



ANNUAL REPORT



20
21

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Our Company

Our history dates back to 1949, with the introduction of electricity services to government institutions and public buildings. The service had been provided under different names, until incorporation as a State Owned Enterprise and was named State Electric Company Limited (STELCO) in 1997.

We are currently responsible for the electricity generation, transmission and distribution and retailing of electricity in Male' and Kaafu Atoll, Ari Atoll and Vaavu Atoll.

Today STELCO is an intergrated utility service provider with power generations facilities, transmission networks, water and sewerage facilities.

We serve over 77,929 customers through 35 independent power plants and 5 water desalination plants as well as 5 sewerage networks on different islands.



Strategic Objectives



Service reliability



Sustainable future



Financial security



Customer oriented service



Operational excellence

Customer Base



Electricity

2,013

Institutional & Government

17,046

Commercial

58,555

Residential

07

Special Tarrif

08

Tertial Hospital



Water & Sewerage

79

Institutional & Government

258

Commercial

1,341

Residential

-

Special Tarrif

-

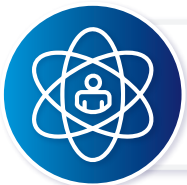
Tertial Hospital



Mission: To provide utility service with efficiency and reliability using renewable and innovative technologies.



Vision: Prosperity through excellence in utility services.

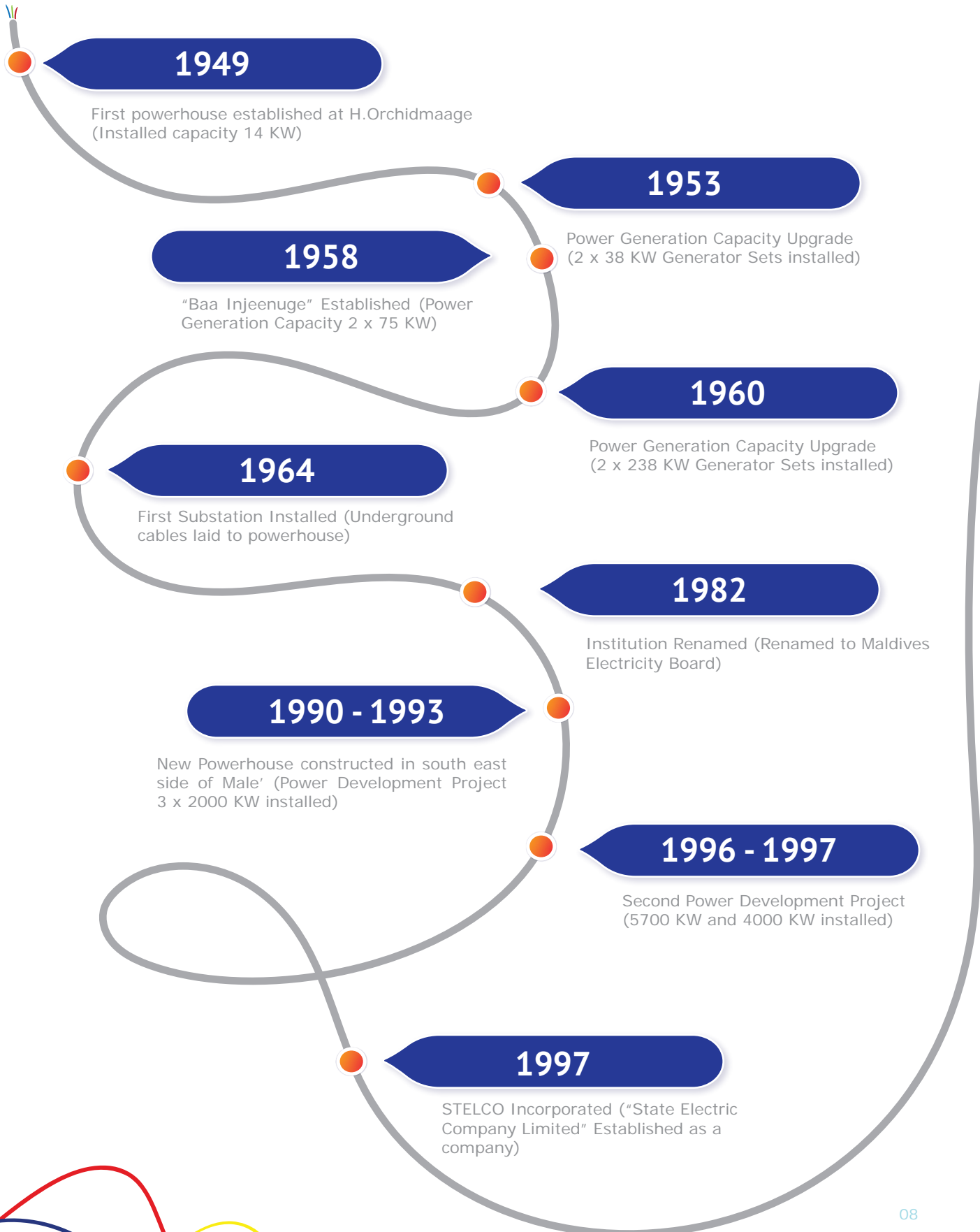


Values: Excellence, Customer focus, Sustainability, Integrity, Team work and Safety.

We strive to:

- Making it as easy as possible to contact our technical support team 24 hours a day, 7 days a week.
- Providing clear, complete and accurate information on our products, services and pricing.
- Ensuring that in every aspect of our work, each individual is responsible and accountable for the quality of their work.
- Continuously enhancing and improving the network to ensure that the service we provide continues to meet and exceed the expectation of our customers.
- At all times striving to be honest, friendly and courteous, treating all customers as valued customers.
- Making certain that the level of service we provide meet your reasonable expectations.
- Treat personal information in the strictest of confidence.

Milestones



2000 - 2002

Third Power Development Project (2 x 6500KW Generator Sets installed)

2008 - 2012

Fourth Power Development Project (2 x 8700 KW Generator Sets installed)

2016 - 2019

Fifth Power Development Project (6 x 8700 KW Generator Sets installed)

2017

Fourth Power Development Extension Project (2 x 8700 KW Generator Sets installed)

2019 - 2021

Greater Male' Grid Connection Phase 1 (Male' – Hulhumale' Inter-Connection)

STELCO Greenlife Initiative (An environmentally friendly approach to STELCO's operations including renewable energy)

2020

STELCO Greenlife SolarPod (STELCO introduced an innovative floating solar system customizable and feasible to our geographic structure)

In Memory of



Late Mohamed Rasheed
STELCO's Former Chairman

Though, the year 2021 was a successful year in terms of performance, towards the end of the year it was challenging for STELCO and the whole energy sector as our beloved chairman (Late) Mohamed Rasheed passed away on 26 December 2021.

Joined during 1971, the late Mohamed Rasheed worked for STELCO for over 50 years. From humble beginnings as an engineer and eventually rising to the top, he was appointed Chairman of the state company during February 2019. Before which he had served at various ranks of the company.

During February 2022, President Ibrahim Mohamed Solih signed a book of condolences opened in memory of the late Mohamed Rasheed. This was a reminder of his dedicated and extensive services in developing the country's energy sector and contributions to modernizing power services in Malé. Known as a sincere and committed individual and an icon in the engineering sector, who left a legacy of honest and admirable services behind.

STELCO will forever be grateful for the immense contributions from the late chairman. For guiding STELCO to a leading State Owned Enterprise and Utility provider in Maldives.

Chairman's Message



In the name of Allah, the Most Compassionate, the Most Merciful.

On behalf of the Board of Directors, it is a great pleasure to present the Annual Report of State Electric Company (STELCO) for the financial year ending 31st December 2021 to the Shareholders. As being the leading provider of vital utility service to the greater Male' area, it has been our upmost priority to provide reliable and continuous supply of electricity. STELCO has once again demonstrated that we are a key driving factor in the spirit of our economic and energy security.

During the last 12 months we have proven our operational and financial capabilities and flexibility.

Our financial resilience has allowed us to extend our support to all our consumers and other stakeholders. We have catered to our customers' financial challenges whilst ensuring our services remain uninterrupted and uncompromised. I am proud to announce that our revenue surpassed 2115m for the year 2021, with net profit of 104m.

STELCO's future vision strategically involves matching our energy supply with growing demand and maximizing renewable energy penetration, through exploration of ocean current energy and increasing solar energy projects; eventually driving our nation towards carbon neutral targets.

Post COVID-19 crisis followed by global economic recession has taught us valuable lessons, and we will take those into consideration in ensuring improved reliable energy assurance to our consumer base.

I take this opportunity to thank the management, fellow board members and all our stakeholders, who helped to make 2021 a succesful year despite socioeconomic challenges.

With our recent revised focus on consumers and staff-oriented approach, changes to the management, improved corporate governance practices and enhanced trust between consumers and the company, we are in a strong position to have a better impact on community as a provider of utility services.

Success is from Allah alone, so we go towards Allah and Allah will bring us closer to success.

Managing Director's Message



The year 2021 has been a challenging year with the Maldivian economy in post pandemic recovery similarly reflecting the circumstances of the global economic environment. Despite these challenges, I am pleased that STELCO has sustained its financial performance recording MVR 104.9 million in profit for the financial year ending 2021.

As a company, we were proactive to take the opportunity to reassess our position and modify our corporate strategies to ensure stability in our internal operations and the services we provide to our customers. As a result, we have strengthened our focus towards a more customer-centric approach.

We understand that the past two years have been challenging for Maldivian households struggling with the impact of the pandemic and other rising living costs. Hence, we were committed to support our customers and the communities in which we operate, by providing more flexible and lenient options in utilising our services.

Upon my appointment as Managing Director, I have implemented numerous operational changes within the company. The company's operational focus have now been changed towards becoming a more task based and result oriented company. Several managerial changes have also been brought to ensure the smooth operations of the company's functions. furthermore, I am keen to implement modern solutions to conduct operational tasks with the help of technology and customised software through which STELCO can enhance its operational capabilities.

Additionally, we are now working towards empowering our island powerhouses. My hope is that STELCO's island powerhouses will become a key player in supporting the developmental goals of island communities by working closely with the Councils and relevant institutions.

I am also looking forward to work with the Board to consider our future ambitions and strategic choices. As such, sustainability is a key focus for STELCO over the next decade. We are in the project development phase of the 6th Power Development Project which will help us to prepare for future energy demand by making our infrastructure more resilient. Most importantly, this project will help us to increase our renewable energy penetration which is in line with his excellency President Ibrahim Mohamed Solih's bold initiative to make Maldives a carbon neutral nation by 2030.

Overall, 2021 has been a successful year. Our achievements in 2021 could not have been possible without the guidance of the Board of Directors and the counsel of the company's Senior Management. I would like to thank the Board of Directors, Senior Management team and most importantly, the beloved employees of the company for their remarkable work ethic and great dedication. I thank Almighty Allah for our success and pray that STELCO continues to be blessed with prosperous years ahead.


Ahmed Shareef
Managing Director

Corporate Governance



During the year 2021 we strived to strengthen good governance by ensuring that we operate fairly and efficiently through greater accountability and transparency, improved boardroom practices, internal controls and internal risk management and compliance.

In this regard, our governance practices are underpinned by the principles of good corporate governance set out for us in the Code of Corporate Governance for State Owned Enterprises by the Privatisation & Corporatisation Board of the Ministry of Finance.

Board of Directors

The Board size and structure is governed by the Privatisation & Corporatisation Board under Ministry of Finance. During 2021, the Board comprised of the Chairman, (the late Mohamed Rasheed served as the Chairman of the Board until he passed away on 26 December 2021), two independent directors (Mr. Ahmed Latheef and Major (Rtd) Tholhath Hassan) who were appointed by the government and two executive directors (Dr. Ali Azwar and Hassan Mughnee). Hence, the Board had an appropriate balance of Executive and Non-Executive directors to ensure that unbiased and diverse advice is brought to the board discussions.



Board Members



Brigadier General (Rtd) Ibrahim Mohamed Didi Chairman

Brigadier General (Rtd) Ibrahim Mohamed Didi was appointed as the Chairman and Director of the Board of State Electric Company Ltd (STELCO) on 14th June 2022.

After completing his high school education in 1976 brigadier trained as a wireless and radio telephone operator and continued on to serve in the field. The next step in an eventful career was being enlisted to Maldives National Security Services in 1979 where he served as a noncommissioned officer to the ranks to a Warrant Officer. He was commissioned as a Lieutenant in 1992 and served to the ranks of a Brigadier General before he retired the services 2012.

During his 32 years of military service, he has achieved various accolades in the pursuit of knowledge relevant to Military and national security including Enlisted Specialization Course in Communication Electronics. Officer Basic Officer course, Officer Advance course, Basic Staff Course, Command and Staff Course with war studies degree and National Defense course with a MPhil Degree in Defense and Strategic Studies.

During his Military Service he achieved the Medal for Exceptional Bravery (Huravee Ran Medal) for the successful accomplishment of critical mission during the surprise attack to Maldives capital Male', and National Security Service Headquarters by Peoples Liberation of Tamil Eelam in 1988 November 3rd.

Brigadier General (Rtd) Didi was elected as the member of Parliament for Addu City Hithadhoo center constituency from 2014 May to 2019 April and served in Parliament committees of 241 committee (Security Services oversight committee), chairman of Parliament National Security Committee and Regulation Committee in the Parliament. He is married and blessed with two children.



Ahmed Shareef

Managing Director

Ahmed Shareef was appointed as the Managing Director and Executive Director of the Board of State Electric Company Ltd (STELCO) on 01st March 2022.

Ahmed Shareef began his career in the field of education and went on to hold several Managerial & executive posts including Member of Parliament, Deputy Minister of Education, Chairman of elections commission and Managing Director at FENAKA corporation limited. He has previously held Board Directors position at Maldives Marketing & Public Relations corporation; and with over 20 years of experience in multiple industries/sectors, he brings valuable input to STELCO.

Mr. Shareef brings diversified academic and technical knowledge and holds a first Degree in Comparative literature and Arabic Language from Imam Muhammad Ibn Suad Islam University, Saudi Arabia and Post Graduate Diploma in Educational Administration from Nanyang Technological University, National Institute of Education, Singapore.



Ali Azwar

Board Director/Deputy Managing Director

Dr. Ali Azwar joined STELCO in 1997, and currently is the Deputy Managing Director of STELCO and also Director of the Board. He has held various executive posts in the company including the posts of Chief Operating Officer, Head of Customer Services Department, Head of Business Development Department. He has also worked in Projects Department and Regional Department.

Dr. Azwar holds a Doctorate in Public Policy specialising in Renewable Energy Policy from Victoria University of Wellington, New Zealand, Masters Degree in Public Policy from National University of Singapore and a Bachelors Degree in Business Studies from University of Sheffield, United Kingdom.



Ahmed Latheef

Non-Executive Director

Ahmed Latheef was appointed as a Director of the Board on 18th March 2020. Over the past decade, he has held various managerial positions in different private sector businesses. As a result, he brings a diverse range of skills and knowledge to the Board including a solid understanding of private sector perspective on business issues.



Major (Rtd) Tholhath Hassan

Non-Executive Director

Major (Rtd) Tholhath Hassan was appointed as a Director of the Board on 13th July 2020. He has served over 21 years in Maldives National Defense Force (MNDF). During his tenure at MNDF he was the Officer In-charge of Communications and Marine Electronics Department. He holds a Masters in Engineering with Electrical Specialization from INS Valsura, India.



Ihusaan Mohamed

Company Secretary

Mr. Ihusaan Mohamed joined STELCO in Mar 2020 and led financial accounts unit of Finance & Accounts Department before being made permanent company secretary on August 2022. With over 7 years of experience in the field of finance, Mr. Ihusaan mohamed holds a Bachelor of Science (Hons) in Accounting and Finance at Sunway University, Malaysia.



Former Board Members and Company Secretariat



Mohamed Rasheed

Chairman (2019-2021)

Being one of the first technical foreign-educated engineers in the Maldives, Mohamed Rasheed has played a key role in the development of the country's electricity sector. Mr. Rasheed started his career as an apprentice at STELCO and has worked at all levels of the company including leading the company as Chief Executive Officer from 2008 to 2012. Mr. Rasheed has over 48 years of experience and is one of the most respected engineers in the country. Mr. Rasheed was appointed as Chairman of STELCO on 12th February 2019 and served with dedication until he passed away on December 2021.

In addition to his contribution to STELCO, he has also worked as a consultant in the design and development of the electrical system in over 30 resorts and several islands. He was instrumental in the development and modernization of current STELCO system which includes First, Second and Third Power Development Projects at Male'. Mohamed Rasheed holds a Bachelor of Science in power generation and distribution engineering from Energy Technical College of Leningrad, Former Soviet Union (Russia).



Hassan Mughnee

Managing Director/Executive Director (2018-2022)

Hassan Mughnee was appointed as a Director of the Board in 2018. He has served in various State-Owned Enterprises for a period of 16 years including STELCO, MWSC and MTCC.

Hassan Mughnee served as a Board Member from 4th December 2018 to 28th February 2022. We thank him for his invaluable contribution towards the development and improvement of the company during his tenure.



Aishath Muzna

Company Secretary (2017-2022)

Ms. Aishath Muzna was appointed as the Company Secretary of STELCO on 21st August 2017. She served as company secretary from August 2017 to July 2022. During her time as company secretary she played important role in enhancing corporate governance at STELCO. We thank Ms. Aishath Muzna for assistance of proper functioning of the Board.

Composition of the Board

The composition of the Board ensures effective corporate governance, necessary pluralism is in effect, productive and constructive discussions and prompt and rational decisions are made.

All members of the Board are individuals of integrity who can bring a blend of knowledge, expertise, skills, objectivity, experience, and commitment to the Board. All Board members have equivalent legal responsibilities. The Board has an appropriate balance of Executive and Non-Executive Directors to ensure unbiased and diverse advice is brought to the company and that Board's decisions are not conflicted to one individual or a small group of individuals.

Composition of the Board of Directors as of 31st December 2021

Name	Designation	Executive/Non-executive
the late Mohamed Rasheed (1951-2021)	Chairman	Non-Executive
Mr. Hassan Mughnee	Managing Director	Executive
Dr. Ali Azwar	Board Director	Executive
Mr. Ahmed Latheef	Board Director	Non-Executive
Major (Rtd) Tholhath Hassan	Board Director	Non-Executive

Changes to the Board of Directors during 2021

The Late Mohamed Rasheed served as the Chairman of the Board until his death on 26th December 2021. Thereafter Non-Executive Director Mr. Ahmed Latheef served as the Acting Chairman of the Board for the rest of the Year.

Attendance of Directors at Board Meetings 2021

Name	Designation	No. of Meetings Held	No. of Meetings Held
Mr. Mohamed Rasheed	Chairman	27	27
Mr. Hassan Mughnee	Managing Director	28	28
Dr. Ali Azwar	Board Director	28	28
Mr. Ahmed Latheef	Board Director	28	26
Major (Rtd) Tholhath Hassan	Board Director	28	28

Director's Independence

The majority of the board consists of non-executive and independent members. The Board has determined Board members Ahmed Latheef and Major (Rtd) Tholhath Hassan who were appointed to the Board during 2020 are independent members. This determination takes into account, the relevant provisions of the Code of Corporate Governance for State Owned Enterprises regarding directors' independence such as character, judgment and the absence of relationships or circumstances which could compromise director's independence. In the light of these factors, the Board is satisfied of the independence of the directors mentioned above.

Board Diversity

The Board directors bring a diverse range of skills, knowledge and independence to the Board's work and the work of its committees. The board collectively possess knowledge and experience in the fields of public policy, business, finance and engineering and energy. These specific skills, expertise and experience of the Board members allow the Board to deliberate on major strategic and operational issues.

The Board

The Board conducts regular and frequent meetings and has a formal schedule of matters specifically reserved to its decision making. The principal matters reserved to the Board include:

- Approval of annual budgets
- Approval and review of audited financial statements
- Reviewing operational and financial performance
- Review company policies and procedures
- Approval of major capital expenditure
- Reviewing of the company's internal controls and risk management
- Review and discuss progress of major projects

The Board has delegated authority to management for normal course of business operations and decisions within defined limits and thresholds.

Meetings of the Board of Directors

The Board schedules and follows its annual plan which provides for a number of meetings to be held. However additional meetings are held promptly when the need arises. The agenda of the board meetings are sent to all directors in advance of the meeting, together with the board papers and supporting documents for each agenda item.

The Board meetings are held pursuant to the Articles of Association of the company and the Code of Corporate Governance for State Owned Enterprises. The directors are highly encouraged to attend to Board meetings in person but if this is not possible, then the director can participate via video conference.

The Chairperson

Mr. Mohamed Rasheed was appointed as the Chairman of the Board on 12th February 2020. As mentioned in the Articles of Association and the Code of Corporate Governance for State Owned Enterprises, the roles and responsibilities of the Chairman are separate from that of the Managing Director.

The responsibilities of the Chairman include leading the Board, determining its agenda, facilitating full participation by each Board member and ensuring the board's effectiveness and satisfactory performance.

Company Secretary

The Company Secretary is appointed by the Board and is accountable to the Board of Directors, on all matters relating to his/her duties as an officer of the Company. The Company Secretary reports to the Managing Director on all executive or administrative matters. All Directors have access to the Company Secretary.

The responsibilities of company secretary in relation to proper functioning of the board are as follows:

- Facilitating the efficient administration of Board meetings
- Ensuring that the conduct of the general meetings is consistent with the law, PCB regulations and Company's articles.
- Supporting effective Board administration and serving as liaison between the Directors and Management.
- Providing the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company.
- Assisting and advising the Chairperson of the Board and reporting to the Board on the Company's compliance with the corporate governance requirements.
- Monitoring and arranging procedures for compliance with relevant regulatory and legal requirements.
- Ensuring timely, accessible and accurate filing of corporate statutory records.

