Depreciation & amortization	24,296,239	27,817,262	28,231,472	27,407,321
Interest income	(2,304,916)	(505,190)	(3,334,006)	(55,147)
Interest expenses	2,048,738	1,882,764	8,609,629	2,406,230
Dividend income	-	-	(1,334,403)	-
Provision for impairment of receivables	17,610,349	127,612	28,706,328	408,119
Profit/Loss on disposal of property, plant and equipment	-	-	-	-
Provision for slow and non moving inventories	4,450,512	-	-	-
Lease Interest	-	4,090,675	18,072,577	2,152,932
Deffered Income	(232,071)	(232,071)	(232,071)	(232,071)
Gratuity Expense & Service Cost	-	-	-	-
<b>Changes in working capital</b>				
Inventories	13,429,646	4,510,373	(29,452,401)	22,810,854
Trade and other receivables	(19,505,703)	(64,420,458)	(37,715,426)	(74,930,402)
Trade and other payables	(99,051,296)	(4,291,202)	(36,246,122)	(46,752,414)
	<b>14,923,835</b>	<b>58,730,947</b>	<b>3,089,000</b>	<b>65,422,545</b>
Interest paid	(2,048,738)	(1,882,764)	(8,609,629)	(2,406,230)
Interest received	2,304,916	505,190	3,334,006	55,147
Business profit tax paid	-	(14,202,259)	-	-
<b>Net cash generated / used from operating activities</b>	<b>15,180,013</b>	<b>43,151,115</b>	<b>(2,186,623)</b>	<b>63,071,461</b>

# Financial Highlights

CASH FLOW  
(unaudited)

Continued...

Cash flow from operating activities	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Cash flow from investing activities</b>				
Purchase of Property plant and equipment	(17,686,581)	(23,499,473)	(4,135,730)	(80,417,906)
Hiyaa Project payments	1,542,000	1,979,231	2,671,065	76,533,010
Dividend received	-	-	1,334,403	-
<b>Net cash generated / used from investing activities</b>	<b>(16,144,581)</b>	<b>(21,520,242)</b>	<b>(130,262)</b>	<b>(3,884,896)</b>
<b>Cash flow from financing activities</b>				
Proceeds from borrowing	-	-	32,724,845	12,218,453
Repayment of loan	(28,763,568)	(31,367,859)	(25,805,851)	(11,809,753)
Proceeds from share issuance	-	-	-	-
Dividend paid to shareholders	(5,905,641)	(5,905,637)	-	(13,084,000)
<b>Net cash generated / used from financing activities</b>	<b>(34,669,209)</b>	<b>(37,273,496)</b>	<b>6,918,994</b>	<b>(12,675,299)</b>
<b>Net increase/ decrease in cash and cash equivalent</b>	<b>(35,633,777)</b>	<b>(15,642,623)</b>	<b>4,602,108</b>	<b>46,511,266</b>
Cash and cash equivalent at beginning of the quarter	74,010,227	89,652,851	85,050,743	38,539,476
Cash and cash equivalent at end of the quarter	38,376,450	74,010,227	89,652,851	85,050,743



