National Stock Exchange of India Limited,  
Plot No C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400051

BSE Ltd,  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001

Dear Sir/Madam,

Ref: NSE Symbol: WABAG / BSE Scrip Code: 533269


We request you to take the same on record.

Thanking You,

Yours faithfully,

For VA TECH WABAG LIMITED

R Swaminathan  
Company Secretary & Compliance Officer  
M.No. A17696
Impact of COVID - 19 on WABAG

VA TECH WABAG LIMITED ('WABAG'), a leading pure play water technology Indian Multinational Company engaged in design, engineering, procurement, construction, installation and operation & maintenance of drinking and wastewater plants for local government and industry in the growth markets of Asia, Africa, Middle East, the Central and Eastern Europe. The WABAG Group represents a leading multinational player with a workforce of over 1,600 and has companies and offices in more than 20 countries.

a. Impact of the COVID-19 pandemic on the business, ability to maintain operations and steps taken to ensure smooth functioning of operations:

Pursuant to the directives issued by the Government of India, WABAG had complied with necessary guidelines and measures arising out of COVID-19 situation across globe. A high level steering committee was formed comprising of heads of functions, disciplines and management to respond to the situation. The steering committee was tasked to develop and implement COVID-19 specific SOPs, issue and monitor implementation of guidelines of hygiene practices at sites that were operational as ‘essential services’. The committee was also responsible for tracking latest circulars, notifications and orders that were laid down by the Government of India, various state governments and local authorities from time to time.

The recent global development due to the COVID-19 has affected many countries, industries and livelihood. WABAG, being a pure play water company, engaged in the water technology solutions across globe, we ensured supply of water, treatment of wastewater /sewage for the society despite this Pandemic situation.

Globally, our O&M operations representing around 20% continued to operate as they are ‘essential / critical services’, thanks to the local government(s), authorities for providing us support in ensuring this essential services without any disruption.

➢ Business operations/projects in the various local & international territories where the Group operates have been affected on account of certain restrictions /conditions imposed by the Client for the Project/ respective Government authorities in these countries. At this point in time, the duration for which these restrictions will remain
in place is uncertain and resumption of full-fledged operations will depend upon directives issued by the respective Government authorities. However in collaboration with the Client(s), specific permissions/relaxations from the regulatory and other local authorities were obtained at certain highly critical construction sites to continue the work during lock-down.

➢ Strict hygiene safety protocols, Social distancing, Thermal check, etc., have been implemented at all sites and offices including providing of PPE and other safety kits/equipment to site teams in accordance with the safety directives, guidelines, social distancing norms prescribed by the respective statutory and local authorities, as the case may be. The guidelines and directions are being reviewed regularly and updated based on the advisories/orders received from local authorities.

➢ Business Continuity was ensured by effective utilization of Work from Home facility to Wabagites across globe, based on the recommendation, criticality and other prescribed guidelines framed by the company and necessary infrastructure and other administrative arrangements have been provided. Majority of employees continue to work from home.

➢ Project engineers and managers have spent their time with working on engineering and specifications of material, P&ID-Drawings, process description, procurement and so on.

➢ Project activities continued to progress without any disruption including submissions of drawings to customers, consultants and follow up activities. Shift working/staggered shifts to reduce labour concentration in certain project sites where operation continued during lock down with specific permissions.

➢ Top Management, Functional heads & other key personnel continued to attend meeting(s) for business continuity.
The Company has taken all necessary steps to adhere to the guidelines for social distancing provided by Ministry of Home Affairs along with the various directives issued by relevant Government authorities and has put in place safety measures keeping in mind safety, health and well-being of the employees and other stakeholders at all our locations.

b. Estimation of the future impact of COVID-19 on listed entity’s operations

Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. We continue to closely monitor the global economic developments related to COVID-19 and its implication on the Company, though the future impact of the pandemic on our business cannot be reliably predicted.

With the relaxation in lockdown by government(s) through their directives/orders, barring few restrictions/lockdowns in certain locations from time to time, business activities are gaining momentum. WABAG shall continue to assess the situation on an ongoing basis from time to time, and material impact, if any shall be communicated as per regulation. WABAG is closely working with customers, consultants and all other stakeholders across in aligning the project schedule as per the agreed terms.

c. Details of impact of COVID-19 on listed entity’s business

WABAG continue to honour all its financial obligations with banks/institution.

WABAG is an Asset light company, has minimal investment in tangible assets and does not foresee any major impact on such assets.

Remote/staggered working has not affected/diluted WABAGs sound internal financial and information technology controls and processes in place.

Stress in our supply chain network may result in delays in procurement activities and consequent deliveries, from our vendors. We are currently evaluating the business impact due to supply chain stress. We expect and believe the commodities/equipment pricing may come down due to low demand.
WABAG being a pure play water technology solution Company, we do not foresee any adverse swings in the demands for our technology solutions. With increasing impetus on hygiene and sanitation, we expect more water & sanitation projects to be implemented by Government(s) across the Globe in the medium to long term, including but not limited to:

a) Increase in water & sanitation investment for the underserved.

b) Increase in piped 24*7 supply scheme(s) for rural & urban.

b) Shortage of labour may result in increased demand for advanced instrumentation & automation in plants.

c) Recycle & Re-use for non-potable use as water demand will increase

d. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity’s business

WABAG is confident of fulfilling its obligations under its various contractual arrangements. No major contractual cascading effect on WABAG is envisaged at the moment.

➢ Majority of the orders in the order book are backed by LCs, multilateral funding agencies and sovereign backing. Thus we do not foresee any risk of default by the customers;

➢ As per announcement issued by Ministry of Finance, Government of India, we expect a time extension of up to 6 months for all Government contracts in India and expecting a similar favourable benefits / facilities/support from other Government(s) across Globe in the days to come.

➢ WABAG have initiated certain actions with its clients/customers including extension of time for due performance of the contractual terms and expecting a favourable response shortly.

Sustainable solutions, for a better life