Induction & Training of Board Directors

Induction

An induction programme is in place to familiarise new Board members regarding the responsibilities expected of them as a Board director, the roles and responsibilities of the Board as a whole, and the operations of the company.

New Board members or directors are provided with an 'induction pack' that contains the company's Memorandum and Articles of Association, Code of Corporate Governance for State Owned Enterprises, most recently published Annual Report and documents containing key information regarding the strategic and operational functions of the company.

Trainings

Board Members are required to complete the Directors Training conducted by Capital Market Development Authority within 6 months of being appointed to the Board. As such, STELCO's Board of Directors has completed this training within 6 months of being appointed to the board. Besides Directors Training, the Board Directors are also provided with opportunities to participate in trainings related to finance, risk management, business relations, etc.

Process of Appointing New Directors

STELCO being a 100% state owned company, members are appointed and removed from STELCO's Board at the discretion of the Privatisation & Corporatisation Board who act on behalf of the government.

Board Evaluation

Board has set down the procedure to evaluate Board's performance yearly. The evaluation of the Board for the year 2021, was carried out and areas of improvement were identified and discussed. An anonymous evaluation was carried out to identify the performance of individual Directors as well.

Conflicts of Interest

In 2021, STELCO had no cases of conflicts of interest. If such a case were to arise, then the Board director would refrain from participating in the discussion and voting of the relevant matter. This applies to both definitive and potential conflicts of interest.

The company secretary maintains a Register of Interests that contain details of shareholding in other businesses by directors and their immediate family, details of director's major assets and current and past employment of directors and their immediate family members. This register is updated regularly and shared with the Privatisation & Corporatisation Board.

Remuneration of Board Members

The Board member's remuneration package is determined by the Ministry of Finance's Policy on "Categorization of State-Owned Enterprises and Remuneration of Board Members" which defines the basic salary and allowances to be provided to the Chairman, Executive and Non-Executive Directors. STELCO does not provide Board Members any additional allowances outside of this policy.

Internal Controls

The Board is in charge of overseeing the company's internal control system determining its effectiveness. The Board is satisfied with the system of internal control established within the company and understand that it can provide reasonable but not complete assurance against financial loss.

STELCO has established the following in order to strengthen its system of internal controls:

- Established an organisational structure with clear operating and reporting procedures, segregation of duties, lines of responsibility and authorisation limits.
- Annual budget requires approval of the Board.
- A comprehensive system of financial reporting is established.
- Large capital expenditure requires approval of the Board, and are closely monitored on an ongoing basis.
- All procurement activities require a 3 step approval process. Furthermore, Board approval is required for all procurement activities that are above MVR. 3,000,000 (Three Million) including foreign procurement.
- Whistleblowing mechanism is in place to report fraud or ethical concerns confidentially and anonymously.

Good Governance Policies, Procedures and Guidelines

STELCO is currently developing policies, procedures and guidelines to promote good governance. As such, the Code of Ethics is currently in approval stage.

Furthermore, the company has established a Conflict of Interests Policy, Procurement Policy, CSR Policy and Whistleblowing Policy, Marketing and Promotion Policy over the recent years.

These policies are implemented to ensure that the company has an effective 'checks and balance' system in place. In addition to this, these policies clearly set out the roles and responsibilities entrusted to staff and prevent both intentional and unintentional misconduct.

Management Review and Responsibility

The Board has delegated the leadership and control of the company to the Managing Director and his Senior Management team for normal course of business operations and decisions within pre-defined authorisation limits and boundaries.

The Managing Director appoints staff to Senior Management based on qualification, experience and capability. Senior Management members are assigned roles and responsibilities and their performance is evaluated annually.

Audit committee Report

The Audit Committee plays an important role in providing independent oversight of the company's risk management, internal control practices and governance. All members of the Audit Committee are Independent; Non-Executive Directors who possess the authority to undertake the responsibilities of the Committee

The Committee is responsible for monitoring and advising the Board on matters relating to financial reporting, risk management, information dissemination, and internal control practices. The committee also assists in the management of key risks as well as the frameworks, guidelines, policies and processes for identifying, monitoring and mitigating risks of the Company.

The STELCO Audit Committee comprises of 02 Non- Executive, Independent directors.

Attendance of Members to Committee Meetings

Name	Designation	Attendance
Major (Rtd) Tholhath Hassan	Committee Chairman	4/4
Ahmed Latheef	Member	4/4

Roles and Responsibilities

The Audit Committee identifies and makes recommendations and reports to the Board with respect to the following tasks and responsibilities;

- Reviewing and monitoring the effectiveness of the Company's internal controls to ensure that adequate measures are taken to safeguard the Company's assets;
- Approving the Internal Audit Plan and reviewing regular reports on the effectiveness of the internal control systems;
- Ensuring compliance to statutory requirements and ethical standards;
- Review reports on selected risk topics as the Committee deems appropriate from time to time.
- Receive and discuss the external auditor report, including any issues and recommendations raised by the external auditor on internal control weaknesses.
- Oversee the internal audit function.
- Review the reliability and accuracy of the financial information provided by the management to the Board and other users of financial information.
- Oversee and review policies and procedures for identifying, monitoring and mitigating risks.

Major Activities of 2021:

- Endorsement of Internal Audit Policy
- Discussion and approval of Internal Audit Annual Plan
- Approval of Internal Audit Budget
- Presentation and discussion of External Audit Report
- Discussion of Internal Audit Reports and Recommendations given to the management
- Presentation of Special Audit Reports
- Commencement of Enterprise Risk Management (ERM)

The Internal Audit Function carried out multiple engagements during the year in line with the approved Internal Audit Plan for 2021. The findings of the audits were presented to the Audit Committee, along with the Management comments and Action Plan.

Conclusion

The Audit Committee is satisfied with the Internal Audit Function and the activities carried out during the year.

Remuneration committee Report

Function

The main function of the Remuneration Committee are:

- Develop policies on employee remuneration and welfare.
- Determining the adequacy of the company's organizational structure.
- Review remuneration packages of company Staff.

Roles & Responsibility

- Review the suitability and importance of the existing remuneration policy.
- Ensure the payments made to employees upon termination from employment as agreed in the employment contract, are fair to the employee terminated, and the Company.
- Oversee any major changes in employee benefit structures throughout the Company and make recommendations to the Board with regard to any changes.
- Develop and implement a conflict of interest policy applicable to Directors, Executives and Employees of the company.
- Ensure that Directors disclose personal business interests that may give rise to conflict of interests with the company.

Members of the Committee as of 31st December 2021

Name	Designation	Appointed Date
Mr. Ahmed Latheef	Chairperson	26 May 2020
Major (Rtd) Tholhath Hassan	Committee Member	14 July 2020

Executive team



Ahmed Shareef

Managing director

Ahmed Shareef was appointed as the Managing Director and Executive Director of the Board of State Electric Company Ltd (STELCO) on 01st March 2022.

Ahmed Shareef began his career in the field of education and went on to hold several managerial & executive posts including Member of Parliament, Deputy Minister of Education, Chairman of Elections Commission and Managing Director at FENAKA Corporation Limited. Mr. Shareef has previously held Board Directors position at Maldives Marketing & Public Relations Corporation; and with over 20 years of experience in multiple industries/sectors, he brings wide range of expertise to STELCO.

Mr. Shareef brings diversified academic and technical knowledge and holds a Degree in Comparative Literature and Arabic Language from Imam Muhammad Ibn Suad Islam University, Saudi Arabia and Post Graduate Diploma in Educational Administration from Nanyang Technological University, National Institute of Education, Singapore.



Mohamed Latheef

Deputy Managing director

Mohamed Latheef joined STELCO in 1989 and currently holds the position of Deputy Managing Director of the Company. He has held various executive posts including the posts of Head of Projects, Planning & Information Technology, Strategy & Development and Transport & Maintenance Department. He also served as the Company Secretary of STELCO from 2001 to 2008. Mohamed Latheef holds a Bachelor of Multi-disciplinary Science Degree from Curtin University of Technology, Australia.



Dr. Ali Azwar

Deputy Managing director

Dr. Ali Azwar joined STELCO in 1997, and is currently the Deputy Managing Director of STELCO and also Executive Director of the Board. He has held various executive posts in the company including the posts of Chief Operating Officer, Head of Customer Services Department, Head of Business Development Department. He has also worked in Projects Department and Regional Department. Dr. Azwar holds a Doctorate in Public Policy specialising in Renewable Energy and Policy from Victoria University of Wellington, New Zealand, Masters Degree in Public Policy from National University of Singapore and a Bachelor's Degree in Business Studies from University of Sheffield, United Kingdom.



Ahmed Iqbal

Head of Island Powerhouses

Ahmed Iqbal Joined STELCO in 1991 and currently is the Head of Island Powerhouse Department of the Company. He has held various executive posts including the posts of Head of Male' Region and Regional Department.

Ahmed Iqbal holds a Bachelor of Mechanical Engineering Degree from University of Leicester, United Kingdom and an Associate Diploma in Electrical Engineering from South Australian Institute of Vocational Education



Ahmed Shafeeu

Head of Water, Sewerage and Waste Management

Ahmed Shafeeu joined STELCO in 1991 and currently is the Head of Water, Sewerage and Waste Management Department of the Company. He has held various executive posts including the posts of Head of Transmission & Distribution Department, Business Development Department, Billing Services Department, Regional Department and Chief Electrical Engineer of Hulhumale' Powerhouse. Ahmed Shafeeu holds a Post Graduate Diploma in Electrical Power Systems from Norconsult International AS, Norway and a Bachelor of Science Degree in Electrical and Electronic Engineering from Islamic Institute of Technology, Bangladesh.



Abdul Gafoor

Chief Mechanical Engineer (Male')

Abdul Gafoor joined STELCO in 1994 and currently is the Chief Mechanical Engineer of Male' Powerhouse. He also worked in Power Generation Department, Greater Male' Region Department as well as Mechanical Department. Abdul Gafoor holds a Diploma in Mechanical Engineering from INTI College, Malaysia.



Ahmed Saif

Head of Transmission and Distribution

Ahmed Saif joined STELCO in 1997 and currently is the Head of Transmission and Distribution Department of the Company, He has held various executive posts including the posts of Head of Engineering Service Center, Customer Services Department, Procurement & Inventory Management, Project, Planning & Development Department and Electrical, Instrumentation & Control Department. Ahmed Saif holds a Bachelor of Electrical and Electronic Engineering Degree from University of Leicester, United Kingdom.



Ahmed Sharneez

Chief Mechanical Engineer (Hulhumale')

Ahmed Sharneez joined STELCO in 1997 and is currently the Head of Hulhumale' Powerhouse. Mr. Sharneez has also held various executive posts including the posts of Head of Regional Department and Water Production Department. Ahmed Sharneez holds a Bachelor of Mechanical Engineering Degree from University of Bradford, United Kingdom.



Ibrahim Nizam

Head of Renewable Energy

Ibrahim Nizam joined STELCO in 1997 and currently is the Head of Renewable Energy. Mr. Nizam has also held various executive posts including Head of Transmission & Distribution Department, Customer Services & Billing Department, Power Generation, Business Development, Water Production and Hulhumale' Powerhouse. Ibrahim Nizam holds a Master of Science degree in Electrical Power Engineering from the University of Manchester, England and a Bachelor of Engineering Degree in Electronic and Electrical Engineering (Power Engineering) from University of Strathclyde, Scotland.



Hussain Fahmy

Head of STELCO Fen

Hussain Fahmy joined STELCO in 1998 and currently is the Head of STELCO Fen Department. He has held various executive posts in his years of service including the posts of Head of Customer Services & Billing, Procurement & Inventory Management, and Business Development Department. Hussain Fahmy holds a Master of Arts in Accountancy from University of Aberdeen, United Kingdom and Master of Business Administration from University of East London.



Enas Ahmed

Head of Finance and Accounts

Enas Ahmed joined STELCO in 1999 and currently is the Head of Finance and Accounts Department. Enas Ahmed is a Chartered Management Accountant and a member of Chartered Institute of Management Association (CIMA). She also holds a Masters in Business Administration Degree from Anglia Ruskin University, England.



Abdul Malik Thoufeeg

Head of Project, Planning and Development

Abdul Malik Thoufeeg joined STELCO in 1999 and currently is the Head of Project, Planning and Development Department. Prior to that, he served as Head of Procurement Department and Internal Audit of the Company. Abdul Malik Thoufeeg holds a Master of Business Administration Degree from Ritsumeikan Asia Pacific University, Japan and Bachelor of Electrical & Electronic Engineering Degree from University of Hertfordshire, United Kingdom.



Ibrahim Nashid

Head of Service Centre

Ibrahim Nashid joined STELCO in 2000 and currently is the Head of Service Centre. Mr. Nashid has held various executive posts including the posts of Head of Information Technology & Software Engineering Department, Transmission & Distribution, and Electrical Instrumentation & Controls Department. Ibrahim Nashid holds a Bachelor of Electrical and Electronic Engineering Degree from University of Hertfordshire, United Kingdom.



Aishath Muzna

Former head of STELCO Bureau

Aishath Muzna joined STELCO in 2000 and currently is the previous Head of STELCO Bureau. She has also served as the Company Secretary from August 2017 to 31st July 2022. During her years of service, she has held various executive posts including the Posts of Head of Business Development, Procurement & Inventory Management Department, Information Technology, Corporate & Legal Affairs and Customer Services and Billing. Aishath Muzna holds a Bachelor of Arts Degree in Accounting and Finance from University of East London.



Abdulla Nazir

Head of Corporate Affairs

Abdulla Nazir joined STELCO in 2001 and currently is the Head of Corporate Affairs Department. Previously Abdulla Nazir has held the positions of Head of STELCO Bureau, Head of Human Resources, Training Department, Head of Public Relations and Media Department. Abdulla Nazir has also served as the Company Secretary from 2010 to 2014. Mr. Nazir holds a Bachelor of Arts Degree in Business Administration from University of East London.



Mohamed Saleem

Head of Customer Services & Billing

Mohamed Saleem joined STELCO in 2002 and is currently the head of Customer Services & Billing Department of the Company. He has held various executive posts including Head of Procurement Department, Finance & Accounts and Internal Audit. Mohamed Saleem holds a Master of Business Administration Degree from University of Wales, United Kingdom.



Hussain Faruhad

Head of Human Resources and Training

Hussain Faruhad joined STELCO in 2021 as the Head of Human Resources and Training Department of the company. Prior to joining STELCO, he has worked in MACL, BML and Dhiraagu. He has brought his expertise to the company and has been a great addition to the Executive Team. Hussain Faruhad holds a Master of Business Administration and Strategic Management.



Dr. Ibrahim Rushdhy

Head of Business Development

Dr. Ibrahim Rushdhy joined STELCO in 2022 as the Head of Business Development Department of the Company. Prior to joining STELCO, Dr. Ibrahim Rushdhy worked in the field of education and several private sector businesses. He holds a Doctorate in Business Administration, major in operations management.



Ahmed Akram

Head of Sales Centre

Ahmed Akram joined STELCO in 2022 as the Head of Sales Centre. Prior to joining STELCO, he worked at the senior level of Election commissions. Ahmed Akram is currently in the process of modernizing the STELCO Sales Centre. He holds a Master of Business Administration.



Uz. Ahmed Faiz

Head of Legal Affairs

Uz. Ahmed Faiz joined STELCO in 2022 as the Head of Legal Department of the company. Prior to joining STELCO, he worked in Aasandha, National Integrity Commission, Attorney General's Office and MTCC. Uz. Ahmed Faiz brings vast legal knowledge and expertise to the company. He holds a Bachelor of Law.



Ibrahim Haneef

Head of Procurement

Ibrahim Haneef joined STELCO in 2022 as the Head of Procurement Department of the company. Prior to joining STELCO, he worked in MWSC and Ministry of Education. Ibrahim Haneef holds a Master of Business Administration and a Bachelor's Degree in Education Management.



Hussain Zahid

Head of Information Technology and Software Engineering

Hussain Zahid joined STELCO as the Head of Information Technology and Software Engineering in 2022. Prior to joining STELCO, he previously worked in Aasandha and other independent institutions. Hussain Zahid brings IT related expertise and technical knowledge and holds a Bachelor of Science (Multi), combined study from electronics Engineering and computer science.



Mohamed Shamil Abdul Sattar

Acting Chief Internal Auditor

Mohamed Shamil Abdul Sattar joined STELCO in 2019 and provisionally holds the responsibility of Chief Internal Auditor. Prior to joining STELCO, he has worked in the field of Internal Audit in various organizations including Deloitte Touché Tohmatsu Limited (Philippines), KPMG (Maldives), State Trading Organization PLC (STO) and as well as in the private sector. Mohamed Shamil Abdul Sattar is a member of Institute of Internal Auditors (IIA) and holds a Bachelor's of Science Degree in Business Administration, Major in Internal Auditing (BSBA-IA) from Far Eastern University Philippines.



Mohamed Nashid

Acting Head of Transport, Logistics and Construction Department

Mohamed Nashid joined STELCO in 2022 and currently holds the post as Acting Head of Transport, Logistics and Constructions Department. Mohamed Nashid previously served MNDF as Lieutenant (rtd) and held position as director general at official residence of the president.

He holds a master's Degree with specialization in electrical Engineering.



Aishath Yamna




Acting Head of STELCO Bureau

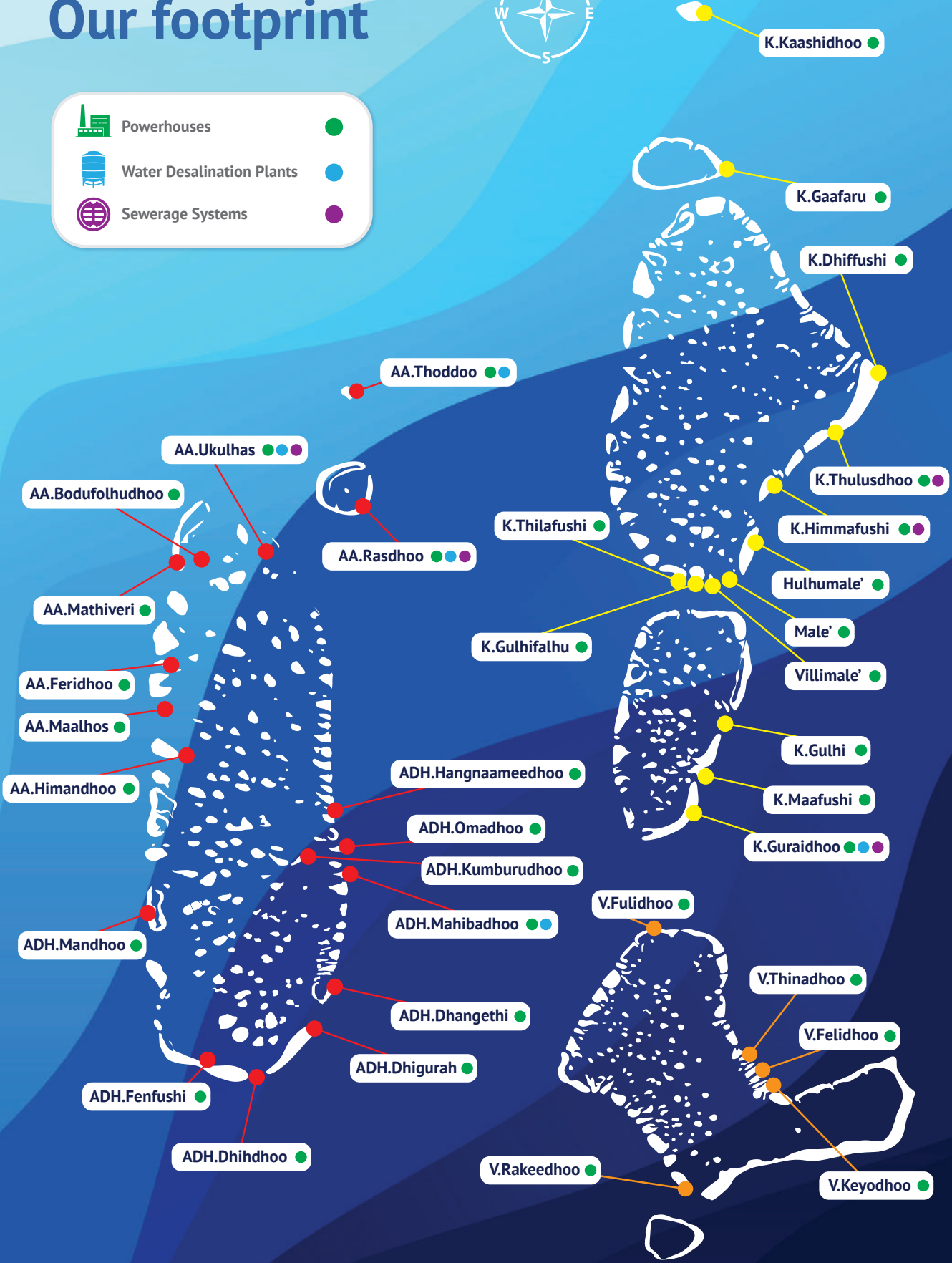
Aishath Yamna joined STELCO in 2019 and currently holds the post of Acting Head of STELCO Bureau. She previously held the position of Manager of Commercial Projects Unit of Business Development Department. Prior to joining STELCO, Aishath Yamna has worked in the private sector and Ministry of Tourism. She holds a Master of Science in International Management from University of Roehampton, United Kingdom.