**Shamhooza Ahmed**  
Chairman



**Abdul Matheen Mohamed**  
Managing Director



**Ali Shareef**  
Chief Financial Officer

# Financial Highlights

Key Financial Highlights

## Q2 2024

Revenue

**416.9 mn**

Net Profit

**63.1 mn**

Debt Equity Ratio

**0.84**

Net Worth

**1.91bn**

## Q1 2024

Revenue

**334.2mn**

Net Profit

**76.3mn**

Debt Equity Ratio

**0.92**

Net Worth

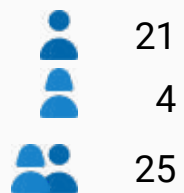
**1.87bn**

# Operational Performance

Employee Data

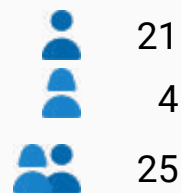
## SENIOR MANAGEMENT AND HIGHER

Q2 2024



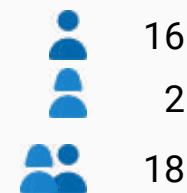
MVR 3,903,635.95

Q1 2024



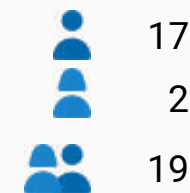
MVR 3,954,141.91

Q4 2023



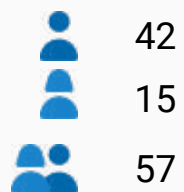
MVR 3,046,945.03

Q3 2023

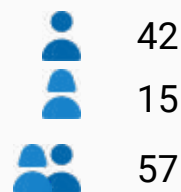


MVR 2,907,489.85

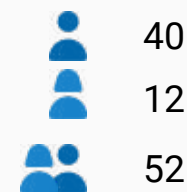
## MANAGEMENT



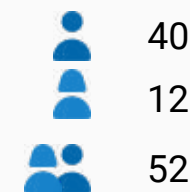
MVR 5,674,181.23



MVR 5,966,174.83

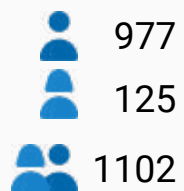


MVR 4,565,412.29

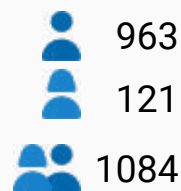


MVR 5,275,081.27

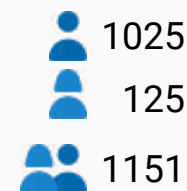
## OTHER STAFF



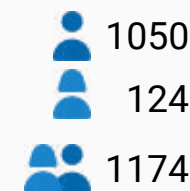
MVR 54,915,966.56



MVR 55,665,214.42



MVR 56,357,482.26



MVR 56,926,307.30

# Operational Performance

Trainings

**MVR 4,399,175.08**

Training cost for  
Q2 2024

## Customer Service Enhancements;

Successfully completed in-house training for customer service staff to improve services.



# Operational Performance

## CSR Highlights

MWSC remained committed to its corporate social responsibility (CSR) activities during the quarter. Here are some highlights:

Quarter

2

In the second quarter, we made a positive impact on the communities we serve, aiming to create lasting change by contributed to support initiative and activities aiming at infrastructure development, education program, enhancing learning experience of students, strengthening sport development, health care and environmental sustainability in the country.

**MVR 592,118**

Clubs, NGOs, Govt  
Institutions and  
Schools



MWSC Pledged 100,000 Trees for 5 Million Tree Project



Donation to Villimalé, HA. Dhidhdhoo, R. Ungooaaruu, R. Maakurathu & Addu City for Al'haa Eid Celebration