Our Footprint

Our footprint



	Powerhouses	●
	Water Desalination Plants	●
	Sewerage Systems	●



Island Powerhouses



AA.Ukulhas



Customers

446



Usage (Avg Monthly)

3,254,472 kWh



Installed Capacity

1568 kWh

AA.Thoddo



Customers

713



Usage (Avg Monthly)

3,806,727 kWh



Installed Capacity

1376 kWh

AA.Bodufolhudhoo



Customers

223



Usage (Avg Monthly)

1,242,424 kWh



Installed Capacity

735 kWh

AA.Rasdhoo



Customers

449



Usage (Avg Monthly)

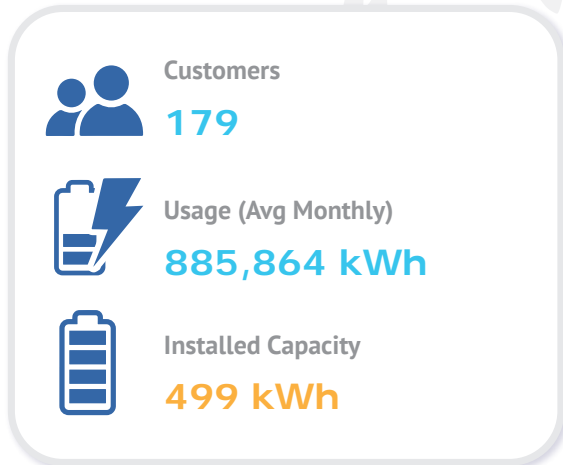
3,520,973 kWh



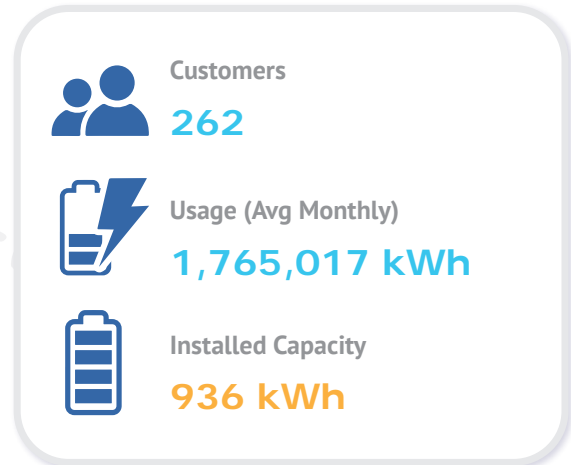
Installed Capacity

1620 kWh

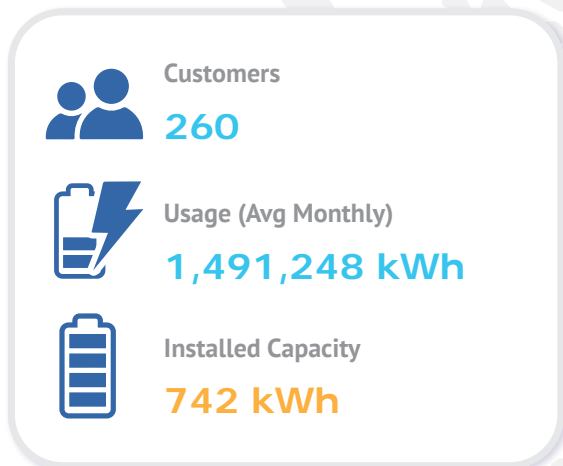
AA.Maalhos



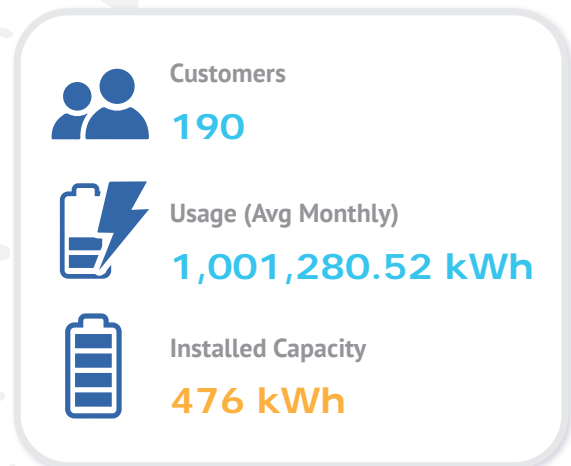
AA.Mathiveri



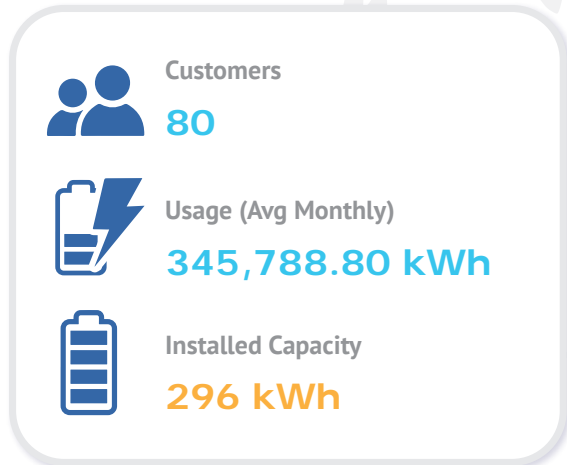
AA.Himandhoo



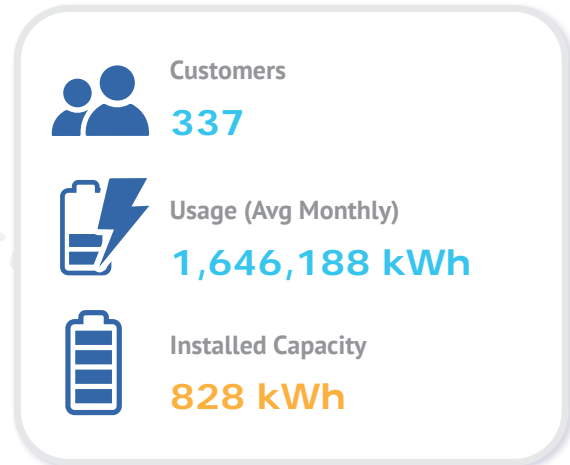
AA.Feridhoo



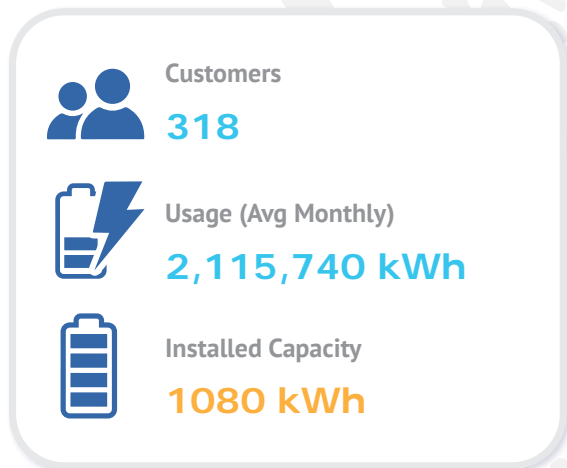
ADh.Dhihdhoo



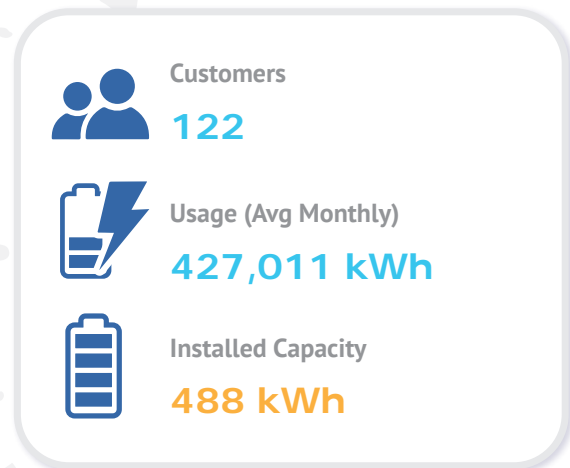
ADh.Fenfushi



ADh.Dhigurah



ADh.Mandhoo



ADh.Hangnaameedhoo



Customers

207



Usage (Avg Monthly)

1,027,674 kWh



Installed Capacity

740 kWh

ADh.Kumburudhoo



Customers

137



Usage (Avg Monthly)

871,232.9 kWh



Installed Capacity

424.6 kWh

ADh.Omadhoo



Customers

309



Usage (Avg Monthly)

1,246,120 kWh



Installed Capacity

726 kWh

ADh.Mahibadhoo



Customers

693



Usage (Avg Monthly)

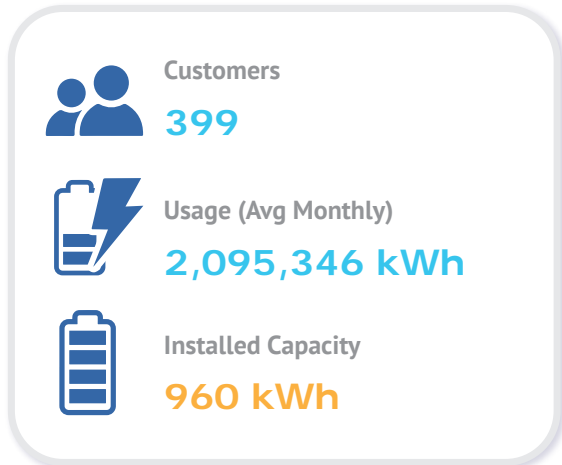
4,608,723 kWh



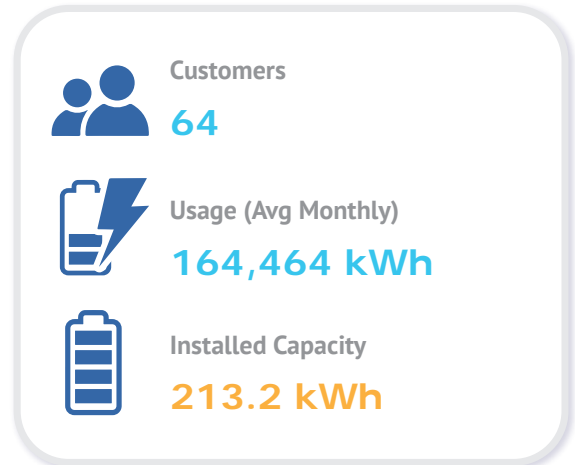
Installed Capacity

2728 kWh

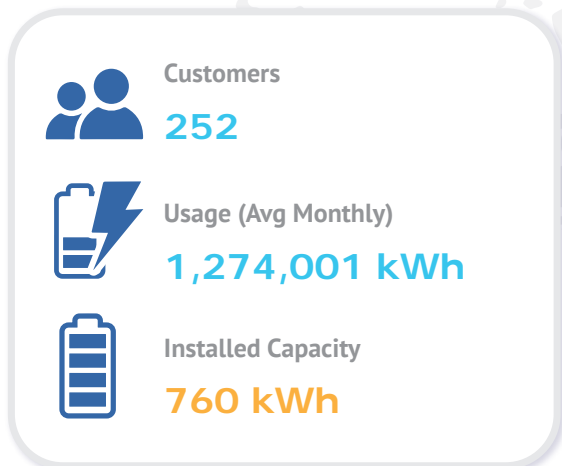
ADh.Dhangethi



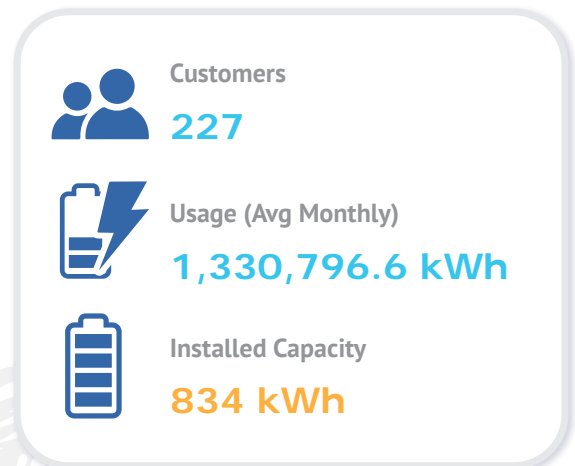
V.Rakeedhoo



V.Keyodhoo



V.Felidhoo



V.Fulidhoo



Customers

174



Usage (Avg Monthly)

1,087,565 kWh



Installed Capacity

779 kWh

V.Thinadhoo



Customers

100



Usage (Avg Monthly)

1,066,541 kWh



Installed Capacity

1144 kWh

K.Maafushi



Customers

879



Usage (Avg Monthly)

11,549,545 kWh



Installed Capacity

5780 kWh

K.Guraidhoo



Customers

625



Usage (Avg Monthly)

4,327,468.39 kWh



Installed Capacity

1950 kWh

K.Himmafushi



Customers

524



Usage (Avg Monthly)

3,940,547 kWh



Installed Capacity

1490 kWh

K.Gulhi



Customers

216



Usage (Avg Monthly)

1,754,501 kWh



Installed Capacity

744 kWh

K.Gulhifalhu



Customers

98



Usage (Avg Monthly)

906,552 kWh



Installed Capacity

2051 kWh

K.Thilafushi



Customers

330



Usage (Avg Monthly)

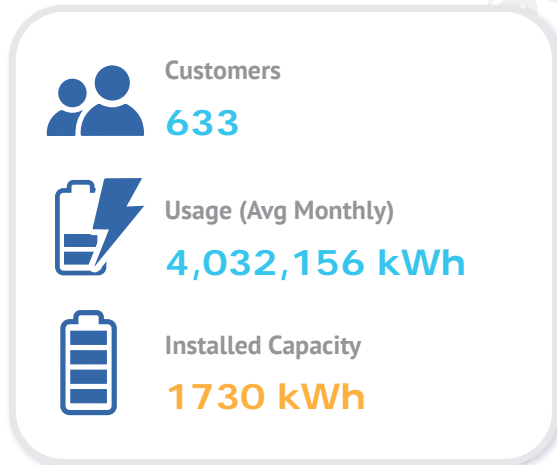
7,829,610 kWh



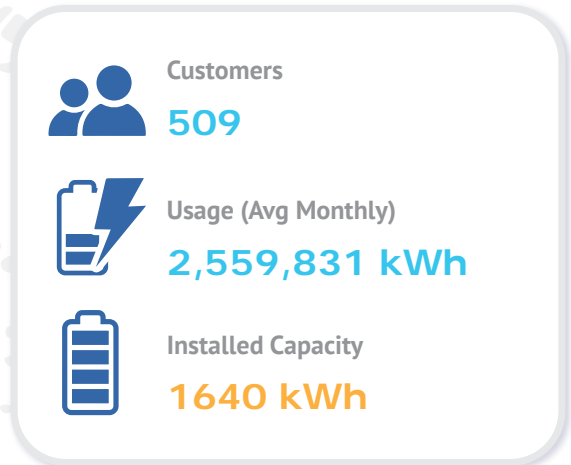
Installed Capacity

2960 kWh

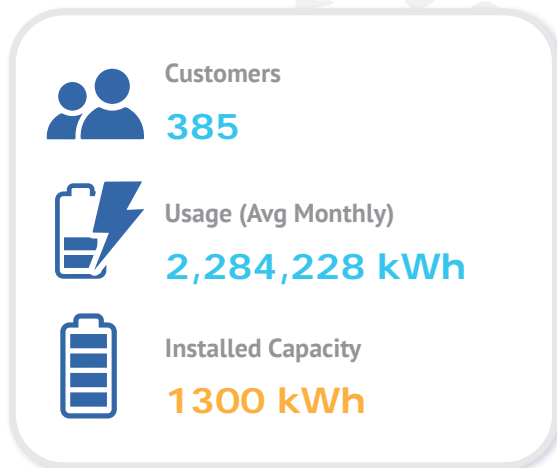
K.Kaashidhoo



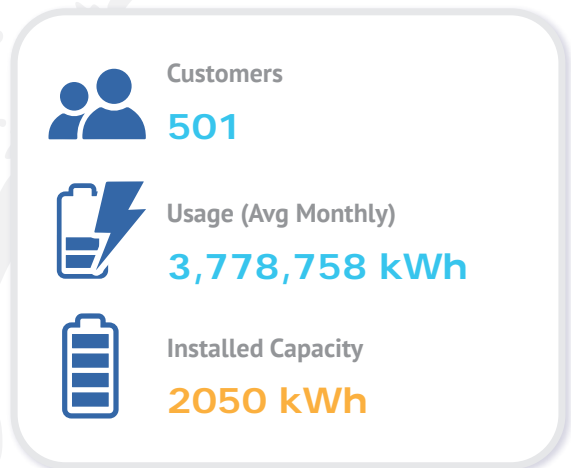
K.Dhiffushi



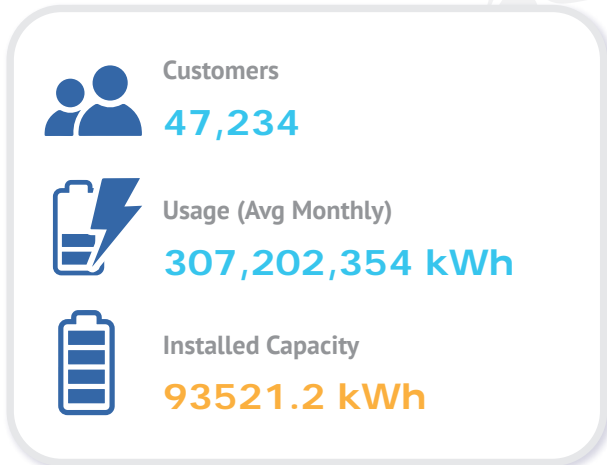
K.Gaafaru



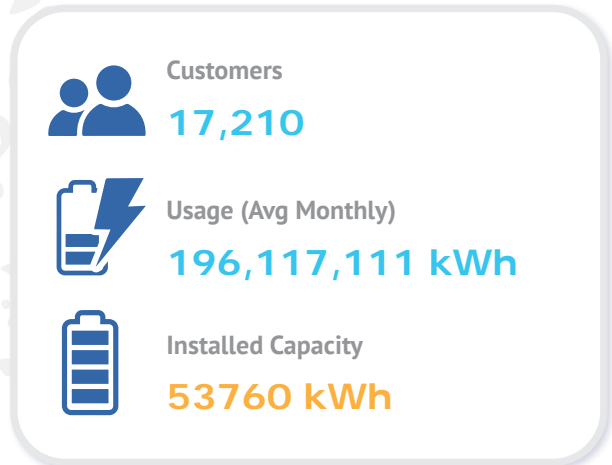
K.Thulusdhoo



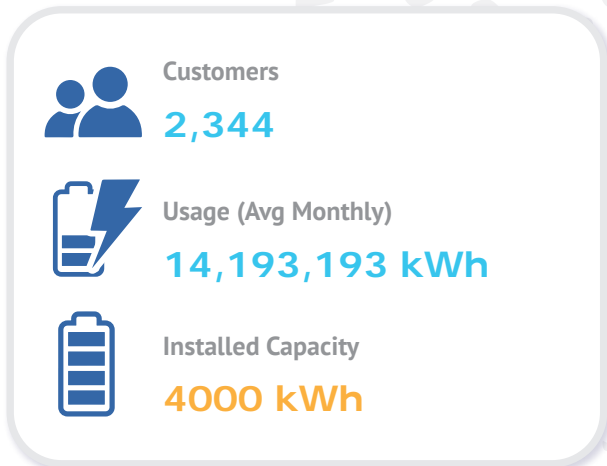
K. Male'



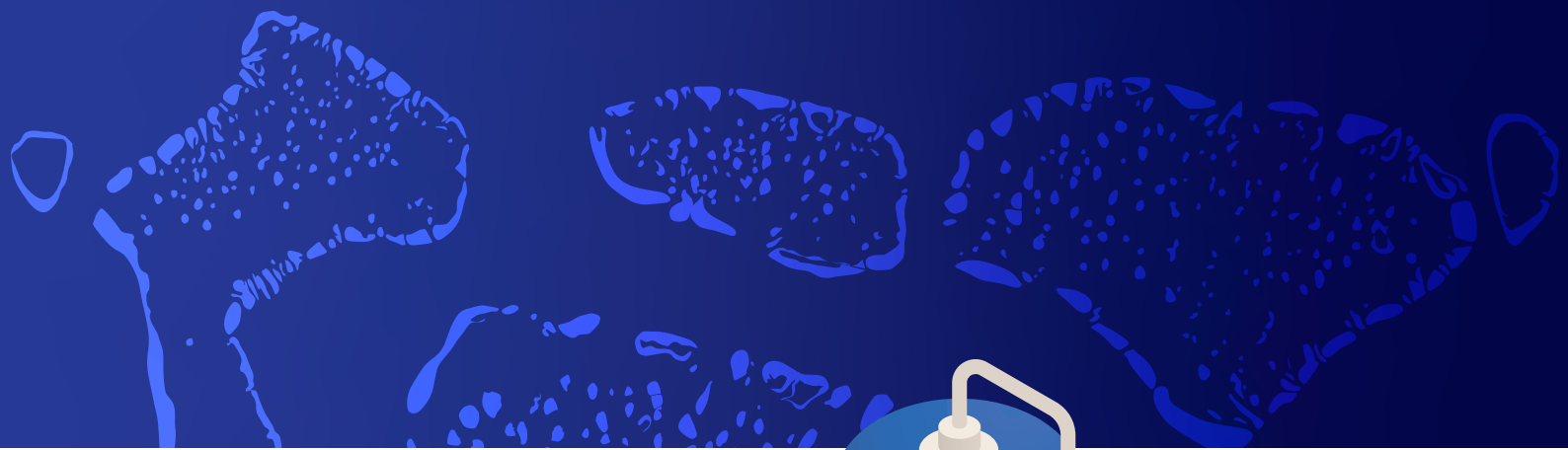
K.Hulhumale'



K. Villingili



Water Desalination Network



Water Desalination Network

AA. Ukulhas

200
Tons

RO Daily Capacity

1350
Tons

RO Storage Capacity

AA. Thoddo

60
Tons

RO Daily Capacity

544
Tons

RO Storage Capacity

AA. Rasdhoo

60
Tons

RO Daily Capacity

480
Tons

RO Storage Capacity

ADh. Mahibadhoo

200
Tons

RO Daily Capacity

700
Tons

RO Storage Capacity

K. Guraidhoo

160
Tons

RO Daily Capacity

523
Tons

RO Storage Capacity

Sewerage Network

AA. Ukulhas

17-07-2019

AA. Rasdhoo

20-10-2021

K. Thulusdhoo

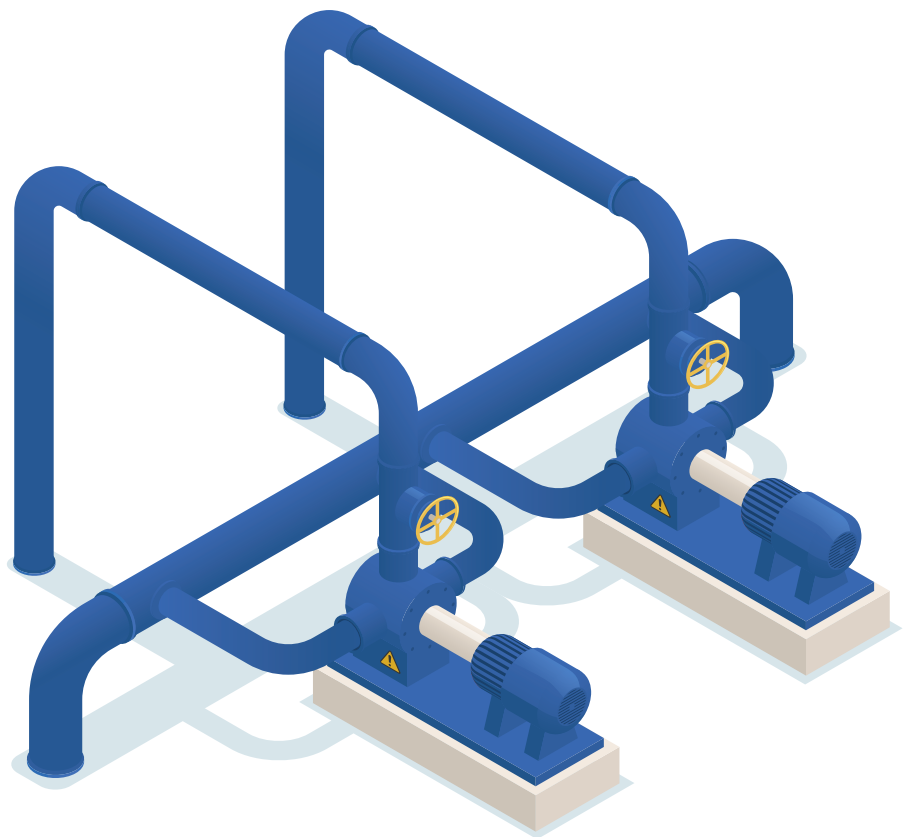
27-02-2020

K. Himmafushi

27-02-2020

K. Guraidhoo

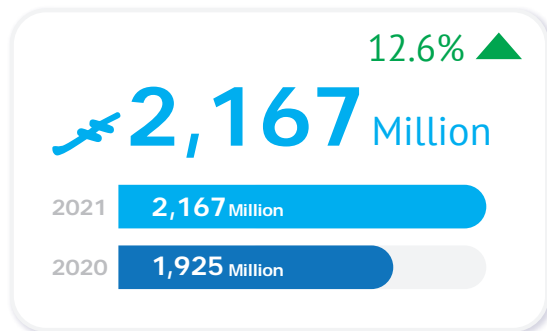
24-06-2018



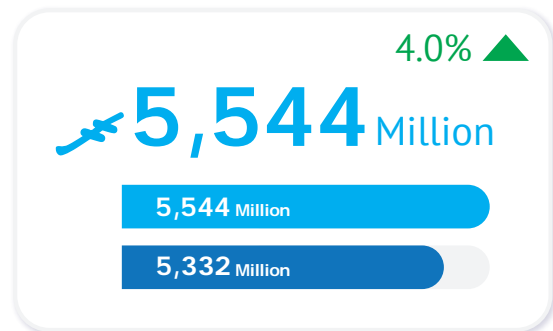
Highlights of 2021

Financial Highlights

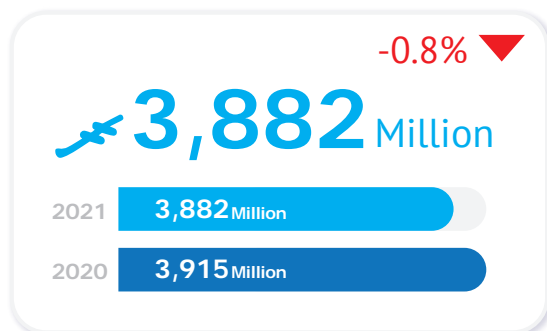
Revenue



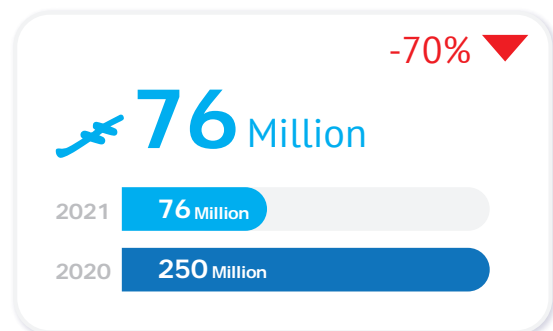
Total Assets



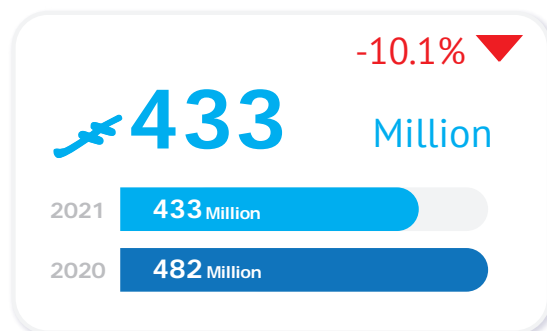
Total Liability



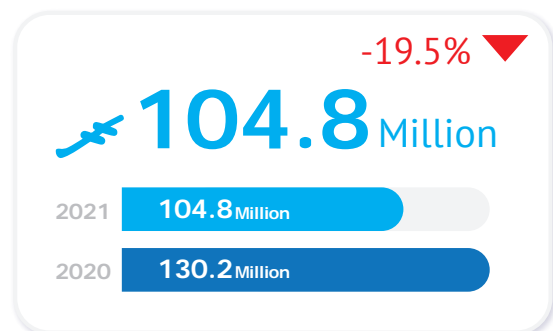
Total Capital Investment



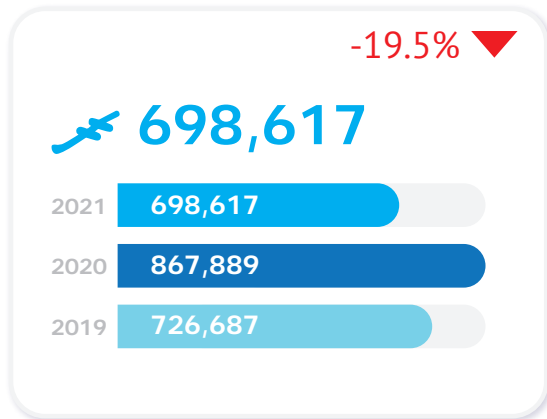
EBITDA



Profit After Tax

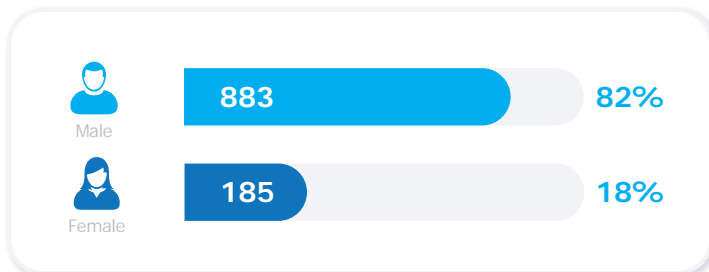


Earnings Per Share (EPS)

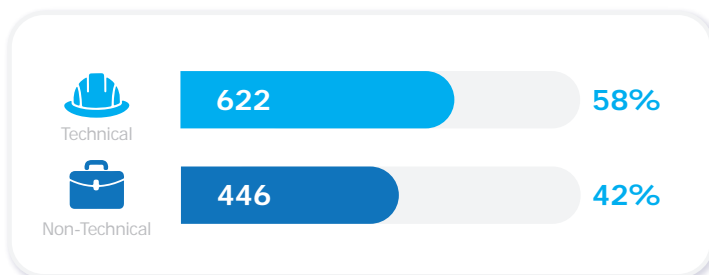


Our Staff

Staff Gender



Field



Our Network



35

Powerhouses



05

Water Desalination Plants



05

Sewerage Systems

Performance Review

Power Generation

One of our major operations is power generation. Our primary source of power is generated through diesel. Through use of synchronization panels and basing our power production on unique load profiles for each location, we provide uninterrupted and consistent electricity to 35 different locations.

We are highly invested in production of power through renewable sources and continue to work with and develop different sources of solar power generation.



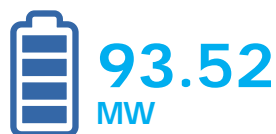
Total Individual Powerhouses



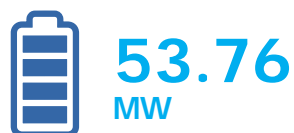
Total islands excluding greater male' region



Total capacity of greater male



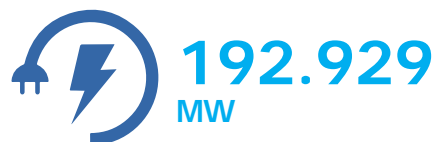
Male' Powerhouse capacity



Hulhumale' capacity



Solar generation capacity



Total generation capacity

Power Generation Upgrades and Relocation

It is crucial to increase our production capacity to continue consistent service that meets expectations of demands. We have carried out over 14 different genset installations as well as relocations and panel synchronizations during 2021 as part of regular upgrades and maintenance.

Projects	Date
K.Gaafaru Synchronising Panel Installation	Jan-21
ADH.Dhidhoo Synchronising Panel installation	Mar-21
ADH.Omadhoo Powerhouse Relocation	Aug-21
V.Thinadhoo Powerhouse Relocation	Nov-21
250kW Genset installation at AA.Bodhufolhudhoo	Sep-21
400kW genset installed in AA.Rasdhoo	Apr-21
600kW Genset installed in K.Dhiffushi	Mar-21
440kW Genset installed in K.Gaafaru	Jan-21
600kW Genset Installed in AA.Ukulhas	Apr-21
280kW Genset Installed in ADH.Hangnameedhoo	Nov-21
176kW Genset installed in ADH.Kumburudhoo	Apr-21
260kW Genset installed in ADH.Omadhoo	Aug-21
280kW Genset installed in V.Fulidhoo	Dec-21
416kW Genset installed in V.Keyodhoo	Mar-21
488kW Genset installed in V.Thinadhoo	Nov-21
800kW Genset installed in K.Thulusdhoo	Jun-21
304kW Genset installed in AA.Himandhoo	Aug-21
1000kW Genset installed in K.Maafushi	Jul-21

Overhauls

With a team of highly trained and qualified staff we have completed 30 engine overhauls to maintain our systems in good operational health.

Overhauls Completed

K.Guraidhoo 400kw Major overhaul
Adh.Hangnaameedhoo 140kw Major Overhaul
Adh.Kumburudhoo 176kw Top Overhaul
Adh.Mandhoo 150kw Major Overhaul
Adh.Omadhoo 150kw Top Overhaul
K.Gulhi 264 kw Major Overhaul
AA.Himandhoo 160KW Emergency Overhaul
AA.Mathiveri 400KW Major Overhaul
K.Dhiffushi 304kw Overhaul
Adh.Mandhoo 150kw Overhaul
V.Thinadhoo 176kw overhaul
AA.Thoddoo 320kw Emergency overhaul
V.Felidhoo 304 kw Major overhaul
Adh.Hangnaameedhoo 124kw Overhaul
K.Kaashidhoo 200kw Major overhaul

AA.Mathiveri 400kw Major overhaul
K.Gaafaru 300kw Major overhaul
K.Dhiffushi 176kw Major overhaul
AA.Rasdhoo 440kw Major overhaul
Villingili 1000kw Major overhaul
K.Thilafushi 400kw Major overhaul
Adh.Kumburudhoo 72.6kw Major Overhaul
Adh.Kumburudhoo 176kw Major Overhaul
K.Maafushi 1MW Major Overhaul
K.Thulusdhoo 400kw Major overhaul
AA.Thoddoo 400kw Top Overhaul
Adh.Hangnaameedhoo 176 KW Major overhaul
Male' 2250 KW Engine Major Overhaul
Male' 2250 KW Engine Major Overhaul
Male' 9000 KW Engine Major Overhaul

Capacity Growth

Atoll	2019	2020	2021
Kaafu Atoll	20421 kW	23605 kW	25681 kW
Alif Dhaalu Atoll	6906.6 kW	7818 kW	8270.6 kW
Alif Alif Atoll	6292 kW	6654 kW	7945 kW
Vaavu Atoll	2785.6 kW	2785.6kW	3730.2 kW



Transmission and Distribution

Transmission and Distribution is the fundamental function of our service, where the generated electricity is delivered to our consumers. Regular maintenance of the distribution network as well as the hard work and swift responsiveness of our transmission and distribution team is crucial in keeping the consumers fulfillment at high standards.

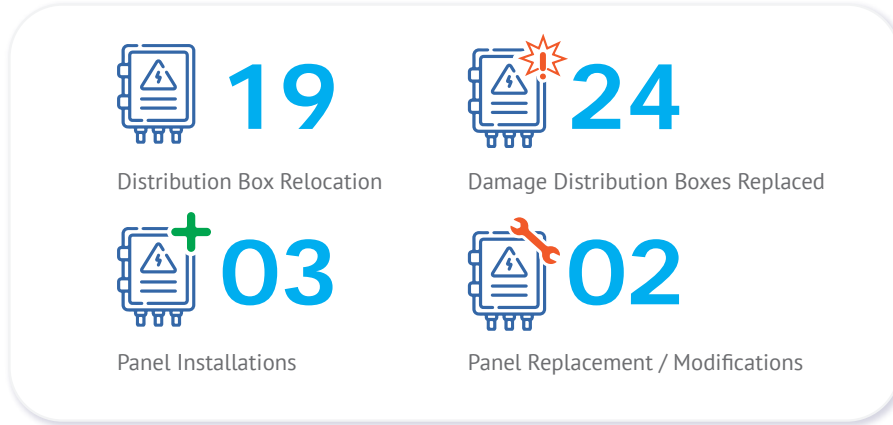
Upgrades in Transmission and Distribution Network

With 3 transmission and over 221 distribution substations in operation during 2021, it is vital to ensure smooth functioning of electrical infrastructure. Our regular inspection checks to identify abnormalities and continuous maintenance procedures rectifies these issues while also addressing key areas for upgrades.

2021 marks the year in which the first of its kind, a 132kV HV transmission network was established in Maldives. Interconnecting Male' and Hulhumale' electrical networks with full functioning of a greater Male' load dispatch center. This transmission network lifted huge burden from Male' powerhouse generators that were running continuously before interconnection, by transmitting an average of 28MW from Hulhumale' powerhouse to Male'.

Also notable upgrades were brought to distribution network including upgrading old oil switchgears to gas switchgears, 3 new 11kV outgoing feeders and 5 new transformers were introduced into the Greater Male' area to ensure more reliability in the distribution network. To mitigate the scarce substation land availability in Male', additional floors were constructed in existing substations to install new transformers in power dense consumer areas. Fiber cables were also laid throughout the year to upgrade substation CCTV coverage as well as to initiate distribution SCADA implementation.

Distribution Network



Solar Installation

We have a dedicated team for solar PV installation and are continuously working towards increasing our renewable capacity.

Month	Projects
Jan	Solar Work at Male' Bottling Plant
Feb	Solar Installation at Oceanfront Hulhumale' Solar Pod Installation at Adh.Kumburudhoo
Mar	Solar Installation work at Vaadhavehi Male'
Apr	Solar Panel Installation at Gaakoshi Male'
May	
Jun	Solar Installation at Male' Powerhouse
Jul	Solar Installation at Male' Powerhouse
Aug	Installation of Solar PV system in AA.Thoddoo Repair work of Solar Pods in Adh.Kumburudhoo
Sep	Solar Installation at Hulhumale' Store Rooftop
Oct	Solar Installation at Hulhumale' Store Rooftop JICA Solar Inspection
Nov	Solar work at V.Thinadhoo Powerhouse
Dec	Solar Greenlife Projects in AA.Thoddoo and K.Villigili Solar Installation at Gaakoshi Rooftop Male'

Cable work

At the core of our distribution work lies cables on which our network of electricity supply is built. Throughout the year of 2021 a total of 23,204 meters of cable have been laid on our operational locations.

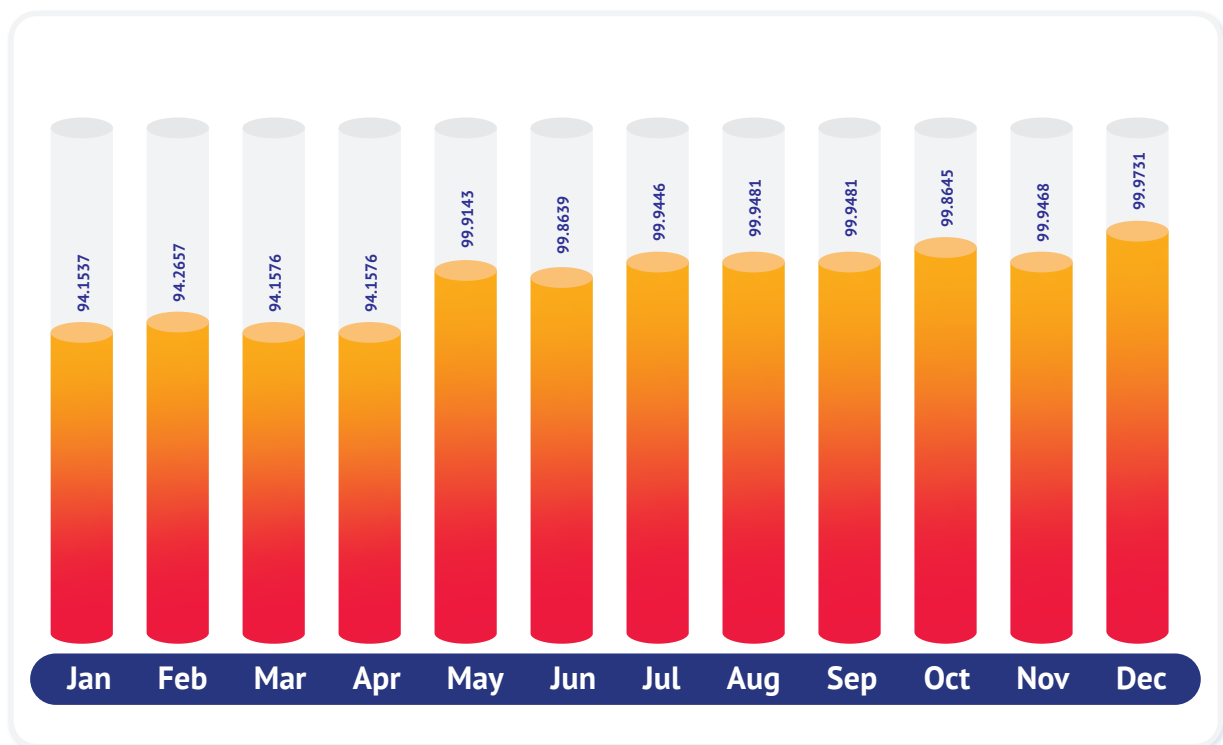
Additionally, we have upgraded main upstream MV cables of Male' and Hulhumale' network to allow increase amount of power flow to certain areas. Cables in Island powerhouses have also been upgraded to cater growing load demands and maintain voltage drop below 5%.

Cable Laid

Island	Cable Size	T. Requirement (M)	Status
AA. Bodufolhadhoo	120mm ² LV	243	Completed
	95mm ² LV	757	Ongoing
AA. Mathiveri	120mm ² LV	1104	Completed
	95mm ² LV	627	Ongoing
AA. Rasdhoo	70mm ² LV	248	Completed
AA. Thoddoo	120mm ² LV	1191	Completed
AA. Ukulhas	240mm ² LV	546	Completed
ADh. Omadhoo	150mm ² LV	152	Ongoing
K. Male'	16mm ² LV	883.5	Completed
	25mm ² LV	23	Completed
	35mm ² LV	370	Completed
	50mm ² LV	93.5	Completed
	70mm ² LV	669	Completed
	95mm ² LV	1439	Completed
	120mm ² LV	1949	Completed
	150mm ² LV	555	Completed
	185mm ² LV	1935	Completed
	240mm ² LV	182	Completed
	4mm ² LV	346	Completed
	16mm ² Earth	38	Completed
	50mm ² Earth	0	Completed
	70mm ² Earth	84	Completed
	120mm ² Earth	104	Completed
	300mm ² LV	3636	Completed
	70mm ² MV	7	Completed
185mm ² MV	89	Completed	
300mm ² MV	7469	Completed	

Average System Availability Index (ASAI)

In order to measure the reliability of the service we provide to our customers, we use the average service availability index, defining the total number of customer hours that service was available during a given time period, for the total customer hours demanded.