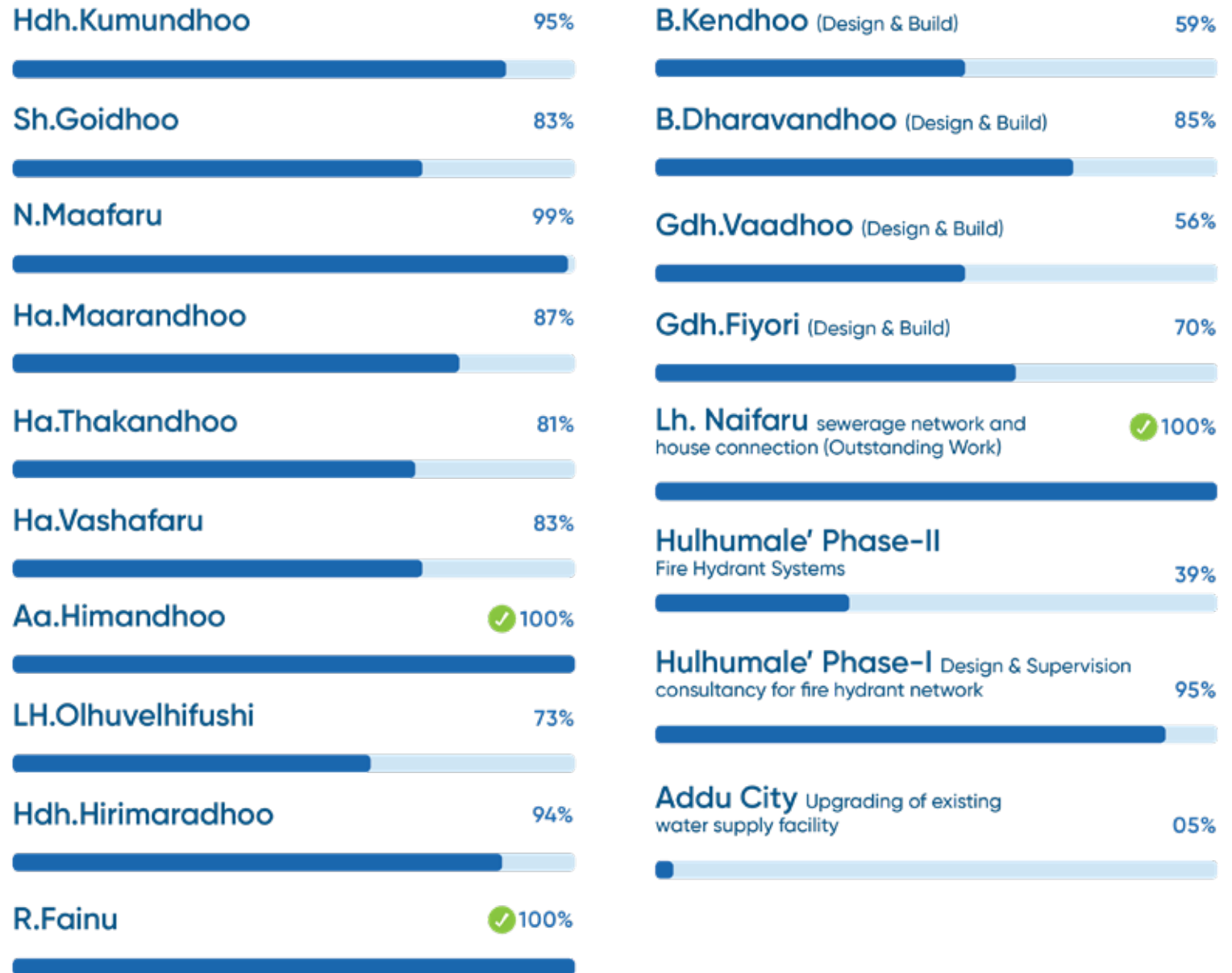
Contributed Outdoor Showers for World Ocean Day Activities hosted in Villimalé



Team MWSC Donated MVR 100,000 for Palestine Telethon

# Operational Performance

Progress in Water Supply and Sewerage Projects



✓ Completed

## Notable Events

Key service improvements, project completions, and community engagement activities undertaken in Quarter 1



### Fenun Dhirun Art Exhibition Launching

To commemorate this year's World Environment Day and World Ocean Day, an art exhibition name 'Fenun Dhirun' was launched. This exhibition aims to highlight

- Global efforts to protect and cherish our planet's precious water resources.
- Raise awareness.
- Inspire action towards sustainable water management and environmental stewardship through artistic expression.



### Agreement Signing for Addu City's Water Supply Facility Upgrading Project

The agreement was officially signed between MWSC and Ministry of Construction and Infrastructure on 13th April 2023

- **Project Scope:** Creation of a modern and sustainable water supply infrastructure for six islands of Addu city; Hithadhoo, Maradhoo, Maradhoo-Feydhoo, Feydhoo, Hulhudhoo and Meedhoo for a design period of 15 years.
- **Project Value:** MVR 282,649,097.00
- **Duration:** 365 days

## Compliance to Corporate Governance

As a State-Owned Enterprise, the Male' Water & Sewerage Company operates under the guidelines outlined in the Company's Act (96/10) and the Corporate Governance Code for State-Owned Enterprises. The primary role of the Company's Board of Directors is to oversee its operations in a manner that is equitable, transparent, and accountable, aiming for sustainable growth and the creation of value for its shareholders and investors. Regular assessments of the governance framework are conducted by the Board to safeguard and enhance the interests of shareholders and other stakeholders, ensuring alignment with the principles and guidelines of the Corporate Governance Code for State-Owned Enterprises issued by the Ministry of Finance. The Board's Nomination, Remuneration, and Corporate Committee are tasked with periodically evaluating and advancing adherence to the Corporate Governance Code, ensuring compliance with regulatory standards. This report has been crafted in accordance with the requirements of the Corporate Governance Code for State-Owned Enterprises, necessitating quarterly reporting for State-Owned Enterprises.





# QUARTERLY REPORT 2024

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