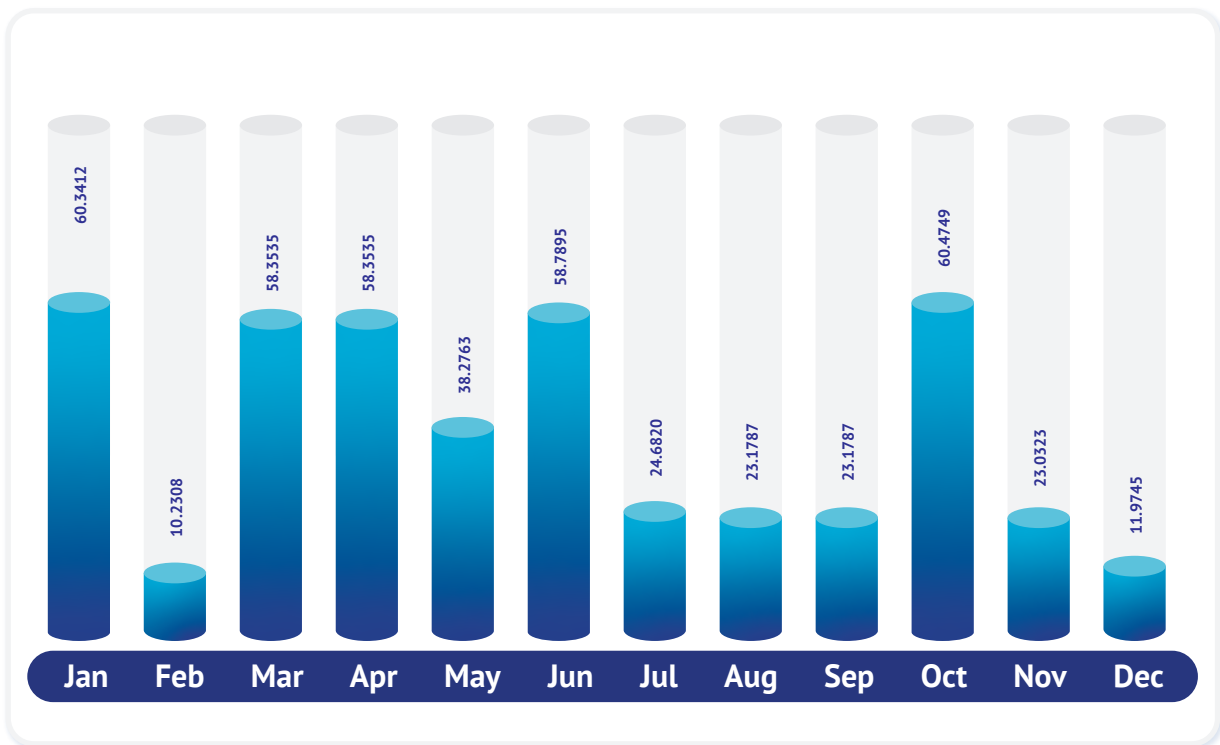


Total ASAI

98.0115

System Average Interruption Duration Index (SAIDI)

The average duration of interruptions per consumers during the year helps us to measure the power interruption periods in minutes per customer.

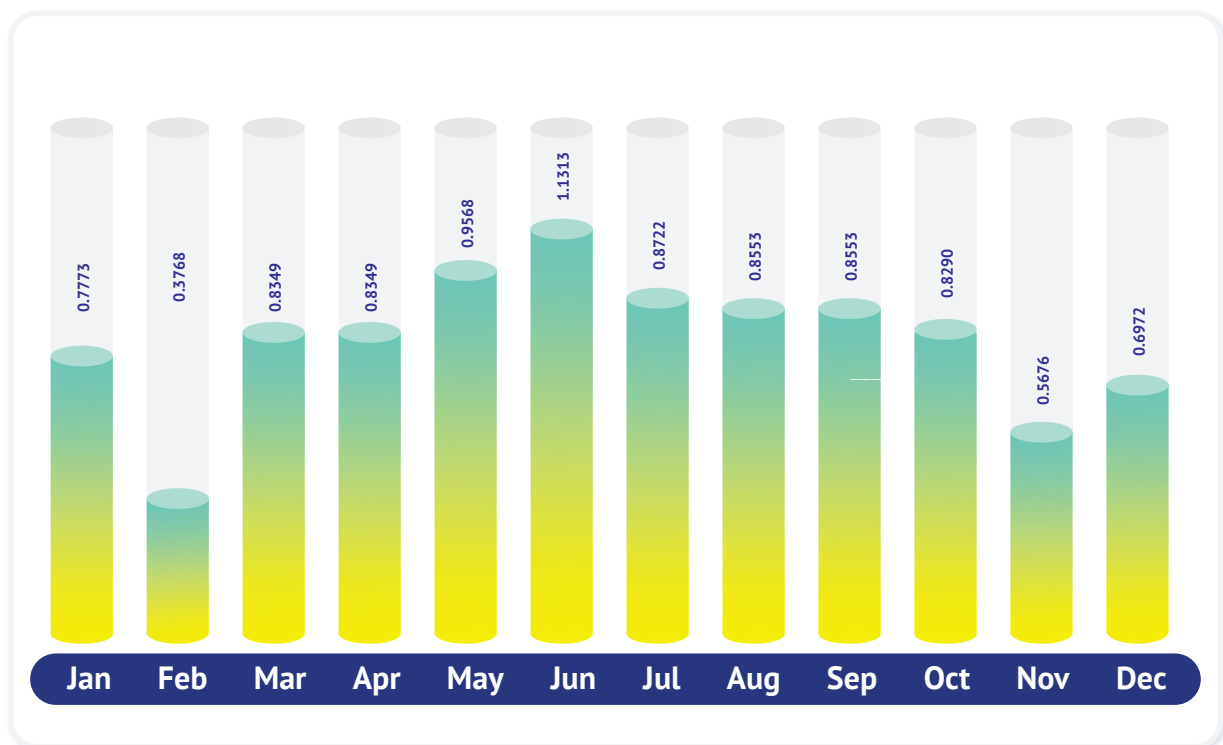


Total Annual Average

37.5722

System Average Interruption Frequency Index (SAIFI)

The frequency of our service interruptions shows an average of the number of interruptions that a customer might experience.



Total Annual SAIFI

0.7990

Transformer loads

Monthly substation inspection checks such as transformer temperature, load of transformers, oil level & color of transformers are being checked. If any maintenance is required, its scheduled and carried out as soon as possible.

Faults Reported



Planned Transmission and Distribution Upgrades

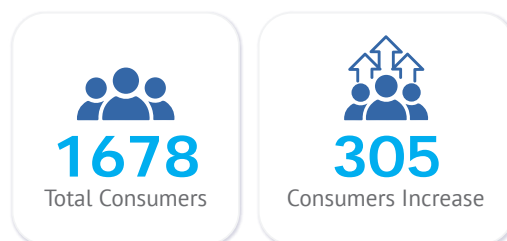
Implementing smart metering is one of our planned upgrades including automation of distribution network infrastructure for faster network restoration as well. In addition, our short-term goal includes implementation of an energy management system to govern the interconnected grid system from the top level while our long term future upgrade plan include expanding transmission grid into Hulhumale' Phase2, Villingili, Gulhifalhu and Thilafushi.

In K.Dhifushi, K.Himmafushi, Adh.Mahibadhoo, Aa.Thoddo to cater for growing demand of electricity new MV networks are planned to be established in 2022.

Water and Sewerage

STELCO water and sewerage facilities have been operation in 7 islands during the year 2021. In providing our services we aim to operate and maintain our systems in the most efficient and reliable manner. Our constant goal is to work towards betterment in providing the best quality water and sewerage services to the operating locations.

STELCO has maintained 100% availability in 4 islands, as well as starting services in one more island towards the end of the year. Our emergency water supply facility in K.Gaafaru is in addition to the aforementioned facilities and is operated to alleviate the water shortage problems during drier months of the year. In efforts to support eco-friendly initiatives and discontinuing single-use plastic packaging, the Male' bottling plant was shut down near the end of August 2021.



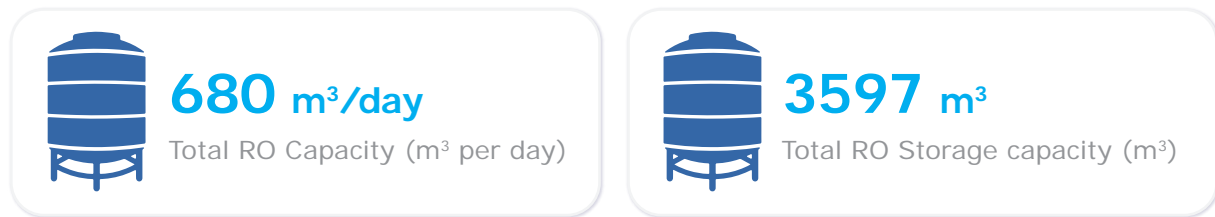
Water Desalination Network

Our water desalination network now operates in 5 islands across the atolls of Kaafu, Alif Alif and Alif Dhaalu. Our first water desalination plant was established in 2014 and now we have 5 plants with a total product water capacity in excess of 3000 cubic meters on these islands.

Rain Water purification, in addition to RO Facilities, is a part of the water-making process, and STELCO includes treated rain water in most of our networks. In 2021, we have installed a new 120 Ton RO plant in ADH. Mahibadhoo as part of our commitment to providing a reliable service.



*R/O Plant Locations



Sewerage Systems

STELCO ensures that the sewerage system is able to perform its necessary tasks in the most efficient and effective manner. STELCO also ensures that it is well maintained to prevent any future issues.



*Sewerage System Location

Water and Sewerage Expansions

Several major upgrades were brought to make our facilities more efficient, including new house connections, repairment of RO Plants, borehole and handover of repair projects of islands.

Island	Description
AA. Thoddoo	<ul style="list-style-type: none"> • Network expansion and new customer connections
ADh. Mahibadhoo	<ul style="list-style-type: none"> • New 120ton RO plant implementation • Rainwater plant re-assembly • Network expansion and new customer connections • Rainwater plant
K. Guraidhoo	<ul style="list-style-type: none"> • New Borehole Installed • Capacity expansion
K. Gaafaru	<ul style="list-style-type: none"> • Start operation of emergency water supply to alleviate water shortage during drier months of year
K. Thulusdhoo	<ul style="list-style-type: none"> • Agreement signed with Ministry of National planning, housing & Infrastructure to design & build Water facility in K.Thulusdhoo Island • Sewerage Network extension
V. Felidhoo	<ul style="list-style-type: none"> • Agreement signed with Ministry of Environment, Climate change and technology for sewerage system repair works
AA. Rasdhoo	<ul style="list-style-type: none"> • Started operation of water and sewerage facility
ADh. Hangnameedhoo	<ul style="list-style-type: none"> • Agreement signed with Ministry of National planning, housing and infrastructure for sewerage system repair works
ADh. Omadhoo	<ul style="list-style-type: none"> • Agreement signed with Ministry of National planning, housing and infrastructure for sewerage system repair works
K. Gulhi	<ul style="list-style-type: none"> • To start operations in January 2022

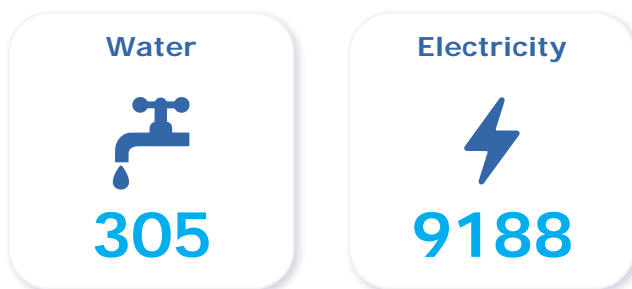
Customer Service

One of our core values is to be customer centric. Value and performance need to be maximized while providing care for the customer though there are hurdles. We need to continually focus on the needs of consumers and superior customer service delivery to earn the benefits of increasing energy consumption and economic growth. Developments in technology have paved new avenues to handle customer needs.

We focus on providing clear and precise bills to our customers, with convenient modes of payment, access to usage history and provide guidance to efficiently manage usage. As the COVID-19 global pandemic stretched through 2021, we provided online solutions for billing, communication and customer awareness. Our team, while given the flexibility of working from home, continued to provide our consumers with utmost professionalism in handling complaints and providing other services. During this crucial time the hard work of our staff ensure our service quality remained uninterrupted.

Customer Service Stats

Total New Consumers



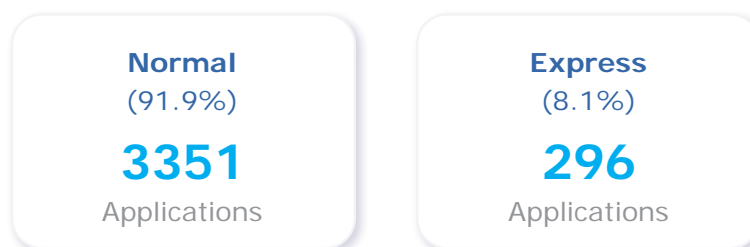
Application processing duration



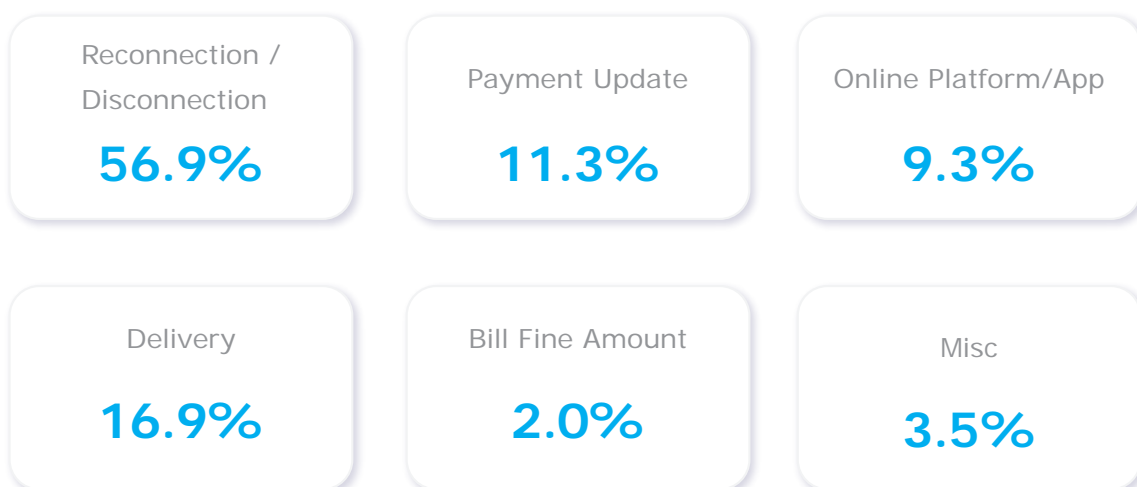
Customer Feedback



Application Priority



Customer Grievances



Service Enhancement

Customer Relationship Management

Following the successful creation and implementation of Customer Relationship Management (CRM) in the year 2020 which systemized the customer services process, CRM was similarly implemented at K.Hulhumale', K.Villimale', K.Maafushi and AA.Thoddoo powerhouses. This was accomplished after conducting numerous training programs at these island powerhouses in order to familiarize the staff with the new system.

CRM allows for the integration of work done by Customer Services & Billing Department, Transmission & Distribution Department and Business development department while also decreasing the manual work of Customer Services unit by 90%. This aided the unit in becoming paperless up to 70% and aiming towards a more eco-friendly future. CRM has allowed a more fast and efficient service to be provided to the customers.

Equal Payment Plan

EPP service calculates an average from the customers' electricity bills of 12 months and creates a fixed bill for every month, so that there will not be any variations in the bill regardless of the usage. A key benefit of this service is providing our customers with a convenient solution towards seasonal bill fluctuations. EPP also allows our customers to create a budgeting plan for their electricity bills.

Hiya Project

Together with the Transmission and Distribution department, our unit successfully completed the wire testing for 7000 flats within 5 months. Afterwards, our team conducted the application registration of the Hiya flat residents and effectively finished the project by the end of the year, having registered a total 7000 customers.

Hulhumale' – Male Customer Care Integration

In Mid-June 2021 our customer service unit of Hulhumale' was brought under the customer service department as a separate unit. This has allowed for a more streamlined customer care service between both islands.

E-Ticketing System

E-ticketing system is mainly used to log all the queries with the customer in regard to the services provided by us. This system ensures that the issue raised by the respective customer is resolved.

Calls are logged with all the details provided by the customer, it results in great convenience to the employee to deal with the customers since, the history of the customer calls are logged. Any employee can easily answer the customer without spending much time on enquiring about the customer history.

Ongoing projects

STELCO Contact Center

The ongoing project of the STELCO Contact Centre will be a centralized, specialized facility that will handle all customer calls. This will ensure more streamlined staff trainings, call attending and information management and in turn provide the customers with a better and faster service. To better serve customers, a Customer Complaint Management system will also be implemented. This Contact Centre will be utilized on a need based for surveying, in order to increase customer satisfaction and developing brand loyalty.

Smart Metering

The STELCO smart metering initiative aims to give clients with advance capabilities such as sharing real-time usage statistics and alerting them when their usage exceeds the typical average. This will benefit greater energy efficiency, meter fault detection, precise meter reading and automation. This will also enable prepared metering for customers who require such service.

Electricity Service Ownership/Responsibility Change

This will allow the actual beneficiary of the service to be the end user if the service is requested with the initial customer agreeing to keep a deposit to ensure any outstanding settlement. The process is set to be introduced with an easy refund process and IT based solutions to ensure a smooth user experience during the process.

Introducing STELCO Bill to all Powerhouses

To reduce the lead time during bill preparation as well as to provide a faster service, we are currently working on introducing our STELCO bill software to all our powerhouses in the 35 different locations we operate in. This is set to harmonize all our services at different locations.

Enhancements

We have achieved our goal of going paperless through use of online bill and notice delivery to customers at all 35 powerhouses, while ensuring our customer service unit uses Customer Relationship Management, which cuts away the need for paper.

We have brought multiple advancements in disconnection and reconnection to our customers. and call logs handling has also been improved. For payment processing systems, we are aligning to upgrade it to make it an ease to customers.

Awareness Programs

Despite fighting with the stretched COVID-19 global pandemic situation we managed to successfully complete various awareness programs calendared in the year 2021.

Technological Advancements

Service Enhancement

- Smart metering was implemented at Hiyaa flats
- The amount of meter reading devices were increased to cater to the increase in consumers

Easing Internal Operations

- IT Helpdesk was introduced to all STELCO employees
- OTM was implemented at all STELCO powerhouses
- Emnet was introduced to manage entries and send memos internally
- Substation CCTV network was migrated to STELCO GPON
- K. Villingili file server was setup and configured to improve services
- Archive storage was setup for Corporate and BD use
- Video conferencing devices were setup at Head office and all STELCO powerhouses
- Network was established at V.Thinadhoo new powerhouse and Dhangethi new powerhouse
- Meter reading submission function was integrated into STELCO app for staff
- IT Network Infrastructure Upgrades
- CS ticket management system was established
- Management information system (MIS) was implemented
- Remote connectivity was established in order to work from home (accessibility)

Security Upgrades

- Security measures were increased at Hulhumale' and Villingili Powerhouse
- Radio communication systems were established at Hulhumale'

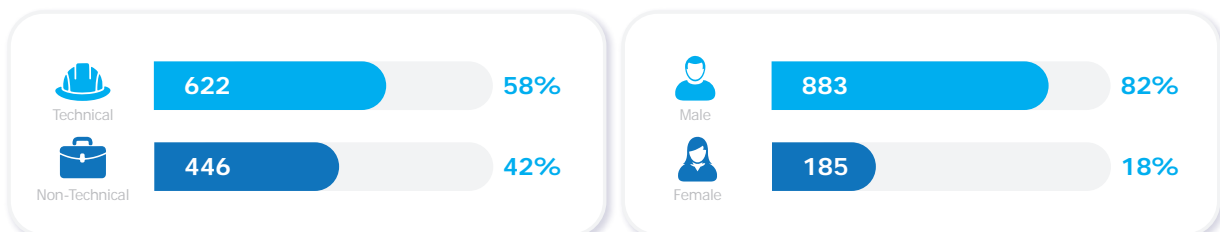
Staff Wellbeing

At STELCO we believe that the wellbeing of our employees is the key to the success of our company. It is important to provide our staff with recognition, opportunities and motivation. We encourage our staff to explore and show their skills and allow pathways for personal growth.

Staff Increase

Year	Staff	Contract	Total	Intern
2019	991	31	1022	7
2020	1004	27	1031	9
2021	1036	32	1068	25

Gender and Field Statistics



Recruitment

Type	Count
Staff	72
Contract (Support Staff and Consultants)	19
Interns	47

In addition to the aforementioned staff, to open up the Job Market to Maldivians who are in need of jobs, STELCO opened for applications to apply for Contract Workers, 'Minivan Masaikaitherin' and 41 Maldivians were recruited as Contract workers.

Furthermore, under the MOU signed between Maldives Correctional Service and Ministry of Home Affairs and STELCO, 18 parolees were given chance to work in STELCO and gain experience of work environment.

Employee Turnover

Year	Staff count	Average	Termination	Turnover
2019	991	946	31	3.28%
2020	1004	998	22	2.21%
2021	1036	1020	40	3.92%

In 2021 a total of 9 staff retired out of the 40 employees that have discontinued their service with us.

Summary of Training Programs

Type of Training	Sum of No. of Staff	Sum of Cost
Local	826	491,795.60
Online	453	333,372.78
Overseas	49	1,563,282.26
Grand Total	1328	2,388,450.64

Managerial Development Trainings (Highlight)

Managerial Development Trainings were held to all Unit Heads of Departments in the year 2021 to develop future leaders and ensure that effective communication style is demonstrated, and strategic goals are aligned with the effective performance management.

Summary of our In-House Health Benefit Scheme.

In 2021, Staffs were provided in-house benefit scheme. A total of 773 claims were approved and given to staff.

	18 June 2020 to 19 Jun 2021 Cycle 3	18 June 2021 to 06 Jan 2022 Cycle 4
No. of Employees	1058	1037
No. of Dependents	110	0
Total no. of Claims	591	182

Summary of Internal Awards

Awards Given	Count
Best Staff	56
Long Service (20 years)	45
Long Service (30 years)	17
Long Service (40 years)	3
Best Unit Head and Station Manager	5

Corporate Social Responsibility

STELCO understands the importance of contributing to the activities and events that promote and uphold the social and economical development of the society. We have continued to uphold our Corporate Social Responsibility (CSR) values. Our helping hand has reached out to various areas of our nation, including renewable energy sources for a more sustainable future, religion, environment and raising social awareness amongst other areas.

Religion, Heritage & Culture.

Understanding the importance of our heritage, the role it plays in shaping our culture and the role of religion in our society, STELCO aims to find ways to help maintain and develop the knowledge of these integral pieces of our society. During the year 2021 STELCO has helped in the development of mosques, by providing materials and assistance needed for the maintenance and renovation, as well as fulfilling the different needs during the Eid prayers.

Sponsorship & Social Contribution

Sponsorship plays a huge role in protecting the joy of our community and aiding different groups in attaining hopeful goals. STELCO welcomes these opportunities not only as a social responsibility, but as a way to make an impact in our community.

We have provided CSR support to sports clubs and local councils.

STELCO continued the sponsorship of a care development teacher for care society as previously done during 2019 and 2020 as well.

- Tiny Hearts – Staff Salary
- Dharavandhoo Youth Center billiard board
- Children of Maldives, Foiy Gaadiyaa
- Renovation work of ward number 5 in K.Guraidhoo Home for Special Need people

Promoting Social Awareness

Creating awareness about an issue is the first step in healing an issue in our community. With the use of the MaaTV, STELCO continues to work with different institutions to bring awareness to crucial problems. The MaaTV is placed in a prime location and the display of these awareness videos will contribute to a large reach within the community and give way for the society to develop.

Educating Future Generations

STELCO has provided financial aid to different schools and institutions. The proper functioning of educational institutions will allow our future generations to have easier access to knowledge. The future lies within education, and within our values, STELCO believes that the aid towards education is a responsibility that is important for us to play a part in.

Assistance in COVID-19

The Covid-19 pandemic was still causing issues during the year of 2021. With many people facing different issues in their day-to-day life, it was important to provide CSR aid to ensure our communities health. During the Covid-19 assistance we have worked with the Ministry of Health to provide items needed for their functions while also providing assistance to local councils.

Business Development

The Business Development department was established to expand into new business ventures and diversify the company's revenue generation sources. The department's main strategic objectives include researching, identifying, and proposing new markets and product strategies, therefore reducing the company's historical reliance on utility services as the primary source of revenue of the company. At present, the main work of the Business Development department include planning, initiating and implementing the service projects of the company (such as supply and installation of transformers, panel boards, generators and other electrical equipment) as per client needs; business research; and organising, leading and carrying out marketing activities assigned to the department.

AVIKATHA Roof Rental for Solar Installation

Vice President Faisal Naseem formally initiated and launched the "Avikatha" roof rental scheme for solar installation during the company's 25th Anniversary celebration. Under the "Avikatha" roof rental scheme, customers could rent their rooftops to STELCO for a fixed rate per month, based on the number of solar panels installed in the space rented out to STELCO. After installation, the power generated from solar panels would then be fed directly to STELCO's electrical grid, thereby increasing the company's total renewable energy generation capacity and lowering carbon emissions.

While the company had previously launched an alternative solar installation scheme for residential customers named "Greenlife Solar" back in 2020, "Avikatha" is found to overcome the operational execution limitations of the previous venture (such as high perceived setup costs hindering customer demand). With Avikatha, it is planned to target business and government customers in addition to residential customers so that those customers can use unutilized rooftop space to earn a guaranteed source of income every month from STELCO.

Currently, marketing events have been carried out in two regional islands promoting the Avikatha scheme with considerable success. In 2023, we plan to expand Avikatha's marketing activities to all the regional islands to which STELCO provides service, to promote roof rental service to new potential customers and persuade them to rent rooftops to STELCO for Solar installation.

MaaTV Expansion Project

STELCO MaaTV was launched in 2014 to utilise LED screens for digital advertising and earn revenue for the company. At the time of launch, STELCO MaaTV was one of the largest LED Screen in the Maldives.

In 2020, STELCO commenced research into expanding the MaaTV network by installing 12 additional outdoor LED Screens in high visibility substation locations in Male city and 1 LED screen for Indoor advertising purposes. Once operational, MaaTV expansion project would enable clients to rent LED screens from STELCO for digital advertising purposes. Currently, work is ongoing to construct the necessary LED structures and infrastructure to set up the 12 outdoor LED screens. The project is expected to be fully operational in the first quarter of 2023.

MaaTV expansion project is forecasted to significantly increase the company's advertising income due to the quality and size of the LED screens and the attractive positioning of the LED screens in high visibility substation locations that offer great exposure and cost-effectiveness as an advertising medium.

Major Projects

Due to the COVID-19 pandemic, which had a huge impact on STELCO operations, countries went into lockdown in 2021, and the global economy suffered considerable losses. Despite the presence of the epidemic, 2021 was a rare opportunity to perform and acquire valuable experience.

Furthermore, STELCO has strengthened its efforts to realize the government's strategic objectives, which include the installation of renewable energy systems with affordable financing alternatives for clients. The completion of Greater Male' Grid Connection Phase I in 2021 made it a remarkable year for STELCO. Consequently, four major projects were also commissioned successfully.

Major Projects Completed in 2021

- Greater Male' Grid Connection Project Phase 1
- 11kV Temporary Interconnection between Hulhumale' Phase 1 and Phase 2
- V.Thinadhoo New Powerhouse Project
- Adh. Omadhoo Fuel Storage Tank Installation

Greater Male' Grid Connection Phase 1

The Greater Male' Grid Connection Phase 1 project was a major initiative that substantially enhanced the electricity transmission infrastructure of the Greater Male' region. This project introduced the first 132kV system to the Maldives.

This project kicked off on 22 October 2018 and concluded on 24 July 2021. The major purpose of this project was to improve the electricity system in the Greater Male' region and increase its capacity in preparation for future expansions. This project includes the interconnection of the Hulhumale', Hulhule', and Male's electricity networks. Hulhule' was fully integrated into the interconnection grid on 22 January 2022. By doing so, STELCO now provides electricity service to the main international airport, which is also a significant accomplishment for the company.

Additionally, the interconnection project allowed for the decommissioning of a few gensets from Male' powerhouse, which decreased the amount of noise pollution in the area.

As a company that aims for excellence, STELCO has attained milestones in which this project has played an important role in the power-generation sector by offering prospects for future expansions via the eventual integration of the Thila-Male' interconnection into the Greater Male' 132kV grid.

11kV Temporary Interconnection between Hulhumale' Phase 1 and Phase 2

On 19 January 2020, work commenced on the 11kV Temporary Interconnection project between Hulhumale' Phase 1 and Phase 2, which was designed to supply electrical power to the newly-settled residents of Hulhumale' Phase 2.

The greatest challenge faced throughout the life of the project was the lack of man power to assist with civil works and delays in communication between external parties. Despite these hurdles, the project was successfully completed on 24 June 2021.

V. Thinadhoo New Powerhouse Project

The V. Thinadhoo powerhouse, which was commissioned on 15 August 2021, was constructed with more advanced technology than previous powerhouses. The powerplant is eco-friendly and has solar panels with a capacity of 29.92 kWp installed on its rooftop. The old powerhouse was located in the middle of the island, posing a challenge for people who lived nearby due to the loud, disruptive noise the engines emitted. This had a negative impact on the local economy which was becoming more reliant on tourism. Because of this, the new powerhouse was constructed with noise control features and sound attenuators to offer the locals a tranquil atmosphere and promote the island's economic development.

The new powerhouse that STELCO had constructed features several noise control systems as well as other technical advancements and has been successfully operational since 15 August 2021.

Fuel Storage Tank Installation

The primary purpose of this project was to expand the capacity of the fuel storage tank to facilitate future service expansion. The expansion of fuel storage capacity will ensure the uninterrupted delivery of power services and create opportunities for the growth of local businesses.

Island Powerhouse	Start Date	End Date
ADh. Omadhoo	13-01-2021	11-08-2021
ADh. Dhangethi	30-01-2021	10-07-2021
AA. Rasdhoo	07-03-2021	22-12-2021
V. Thinadhoo	06-06-2021	05-10-2021

Major Initiated and Ongoing Projects in 2021

6 Island New Powerhouse Construction Projects

The existing powerhouses were mostly located in the center of the islands, where the noise from the engines made it difficult for nearby residents to live. Therefore STELCO launched the project to relocate the powerhouses away from residential areas to improve quality of life of local residents. In addition, this is in accordance with article 8 of the rule controlling the distribution of electricity to Male' and the islands which mandates that power plants must be placed 200 feet away from residential areas to prevent noise and pollution disruptions.

Currently, STELCO is developing new powerhouses on the islands of AA. Thoddoo, , AA. Ukulhas, AA. Himandhoo, ADh. Mahibadhoo, and V. Felidhoo.

These projects are currently behind schedule due to obstacles encountered during construction. Due to a lack of construction materials, the work was therefore delayed. Furthermore, the global pandemic led to the postponement of projects by forcing the closure of specific building sites due to infected workers. Moreover, Transportation was also made difficult by this scenario. Nonetheless, these new powerhouses will be established successfully during the fourth quarter of 2022.

Island Powerhouse	Start Date	Expected End Date
AA. Thoddoo	07-06-2021	4th Quarter of 2022
AA. Ukulhas	01-07-2021	4th Quarter of 2022
AA. Himadhoo	29-06-2021	4th Quarter of 2022
Adh. Mahibadhoo	14-07-2021	4th Quarter of 2022
V. Felidhoo	07-03-2021	4th Quarter of 2022

Island Fuel Tank Project

On 24 September 2020, Island fuel tank project was initiated on AA. Ukulhas, AA. Mathiveri, AA. Thoddoo, V. Felidhoo, ADh. Mandhoo, and ADh. Hangnaameedhoo. All the fuel tanks are estimated to be completed in the first quarter of the year 2022.

Technical Assistance for HDC's Hulhumale' Phase II Electricity System and Open Access Network Project

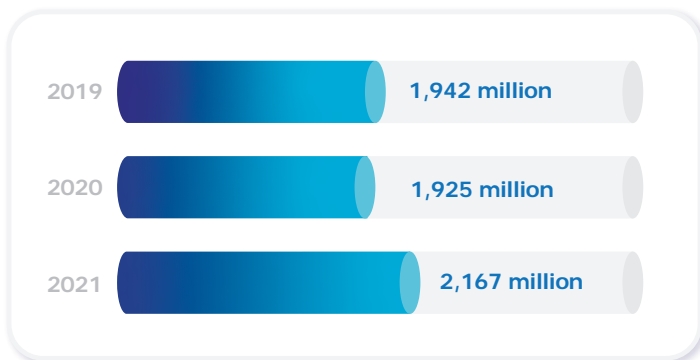
This project was initiated in 2020 to provide technical assistance to the Housing Development Corporation (HDC) for the design and construction of electricity system and open access network of Hulhumale' Phase 2. However, the project has been delayed due to various reasons and covid-19 was among the primary causes of the delay. Due to this, the document reviewing process slowed during the pandemic.

Moreover, this project is expected to be completed by the second quarter of 2023.

Financial Review 2021

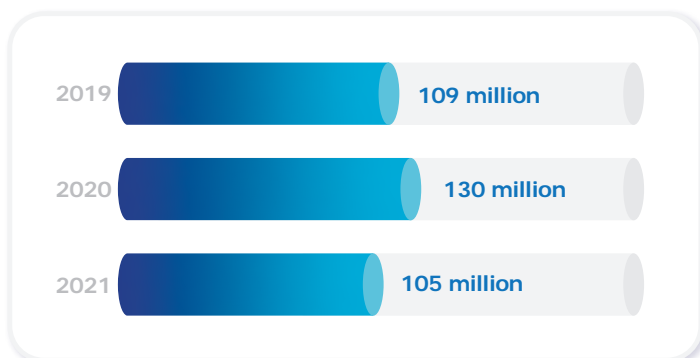
Post covid-19 pandemic, the company was able to sustain revenue growth to cover the increased operational expenses resulting in reduction in profit after tax. Total Asset base of the company improved while repaying the 5th power and grid connection loans leading to a favorable gearing. Despite the challenges the company was able to maintain profitability above MVR 100 million.

Revenue



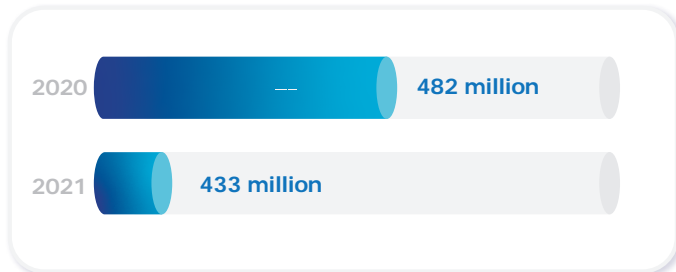
Revenue has increased by 12.6% compared to 2020 due to the continuous growth in domestic consumer demand.

Profit after Tax



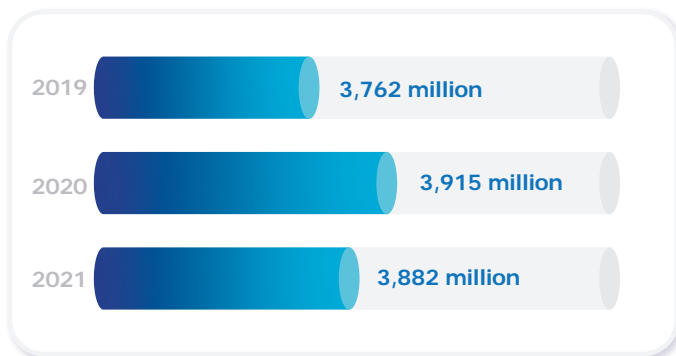
Profit after tax totaled to 104.8m, a decrease of 25m from prior year. Increase in expenditure of 15% was the main reason for the drop-in profit after tax.

EBITDA



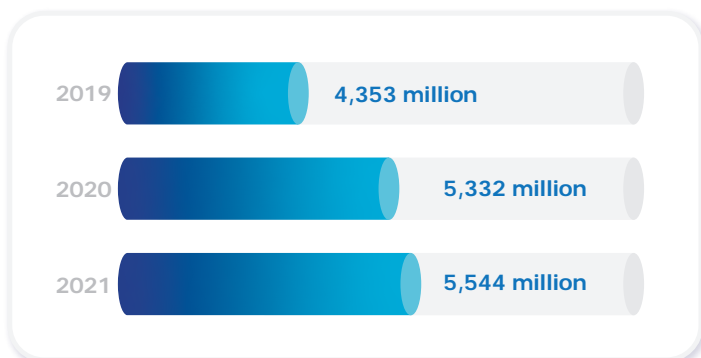
EBITDA has decreased by 10.1% compared to 2020 due to the increase in expenses.

Total Liabilities



Total Liabilities sums up to MVR 3.9bn in 2021, a decrease of 0.8% compared to 2020. Main reason of this decrease is due to the repayment of 5th power and grid connection loan.

Total Assets

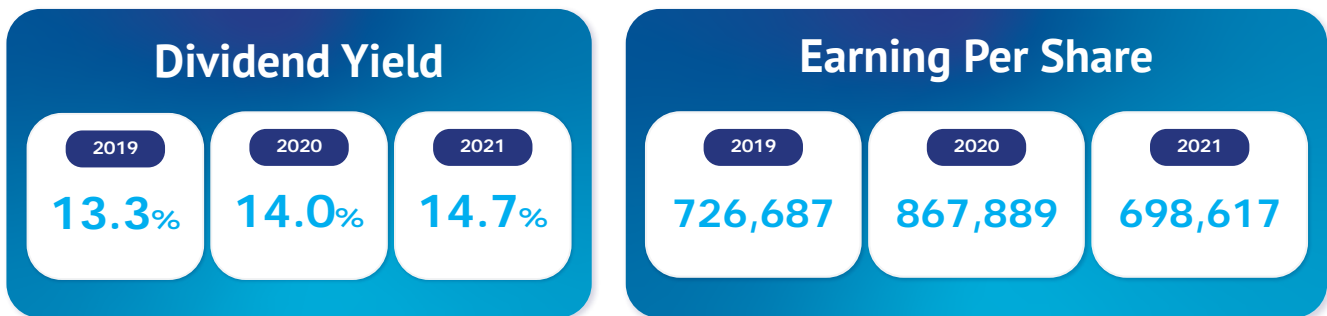


Total asset for the year was recorded at MVR 5.5billion, increased by 212m from 2020. Asset base increased mainly due to an increase in current assets of the company.

Dividends

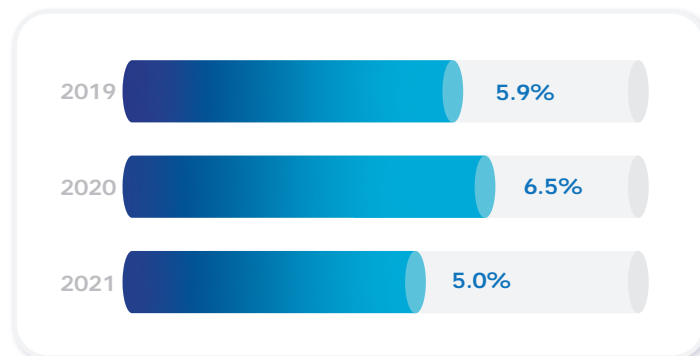
Dividend declared for the financial year 2021 is MVR 22 million.

The following other details of the Dividend Yield and Earnings per Share for the past two years:



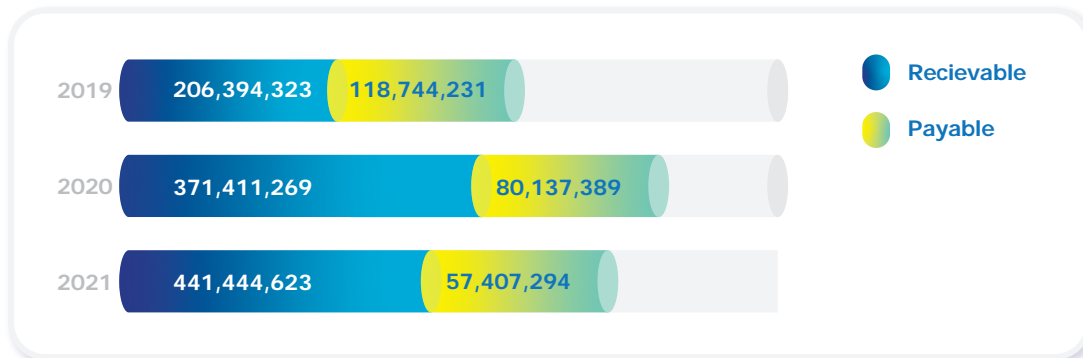
Return on Capital Employed (ROCE)

ROCE dropped to 5% as at 31st December 2021. This is a 1.5% decline compared to 2020 with ROCE at 6.5%.



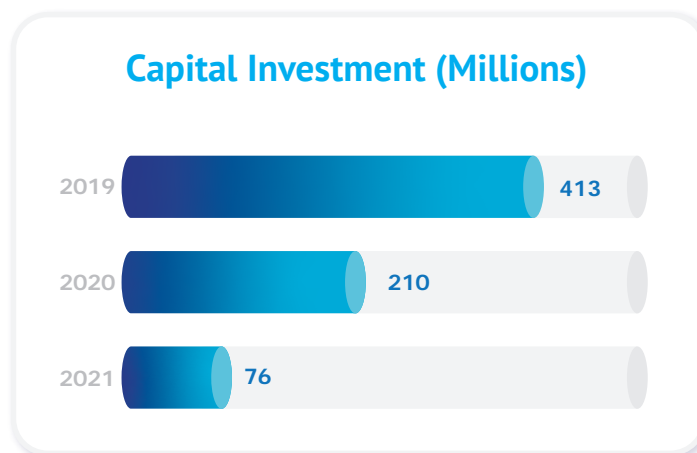
At 31 December 2020, total asset base stood at MVR 5.5bn and net assets were MVR 5.1bn which represents an increase of 3.9% and 5.4% respectively, mainly on due to the hike in capital contribution with the reversal of defined benefit obligation liability.

Related Party Transactions



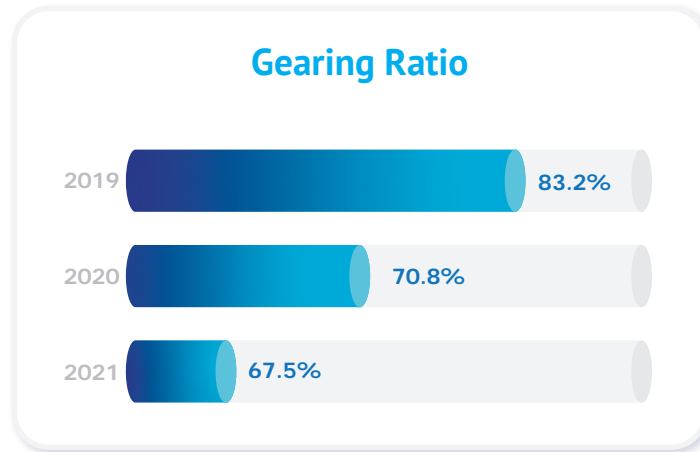
As at 31 December 2021 related party receivables were held at a constant level whilst related party tpayables decreased by 28% compared to 2020.

Capital Investment



Due to completion of GRID connection project (up to 90%) in 2020, there were decreased capital investment in 2021.

Gearing Level



Gearing has reduced to 68% (2021) from 71% compared to 2020. The gearing level of the company has been sinking for the past consecutive years as a result of no additional loan commitments and timely repayment of existing loans.

Our Future Vision

Water and Sewerage

- Our water and sewerage department has planned to begin the operation of K.Gulhi water & sewerage system in 2022. Additional plans include RO capacity increasing in K.Guraidhoo.
- We plan to increase customer connections and network expansions in AA.Thoddoo.
- Repair and rehabilitation of sewer systems will be carried out in 3 islands, Adh.Hangnaameedhoo, Adh.Omadhoo and V.Felidhoo.
- Rehabilitation of water system will be carried out in ADh.Dhangethi.
- To design and build water system in K.Thulusdhoo Island.
- Start operation of sewerage system at ADh. Hangnameedhoo, ADh.Omadhoo, K. Kaashidhoo, and V. Felidhoo.
- Start operation of water system at ADh. Hangnaameedhoo.

Technological Advancement

Our technology advancement department is working towards increasing the security of STELCO on all fronts; this includes establishing CCTV at all STELCO premises and further measures are being developed to increase our security to ensure that our services are consistent and uninterrupted.

Customer Service

E-Ticketing will be upgraded to a new more modernized version. Additionally, we are developing a portal to submit electricity applications online. We are inputting customer service and billing features in our Stelco app to allow additional services and smart meter integration. This project is currently in its developmental stages. We are also planning on providing SMS updates for customers for increased information and easier accessibility. The creation of FAQs and Staff manuals will allow more streamlined services to be provided. We are also working towards a better public relation outlook for walk-in customers so that they will have better guidance and an easier time in acquiring services.

Transmission and Distribution

Implementing Smart metering is one of our planned upgrades in our distribution network and we plan on reducing down time power interruptions as well. In addition to this we are working towards implementing an energy management system. Our biggest upgrade in distribution network for the future is expanding grid into Hulhumale' Phase2, Villigili, Thilafushi and Gulhifalhu.

Staff Development

We plan on restructuring our internal workforce distribution to ensure that all our departments are always equipped with the optimal amount of staff to carry out the required works most efficiently. In 2022, Our staff health insurance is also planned to be reviewed to be more inclusive and accessible to all staff. Additionally, we plan on introducing wellness programs to further increase the staff's wellbeing, and this will include medical checkups and mental counselling as staff that are in good health will increase productivity, build team work and better social networks. Our planned training programs for the future will increase managerial and leadership skills within the organization and help in succession planning. Another notable big plan is transforming our company to the learning culture. By helping staff to build their personal capacity through learning will help the company to build staff relationship, a shared vision, and collective staff commitment. We plan on redesigning our uniform to enhance brand and staff image and this will also be upgraded to a more quality and comfortable work attire. Our team is working further to identify gender related issues and how to address them so that we can achieve better gender equality within our company.

Future Projects

6th Power Development Project

With the increasing power demand, there is an urgent need to increase the power generation capacity of the Male'-Hulhumale' interconnected power system. Due to the expected delays in the development of a power plant in Thilafushi, and the delayed implementation of the previously planned 50 MW-6th Power Development Project (6PDP), the capacity of the 6th Power Development Project has been upgraded to 70/100MW of available capacity. This means that under this new 6th Power Development Project, 70MW of available capacity is planned to be installed initially, with provision for future addition of another 30 MW of available capacity.

6 Island New Powerhouse Constructions

Island powerhouses are required to be expanded with the rapid developments of the island. Our plan is to construct future proof powerhouses to avoid ad-hoc upgrades.

(K. Thulusdhoo, K. Kaashidhoo, K. Maafushi, K. Dhiffushi, V. Keyodhoo, ADh. Dhangethi,)

14 Island New Fuel Storage Tank Construction

New fuel storage tanks are to be constructed in 14 islands

(AA. Bodufulhadhoo, AA. Himandhoo, AA. Maalhos, Adh. Fenfushi, Adh. Kumburudhoo, Adh. Mahibadhoo, K. Dhiffushi, K. Gaafaru, K. Gulhi, K. Gulhifalhu, K. Maafushi, K. Thilafushi, V. Felidhoo, V. Keyodhoo)

ASPIRE Project Phase 2 (5MW)

ASPIRE program phase 2, is aimed to develop the capacity to generate 5.6 Megawatt of electricity by a Solar Photovoltaic System in the Greater Male' region. The project is managed by Ministry of Environment, Climate Change and Technology (MoECC&T) on behalf of the Government of Maldives. Additionally, the Project Management Unit of MoECC&T will be responsible for the day-to-day implementation of project.

Renewable Energy Strategic Action Plan

This plan outlines the strategies and actions required to achieve the renewable energy goals of the company. This plan analyses the current technologies that can be adopted and the challenges that are faced as well as the solutions to overcome them. Furthermore, an analysis of the current renewable energy capacities that can be installed without compromising reliability has been explored to set energy targets. Moreover, measures to bring investments with minimal impact on the company's financial health have also been addressed. Furthermore, the alignment of the plan with the country's Strategic Action Plan (SAP) 2019-2023 has been presented.

Seawater Intake Extension in Hulhumale' 50MW Power Plant

The existing seawater intake pipes are laid in the Hulhumale' harbor adjacent to the fish market area. This is the main pipeline used to draw in seawater which is pumped into the cooling system of higher-capacity engines and generators. Due to the close proximity of the seawater intake pipes to the shored vessels, debris and mud from the seabed are being sucked into the pipelines clogging them and requiring frequent maintenance and cleaning of strainers which increases downtime and hindering services. This would cause a major limitation when the plant is running at full capacity in the future, therefore the pipes need to be extended outwards to mitigate the mentioned problems.

Independent Auditor's Report

**STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC
OF MALDIVES)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2021**



**STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2021

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Independent Auditors' Report To the Shareholders of State Electric Company Limited

Qualified Opinion

We have audited the accompanying financial statements of State Electric Company Limited (the "Company"), which comprise the statement of financial position as at 31st December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information set out in pages 5 to 40.

In our opinion, except the possible effects of the matters described in the Basis of Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion

1. As per IAS 16, if an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs should be revalued. Further, revaluations should be kept sufficiently up to date so that the carrying amount in the general ledger does not differ materially from the fair value. Without considering the above applicable accounting guidance, a part of property, plant and equipment with a net book value of MVR 434,455,893/- has been revalued by an external valuer for MVR 847,932,997/- and a revaluation surplus of MVR 413,477,104/- has been recognized in the financial statements as at 31st December 2011. The revaluation has excluded assets carrying a net book value of MVR 26,661,392/- as at 31st December 2011 and the Company continued to account these assets at their respective netbook values based on historical costs. Further, a subsequent revaluation has not been performed since 2011. These accounting practices are not inline with IAS 16. Furthermore, we were unable to determine whether any adjustment might be required with respect of depreciation expense, property plant and equipment, revaluation reserve and retained earnings recognized in the financial statements as at and for the year ended 31st December 2021, and for the comparative year ended 31st December 2020.
2. As disclosed in Note 22.2 to the Financial Statements, the Company has recorded a loan taken by the Ministry of Finance of Maldives from Ministry of Foreign Affairs of Denmark ("DANIDA") on behalf of the Company with respect of 4th generation power project as loans and borrowings. The Company has recorded a total capital outstanding and interest payable balance of MVR 1,231,413,243/- as at 31st December 2021. An interest expense of MVR 56,411,645/- has been recognized for the year ended 31st December 2021 and an accumulated interest expense of MVR 492,852,209/- has been recorded from 15th January 2009 to 31st December 2021. However, due to lack of legal contract between the parties, we were unable to verify the completeness, existence and accuracy of loans and borrowings, retained earnings and interest expenses as at and for the year ended 31st December 2021, and for the comparative year ended 31st December 2020.



Basis for Qualified Opinion (Continued)

- 3. As disclosed in Note 8, 13 and 23 to the financial statements, the Company has recognized interest on leases, Lease liabilities and ROU assets as at and for the year ended 31st December 2021. However, the leasing arrangements with respect to “Male’ powerhouse” and “Villingili powerhouse” have not been considered for application of IFRS 16 due to the dispute in rent payable to the Government of Maldives. As a result, we were unable to determine any adjustments might be required with respect of finance cost, amortization of right of use asset, lease liability and retained earnings to the financial statements as at and for the year ended 31st December 2021, and for the comparative year ended 31st December 2020.

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants’ (including International Independence Standards) (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Maldives and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Ongoing Litigation against the Company

We draw our attention to Note 31 to the financial statements, which presents information regarding an ongoing litigation against the Company for the year ended 31st December 2021. Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s financial statements of the current period. These matters were addressed in the context of our audit of the Company’s financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition - Accuracy of revenue recorded

Refer Note 6 “Revenue” and significant accounting policies in Note 4.2 “Revenue” of the financial statements.

Risk Description	Our Response
<p>The Company has recorded a revenue of MVR 2,115,414,277/- for the year ended 31st December 2021.</p> <p>Revenue recognition is the key focus area in the audit since,</p> <ul style="list-style-type: none"> - Errors of revenue recognition can go undetected due to the volume. 	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> - Evaluating the appropriateness of selection and application of accounting treatments based on the requirements of IFRSs, our business understanding and industry practice. - Obtaining an understanding and assessing the design, implementation and operating effectiveness of management’s key internal controls over the billing system.



Key Audit Matters (Continued)

Revenue Recognition - Accuracy of revenue recorded (Continued)

Risk Description	Our Response
<ul style="list-style-type: none"> - An inappropriate amount is entered as inputs to measure the revenue. - An overstatement of revenues through premature revenue recognition or recording fictitious revenues through manual adjustments to meet the expectations of the management. 	<ul style="list-style-type: none"> - Assessing the appropriateness of the Company's accounting policies set out in note 4.2, and adequacy of the disclosures for compliance with the revenue recognition requirements of the International Financial Reporting Standards. - Use account Analysis to identify unexpected 'account pairings' for journal entries in the revenue account and inspect the underlying accounting records to evaluate the appropriateness of these journal entries. - Performing detailed analysis of revenue account through substantive audit procedures. These audit procedures were performed based on our industry knowledge which include, among others, testing on a sample basis of the; <ul style="list-style-type: none"> - Adjustments which are outside of the normal billing process, - Accrued revenue adjustments made as at the year end.

Other Information

The Board of Directors (the "Board") is responsible for the other information. The other information comprises the information included in the annual report but does not include financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors ("the Board") is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



*Independent Auditors' Report
To the Shareholders of State Electric Company Limited (Continued)*

Responsibilities of the Board of Directors for the Financial Statements (Continued)

In preparing the financial statements, the Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate to the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

R.W.M.O.W. Duminda B. Rathnadiwakara
For and on behalf of KPMG Maldives

23rd December 2022
Male'

**STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2021 MVR	2020 MVR
Revenue	6	2,115,414,277	1,909,620,830
Cost of Sales		<u>(1,619,668,747)</u>	<u>(1,353,963,125)</u>
Gross Profit		495,745,530	555,657,705
Other Income	7	51,688,890	15,267,738
Administrative Costs		(226,970,837)	(194,640,354)
Impairment Loss on Trade Receivables and Amounts due from Related Parties	16.1 & 17.1	(24,677,022)	(63,410,708)
Impairment Loss on Investment in Hiyaa Project	14.1	<u>(40,320,046)</u>	<u>-</u>
Results from Operations		255,466,515	312,874,381
Finance Income		1,549,059	589,468
Finance Costs		(131,082,160)	(142,405,634)
Net Finance Costs	8	<u>(129,533,101)</u>	<u>(141,816,166)</u>
Profit Before Tax	9	125,933,414	171,058,215
Tax Expenses	10	(21,140,842)	(40,874,899)
Profit After Tax		<u>104,792,572</u>	<u>130,183,316</u>
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
Remeasurement of Defined Benefit Liability	25	(291,976)	33,211,971
Recognition / (Reversal) of Related tax	10.4	43,796	(4,981,796)
Total Other Comprehensive Income, Net of Tax		<u>(248,180)</u>	<u>28,230,175</u>
Profit and Other Comprehensive Income for the Year		<u>104,544,392</u>	<u>158,413,491</u>
Basic and Diluted Earnings Per Share	11	698,617	867,889

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 9 to 40. The Report of the Independent Auditors is given in pages 1 and 4.



**STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF FINANCIAL POSITION**

AS AT	Note	31/12/2021 MVR	31/12/2020 MVR
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	12	3,727,522.970	3,740,936.763
Right of Use Asset	13	97,873.813	101,538.409
Investment in Hiya Project	14	564,650.308	551,519.443
Total Non-Current Assets		<u>4,390,047.091</u>	<u>4,393,994.615</u>
Current Assets			
Inventories	15	152,439.695	103,950.249
Trade and Other Receivables	16	396,256.050	325,668.652
Amounts due from Related Parties	17	300,648.149	245,964.053
Current Tax Receivable		3,804.285	3,804.285
Cash and Cash Equivalents	18	301,091,445	258,504,880
Total Current Assets		<u>1,154,239,624</u>	<u>937,892,119</u>
Total Assets		<u><u>5,544,286,715</u></u>	<u><u>5,331,886,734</u></u>
EQUITY AND LIABILITIES			
Equity			
Share Capital	19	150,000.000	150,000.000
Revaluation Reserve	20	172,851,343	187,144.612
Retained Earnings		597,810,609	497,450.607
Capital Contribution	21	741,345,767	582,414,534
Total Equity		<u>1,662,007,719</u>	<u>1,417,009,753</u>
Non-Current Liabilities			
Loans and Borrowings	22	2,913,307,845	2,865,471.612
Lease Liability	23	103,764,762	105,175,599
Differed Income	24	32,922,289	34,717,636
Net Deferred Tax Liabilities	10.3	105,997,996	87,423,291
Defined Benefit Obligation	25	-	39,535,454
Contractor Payable	26	292,416,086	297,424,914
Total Non-Current Liabilities		<u>3,448,408,978</u>	<u>3,429,748,506</u>
Current Liabilities			
Loans and Borrowings	22	103,542,825	104,693,637
Contractor Payable	26	73,184,004	89,422,620
Lease Liability	23	1,410,838	1,343,851
Trade and Other Payables	27	198,325,057	209,530,978
Amounts due to Related Parties	28	57,407,294	80,137,389
Total Current Liabilities		<u>433,870,018</u>	<u>485,128,475</u>
Total Liabilities		<u>3,882,278,996</u>	<u>3,914,876,981</u>
Total Equity and Liabilities		<u><u>5,544,286,715</u></u>	<u><u>5,331,886,734</u></u>

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 9 to 40. The Report of the Independent Auditors is given in pages 1 and 4.

These financial statements were approved by the Board of Directors and signed on its behalf by:

Name of the Director

Brigadier General (Rtd) Ibrahim Mohamed Didi (Chairman)

Ahmed Shareef (Managing Director)

Enas Ahmed (General Manager, Finance & Accounts)

23rd December 2022

Signature

(Handwritten signatures of Ibrahim Mohamed Didi, Ahmed Shareef, and Enas Ahmed)



STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER

	Share Capital MVR	Revaluation Reserve MVR	Capital Contribution MVR	Retained Earnings MVR	Total Equity MVR
As at 1 st January 2020	150,000,000	201,437,881	332,001,171	342,221,506	1,025,660,558
Total Comprehensive Income for the Year					
Profit for the Year	-	-	-	130,183,316	130,183,316
Other Comprehensive Income, net of tax	-	-	-	28,230,175	28,230,175
Total Comprehensive Income for the Year	-	-	-	158,413,491	158,413,491
Items Directly Recognized in Equity					
Revaluation Reserve Transferred to Retained Earnings (Note 20)	-	(16,815,610)	-	16,815,610	-
Deferred Tax Impact on Revaluation Reserve Transferred to Retained Earnings (Note 10.6)	-	2,522,341	-	-	2,522,341
Total Items Directly Recognized in Equity	-	(14,293,269)	-	16,815,610	2,522,341
Transaction with Owners of the Company					
Dividend Declared (Note 19.4)	-	-	-	(20,000,000)	(20,000,000)
Contribution Received during the Year (Note 21)	-	-	250,413,363	-	250,413,363
Total Transaction with Owners of the Company	-	-	250,413,363	(20,000,000)	230,413,363
As at 31 st December 2020	150,000,000	187,144,612	582,414,534	497,450,607	1,417,009,753
As at 1 st January 2021	150,000,000	187,144,612	582,414,534	497,450,607	1,417,009,753
Total Comprehensive Income for the Year					
Profit for the Year	-	-	-	104,792,572	104,792,572
Other Comprehensive Income, net of tax	-	-	-	(248,180)	(248,180)
Total Comprehensive Income for the Year	-	-	-	104,544,392	104,544,392
Items Directly Recognized in Equity					
Revaluation Reserve Transferred to Retained Earnings (Note 20)	-	(16,815,610)	-	16,815,610	-
Deferred Tax Impact on Revaluation Reserve Transferred to Retained Earnings (Note 10.6)	-	2,522,341	-	-	2,522,341
Total Items Directly Recognized in Equity	-	(14,293,269)	-	16,815,610	2,522,341
Transaction with Owners of the Company					
Dividend Declared (Note 19.4)	-	-	-	(21,000,000)	(21,000,000)
Contribution Received during the Year (Note 21)	-	-	158,931,233	-	158,931,233
Total Transaction with Owners of the Company	-	-	158,931,233	(21,000,000)	137,931,233
As at 31 st December 2021	150,000,000	172,851,343	741,345,767	597,810,609	1,662,007,719

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 9 to 40. The Report of the Independent Auditors is given in pages 1 and 4.



STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2021 MVR	2020 MVR
Cash Flows From Operating Activities			
Profit Before Tax		125,933,414	171,058,215
<i>Adjustments for:</i>			
Depreciation on Property, Plant and Equipment	12	174,709,861	165,476,135
Amortization of Right of Use Assets	13	3,664,596	3,753,384
Gain on disposal of Property, Plant and Equipment	7	(20,480)	(678,813)
Interest Income	8	(1,549,059)	(589,468)
Write-off of Property Plant and Equipment	12	-	19,170,320
Provision for Impairment Loss on Trade Receivables	16.1	9,327,764	12,902,216
Provision for Impairment Loss on Related Parties	17.1	15,349,258	50,508,492
Provision for Impairment Loss on Investment in Hiyaa Project	14.1	40,320,046	-
(Reversal) / Provision for Slow Moving Inventories	15.1	4,933,906	783,550
Amortization of Deferred Income	24	(1,795,347)	(2,146,796)
Defined Benefit Obligation for the Year	25	912,229	4,941,682
Reversal of Defined Benefit Obligation	25.3	(37,845,826)	-
Interest Expense	8	130,234,569	141,991,374
Operating Profit Before Working Capital Changes		464,174,931	567,170,291
Change In:			
Inventories		(53,423,352)	7,885,936
Trade and Other Receivables		(79,915,162)	(58,676,327)
Trade and Other Payables		(32,205,921)	6,911,182
Amounts due from Related Parties		(70,033,354)	(165,016,946)
Amounts due to Related Parties		(22,730,095)	(38,606,842)
Cash Generated From Operating Activities		205,867,047	319,667,294
Interest Received		1,549,059	589,468
Interest Paid	22	(17,875,919)	(58,160,253)
Payment of Retirement Benefit Obligation	25	(2,893,833)	(500,000)
Net Cash Generated From Operating Activities		186,646,354	261,596,509
Cash Flows From Investing Activities			
Acquisition and Construction of Property, Plant and Equipment	12	(91,015,451)	(113,779,434)
Proceeds from Disposal of Property, Plant and Equipment	7	58,189	678,813
Investment in Hiyaa Project	14	(53,450,911)	(130,021,519)
Net Cash Used in Investing Activities		(144,408,173)	(243,122,140)
Cash Flows From Financing Activities			
Loans Obtained	22	1,931,061	2,012,705
Repayments of Loans	22	(56,252,206)	(107,853,104)
Repayments of Contractor Payable	26	(92,856,020)	(96,405,809)
Capital Contribution received from Ministry of Finance	21	158,931,233	250,413,363
Government Grant Received	24	-	34,490,853
Payment of Lease Liabilities	23	(11,405,684)	(11,371,714)
Net Cash Generated From Financing Activities		348,384	71,286,294
Net Increase in Cash and Cash Equivalents		42,586,565	89,760,663
Cash and Cash Equivalents at Beginning of the Year		258,504,880	168,744,217
Cash and Cash Equivalents at the End of the Year	18	301,091,445	258,504,880

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Company set out on pages 9 to 40. The Report of the Independent Auditors is given in pages 1 and 4.



**STATE ELECTRIC COMPANY LIMITED
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE FINANCIAL STATEMENTS**

1. REPORTING ENTITY

These financial statements relate to the operations of State Electric Company Limited (the "Company"), a limited liability Company incorporated in the Republic of Maldives under the section 95 of the Company act of 1996 under presidential degree no 1997/83 of 19th June 1997.

The principal activities of the Company are to generate and supply electricity and to provide customer service for the safe and efficient use of electrical energy. The Company generates and supplies electricity to various islands in the Republic of Maldives. The registered office is situated at Ameenee Magu, Male', 20349, Republic of Maldives.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). They were authorised for issue by the Company's Board of Directors on 23rd December 2022.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except of property, plant and equipment.

(c) Functional and Presentation Currency

These financial statements are presented in Maldivian Rufiyaa, which is the Company's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

(d) Use of Estimates and Judgements

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about critical judgement in applying accounting policies that has the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL on related parties and trade receivables.
- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPP or the principal amount outstanding.



**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of Estimates and Judgements (Continued)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31st December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes.

- impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- measurement of the fair value of financial instruments with significant unobservable inputs.
- recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

C. Going concern

The Board has made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and it does not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except for describe below, the accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the period ended 31st December 2020.

The following amendments to IFRS have been applied by the Company in preparation of these financial statements. The below were effective from 1st January 2021:

Amendment to standards Effective date

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) 1st January 2021.

Effective from 1st January 2021, the Company has adopted Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). These amendments provide practical relief from certain requirements in IFRS.

These reliefs relate to modifications of financial instruments and lease contracts by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate. If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

The Company applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Company has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Company had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31st December 2020, there is no impact on opening equity balances as a result of retrospective application.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below except as disclosed in the Note 3 have been applied in these financial statements, consistently by the Company.

4.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the profit or loss.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the dates the values were determined.

**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Revenue

Revenue will be recognised upon satisfaction of performance obligation. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods and service.

4.3 Finance Income and Finance Costs

Finance cost comprises interest expenses on borrowings and foreign exchange loss. Borrowings costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

4.4 Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax assets are recognized for unused tax losses. Unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.



**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Income Tax (Continued)

(ii) Deferred Tax (Continued)

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.5 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.6 Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses/ revalued amount.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.



**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Property, Plant and Equipment (Continued)

(ii) Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Generation equipment	15 to 30 years
Distribution equipment	15 to 30 years
Buildings and oil storage	30 years
Vehicles and launches	10 years
Machinery and equipment	5 years
Furniture and fitting	7 years
Computers and equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

A full month's depreciation is provided in the month of ready to use while, no depreciation is provided in the month of disposal.

(iv) Capital work- in -progress

Capital work- in- progress is stated at cost and includes all development expenditure and other direct costs attributable to such projects including borrowing costs capitalized. Capital work in progress is not depreciated until its completion of construction, and the asset is put into use upon which the cost of completed construction works is transferred to the appropriate category of property, plant and equipment

4.7 Financial Instruments

(i) Recognition and Initial Measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments (Continued)

(i) Recognition and Initial Measurement (Continued)

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at Fair Value through Profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, Fair Value through Other Comprehensive Income (“FVOCI”) – Debt investment, FVOCI – equity investment or FVTPL. Financial assets are not classified subsequent to their initial recognition unless the Company changes its business model for managing financial assets. In which case all affected financial assets are classified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment Whether the Cash Flows are Solely Payment of Principal and Interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments (Continued)

(iii) Financial assets - Subsequent Measurement and gains and losses

Financial Assets at Amortized Cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss

(iv) Financial liabilities – classification, subsequent measurement and gains and losses

Financial Liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Interest Rate Benchmark Reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

(v) De-recognition

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.



**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments (Continued)

(v) De-recognition (Continued)

Financial Liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.8 Impairment

(i) Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12 month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit -impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganization;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

4.10 Employee Benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The costs of the defined benefit plans are determined using an actuarial valuation. The actuarial valuation involves making assumptions about mortality rates, staff turnover, disability rate, retirement age, rate of discount, salary increments etc.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses is recognized immediately in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

During the year 31st December 2021, the Board of the Directors of the Company has decided to discontinue the Defined Benefit Obligation scheme with effective from 1st June 2021.

(c) Short-term benefits

Short-term employee benefit obligations of the Company are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.11 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease.

The lease payments included in the measurement of the lease liability comprise the following,

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Leases (Continued)

As a lessee (Continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as separately and lease liabilities separately in the statement of financial position.

Short-term Leases and Leases of Low-value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.13 Events Occurring After the Reporting Date

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

4.14 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.15 Defined contribution plan

Employees are eligible for Maldives retirement pension scheme in line with the respective statutes and regulations. The Company contributes 7% for Maldivian employees to Maldives Retirement Pension Scheme.

4.16 Other Liabilities and Provision

All known liabilities have been accounted for in preparing the financial statements. The materiality of the events after the reporting period have been considered and appropriate adjustments and provisions have been made in the financial statement where necessary.

Liabilities classified as current liabilities in the statement of financial position are those, which fall due for payment on demand or within one year from the end of the reporting period. Non-current liabilities are those balances, which fall due after one year from the end of the reporting period.

Provisions are recognized when the Company has a present obligation (legal or Constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income of any reimbursement.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1st January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant Impact on the Company's financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Covid 19 related rent concessions beyond 30th June 2021 (Amendments to IFRS 16).
- Annual improvements to IFRS standards 2018-2020.

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6 REVENUE	2021 MVR	2020 MVR
Electricity Revenue	2,016,818,679	1,830,822,091
Non-electricity Revenue (Note 6.1)	98,595,598	78,798,739
	<u>2,115,414,277</u>	<u>1,909,620,830</u>
6.1 Non-electricity revenue include revenue from sale of electronic equipments and other electrical services provided for customers.		
7 OTHER INCOME	2021 MVR	2020 MVR
Operational Income	11,607,973	11,433,516
Amortization of Deferred Income (Note 24)	1,795,347	2,146,796
Rental Income	368,252	578,476
Gain on Disposal of Property Plant and Equipment	20,480	678,813
Miscellaneous Income	51,012	430,137
Reversal of Defined Benefit Obligation (Note 25)	37,845,826	-
	<u>51,688,890</u>	<u>15,267,738</u>
8 NET FINANCE COSTS	2021 MVR	2020 MVR
Finance Income		
Interest Income	1,549,059	589,468
	<u>1,549,059</u>	<u>589,468</u>
Finance Costs		
Interest on Borrowings - Foreign	(118,640,344)	(130,701,679)
Interest on Borrowings - Local	(242,141)	(1,109,295)
Foreign Exchange Loss	(847,591)	(414,260)
Interest on Leases	(10,061,834)	(10,180,400)
Interest on Other Financing Arrangements	(1,290,250)	-
	<u>(131,082,160)</u>	<u>(142,405,634)</u>
Net Finance Costs	<u>(129,533,101)</u>	<u>(141,816,166)</u>
9 PROFIT BEFORE TAX	2021 MVR	2020 MVR
<i>Profit before tax is stated after charging all the expenses including the following:</i>		
Repair and Maintenance	61,867,787	50,554,432
Cost of Lubricant oil	20,498,150	19,207,316
Cost of Diesel	1,156,682,668	935,159,684
Bank Charges	23,745,003	19,217,386
Directors' Remuneration	1,029,451	784,100
Rent Expenses	107,700	155,899
Write-off of Property Plant and Equipment (Note 12)	-	19,170,320
Amortization of Right of Use Asset (Note 13)	3,664,596	3,753,384
Depreciation of Property, Plant and Equipment (Note 12)	174,709,861	165,476,135
Provision for Slow and Non-Moving Inventories (Note 15.1)	4,933,906	783,550
Personnel Costs (Note 9.1)	256,423,635	240,063,257

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9 PROFIT BEFORE TAX (CONTINUED)

9.1 Personnel Costs	2021 MVR	2020 MVR
Staff Salaries and Wages	108,840,921	105,270,159
Staff Allowances	87,059,012	81,364,663
Overtime Expenses	49,434,229	38,784,533
Employer's Contribution to Government Pension Fund	7,610,496	7,393,992
Staff Medical Expenses	1,155,699	1,192,952
Employee Retirement Benefits	912,229	4,941,682
Other Staff Expenses	1,411,049	1,115,276
	<u>256,423,635</u>	<u>240,063,257</u>

10 TAX EXPENSES	2021 MVR	2020 MVR
Current Tax		
Current Tax Expense (Note 10.1)	-	5,271,997
	<u>-</u>	<u>5,271,997</u>
Deferred Tax		
Deferred Tax Asset Reversed (Note 10.4)	5,436,476	24,502,629
Deferred Tax Liability Recognized (Note 10.6)	15,704,366	11,100,273
	<u>21,140,842</u>	<u>35,602,902</u>
Total Tax Expenses	<u>21,140,842</u>	<u>40,874,899</u>

10.1 Reconciliation Between Accounting Profit and Taxable Income :

Profit Before Tax	125,933,414	171,058,215
Aggregate Disallowable Items	389,426,507	400,417,123
Aggregate Allowable Items	(518,944,180)	(474,632,681)
Tax Loss Utilized during the Year	-	(61,196,011)
Tax Free Allowance	-	(500,000)
Tax (Loss) / Income for the Year	<u>(3,584,259)</u>	<u>35,146,647</u>
Business Profit Tax @ 15%	<u>-</u>	<u>5,271,997</u>

In accordance with the provisions of Income Tax act No. 25 of 2019, relevant regulations and subsequent amendments thereto, the Company is liable for income tax on its taxable profit at the rate of 15%.

10.2 Accumulated Tax Losses	2021 MVR	2020 MVR
As at 1 st January	-	61,196,011
Tax Loss for the Year	3,584,259	-
Tax Loss Utilized during the Year	-	(61,196,011)
As at 31 st December	<u>3,584,259</u>	<u>-</u>



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10 TAX EXPENSE (CONTINUED)

10.3 Net Deferred tax Liability	31/12/2021 MVR	31/12/2020 MVR
Deferred Tax Asset (Note 10.4)	537,639	5,930,319
Deferred Tax Liability (Note 10.6)	(106,535,635)	(93,353,610)
	<u>(105,997,996)</u>	<u>(87,423,291)</u>

10.4 Deferred Tax Asset :

As at 1 st January	5,930,319	35,414,744
<i>Recognized in other comprehensive income</i> (Reversal) / Recognized during the Year	43,796	(4,981,796)
<i>Recognized in profit or loss</i> (Reversal) / Recognized during the Year	(5,436,476)	(24,502,629)
As at 31 st December	<u>537,639</u>	<u>5,930,319</u>

10.5 The Recognized Deferred Tax Assets is attributable to the following:

	31/12/2021		31/12/2020	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Defined Benefit Obligation	-	-	39,535,454	5,930,319
Accumulated Tax Losses	3,584,259	537,639	-	-
	<u>3,584,259</u>	<u>537,639</u>	<u>39,535,454</u>	<u>5,930,319</u>

10.6 Deferred Tax Liability:

	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	93,353,610	84,775,678
<i>Recognized Directly in Equity</i> Reversed during the Year (Note 20)	(2,522,341)	(2,522,341)
<i>Recognized in profit or loss</i> Recognized during the Year	15,704,366	11,100,273
As at 31 st December	<u>106,535,635</u>	<u>93,353,610</u>

10.7 The Recognized Deferred Tax Liability is attributable to the following:

	31/12/2021		31/12/2020	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Property Plant and Equipment	710,237,569	106,535,635	622,357,397	93,353,610
	<u>710,237,569</u>	<u>106,535,635</u>	<u>622,357,397</u>	<u>93,353,610</u>

11 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the Profit for the year attributable to ordinary shareholders and weighted average number of shares outstanding during the year and calculated as follows;

	2021	2020
Profit for the Year Attributable to the Ordinary Shareholders - MVR	104,792,572	130,183,316
Weighted Average Number of Ordinary Shares	150	150
Basic and Diluted Earnings Per Share - MVR	<u>698,617</u>	<u>867,889</u>



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12 PROPERTY, PLANT AND EQUIPMENT

	Generators and Distribution Equipment		Buildings, Water Bottling Plant and Oil Storage		Vehicles and Launches		Machinery and Equipment		Furniture and Fittings		Computer Systems		Capital Work-in-Progress		Total	
	MVR		MVR		MVR		MVR		MVR		MVR		MVR		MVR	
Cost/ Revaluation																
As at 1 st January	2,687,201,198		1,185,383,848		37,381,443		141,067,095		8,287,595		23,678,732		750,223,605		4,833,225,516	
Additions during the Year	1,524,221		236,801		135,235		6,651,800		1,304,737		1,258,932		150,222,051		161,333,777	
Capitalized during the Year	580,410,386		121,239,910		933,962		12,423,305		-		-		(715,007,563)		-	
Disposal during the year	(67,276)		-		(17,679)		(470,961)		(285,636)		-		-		(841,552)	
As at 31 st December	3,269,068,529		1,306,862,559		38,432,961		159,671,239		9,306,696		24,937,664		185,438,093		4,993,717,741	
Accumulated Depreciation																
As at 1 st January	774,746,746		181,715,312		20,146,342		88,640,921		5,885,349		21,154,083		-		1,092,288,753	
Charge for the Year	113,077,900		43,402,944		2,823,108		13,107,868		686,057		1,611,984		-		174,709,861	
Disposal during the year	(32,390)		-		(14,871)		(470,961)		(285,621)		-		-		(803,843)	
As at 31 st December	887,792,256		225,118,256		22,954,579		101,277,828		6,285,785		22,766,067		-		1,266,194,771	
Net Carrying Amount																
As at 31 st December 2021	2,381,276,273		1,081,744,303		15,478,382		58,393,411		3,020,911		2,171,597		185,438,093		3,727,522,970	

12.1 The Capital Work-in-Progress at end of the reporting period comprises of following projects;

	31/12/2021
MVR	
Transmission & Distribution	57,092,987
Combustion Power Plant	31,151,527
POISED Project	18,895,592
SCADA System	34,989,140
Other Projects	43,308,847
	<u>185,438,093</u>

12.2 During the year, the Company has capitalized borrowing cost amounting to MVR 17,545,655/- on Greater Male' Grid Connection Project.

12.3 The value of fully depreciated property, plant and equipment as at 31st December 2021 amounted to MVR 195,808,050/-.



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12 PROPERTY, PLANT AND EQUIPMENT

Cost/ Revaluation	Generators and distribution equipment MVR		Buildings, Water bottling plant and Oil storage MVR		Vehicles and launches MVR		Machinery and Equipment MVR		Furniture and Fittings MVR		Computer Systems MVR		Capital Work-in-Progress MVR		Total MVR															
	As at 1 st January	Additions during the Year	Write-off during the Year (Note 12.7)	Capitalized during the Year	Disposal during the year	As at 31 st December	As at 1 st January	Charge for the Year	Disposal during the year	As at 31 st December	As at 1 st January	Charge for the Year	Disposal during the year	As at 31 st December	As at 1 st January	Charge for the Year														
As at 1 st January	2,618,669,309	2,000	-	69,028,983	(524,094)	2,687,201,198	1,177,550,287	42,169,817	(524,094)	1,85,385,848	37,092,060	281,212	264,103	(255,932)	37,381,443	135,445,134	3,940,931	1,711,405	(30,375)	141,067,095	7,498,220	828,351	-	-	22,083,783	1,594,949	-	518,890,592	4,517,229,385	
Additions during the Year	2,000	776,796	-	7,058,765	-	7,835,561	776,796	42,169,817	-	7,058,765	281,212	-	264,103	(255,932)	-	3,940,931	3,940,931	1,711,405	(30,375)	141,067,095	7,498,220	828,351	-	-	1,594,949	-	328,566,589	336,015,828		
Write-off during the Year (Note 12.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,170,320)	(19,170,320)	
Capitalized during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78,063,256)	-	
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 31 st December	2,687,201,198	2,000	-	76,087,748	(524,094)	2,687,201,198	1,177,550,287	86,339,634	(524,094)	1,85,385,848	37,092,060	281,212	264,103	(255,932)	37,381,443	135,445,134	3,940,931	1,711,405	(30,375)	141,067,095	8,287,595	828,351	-	-	23,678,732	750,223,605	-	750,223,605	4,833,225,516	
Accumulated Depreciation																														
As at 1 st January	670,083,864	105,186,975	(524,094)	774,746,746	-	1,325,816,487	139,545,495	42,169,817	(524,094)	181,715,312	17,618,828	2,783,446	(255,932)	(30,375)	20,146,342	75,230,104	13,441,191	(30,375)	88,640,921	5,322,167	602,158	-	-	-	19,861,535	1,292,548	-	-	927,661,993	
Charge for the Year	105,186,975	42,169,817	(524,094)	774,746,746	-	1,325,816,487	42,169,817	42,169,817	(524,094)	181,715,312	2,783,446	(255,932)	(30,375)	(30,375)	20,146,342	75,230,104	13,441,191	(30,375)	88,640,921	5,322,167	602,158	-	-	-	1,292,548	-	-	165,476,135		
Disposal during the year	(524,094)	-	-	774,746,746	-	1,325,816,487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38,976)	-	-	-	-	-	-	-	(849,377)	
As at 31 st December	774,746,746	181,715,312	(524,094)	1,325,816,487	-	1,827,647,753	139,545,495	86,339,634	(524,094)	181,715,312	17,618,828	2,783,446	(255,932)	(30,375)	20,146,342	75,230,104	13,441,191	(30,375)	88,640,921	5,322,167	602,158	-	-	-	19,861,535	1,292,548	-	-	1,092,288,753	
Net Carrying Amount																														
As at 31 st December 2020	1,912,454,452	1,003,670,536	-	1,912,454,452	-	2,916,124,988	1,003,670,536	42,169,817	(524,094)	1,003,670,536	17,235,101	2,783,446	(255,932)	(30,375)	20,146,342	52,426,174	13,441,191	(30,375)	88,640,921	2,402,246	602,158	-	-	-	2,524,649	750,223,605	-	750,223,605	3,740,936,763	

12.4 The Capital Work-in-Progress at end of the reporting period comprises of following projects;

	31/12/2020
Transmission & Distribution	62,838,188
Combustion Power Plant	19,028,018
Greater Male' Grid Connection	596,321,785
POISED Project	16,882,878
SCADA System	31,491,567
Other Projects	23,661,169
	<u>750,223,605</u>

12.5 During the year, the Company has capitalized borrowing cost amounted to MVR 14,252,323/- on Greater Male' Grid Connection Project.

12.6 The value of fully depreciated Property, Plant and Equipment as at 31st December 2020 amounted to MVR 137,746,142/-

12.7 The Company has write off MVR 19,170,320/- of capital work-in-progress during the year end 31st December 2020.

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13	RIGHT OF USE ASSETS	31/12/2021 MVR	31/12/2020 MVR
	Cost		
	As at 1 st January	108,924,726	107,810,490
	Adjustment due to Lease Contract Modification (Note 23.3)	-	1,114,236
	As at 31 st December	<u>108,924,726</u>	<u>108,924,726</u>
	Accumulated Amortization		
	As at 1 st January	7,386,317	3,632,933
	Charge for the Period	3,664,596	3,753,384
	As at 31 st December	<u>11,050,913</u>	<u>7,386,317</u>
	Net Carrying Value	<u>97,873,813</u>	<u>101,538,409</u>
	14 INVESTMENT IN HIYAA PROJECT	31/12/2021 MVR	31/12/2020 MVR
	As at 1 st January	551,519,443	421,497,924
	Additions during the Year	53,450,911	130,021,519
	As at 31 st December	604,970,354	551,519,443
	Provision for Impairment (Note 14.1)	(40,320,046)	-
		<u>564,650,308</u>	<u>551,519,443</u>
	14.1 Provision for Impairment of Investment in Hiyaa Project		
	Provision for the Year	40,320,046	-
	As at 31 st December	<u>40,320,046</u>	<u>-</u>
	The Company has made a provision on investment in Hiyaa project based on the carrying value as at 31 st December 2021 by considering the future recoverable amount.		
	14.2 As per the agreement dated 15 th November 2017 between STELCO (Developer) and Housing Development Corporation Limited ("HDC"), the Company has been assigned to develop a two residential apartments at Hulumale phase II plots no. N3-35(B), N3-35(C) by HDC.		
	According to the agreement, HDC has granted the exclusive rights to construct, develop and sell residential units under the project in the designated land area to the developer. The Developer agrees to finance the construction and development of the project and to sell the residential units developed under the project to eligible STELCO staff. It shall be the sole responsibility of the Developer to raise and manage the finance required for the development of the Project and HDC shall not be liable towards any party under any circumstances.		
	15 INVENTORIES	31/12/2021 MVR	31/12/2020 MVR
	Fuel	41,882,195	39,548,927
	Spares, cables and consumables	252,529,688	200,802,650
	Stationary	96,967	84,565
	Lubricating oil	2,750,969	3,400,325
		<u>297,259,819</u>	<u>243,836,467</u>
	Provision for Slow Moving Inventories (Note 15.1)	(144,820,124)	(139,886,218)
		<u>152,439,695</u>	<u>103,950,249</u>
	15.1 Provision for Slow Moving Inventories		
	As at 1 st January	139,886,218	139,102,668
	Provision for the Year	4,933,906	783,550
	As at 31 st December	<u>144,820,124</u>	<u>139,886,218</u>

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16 TRADE AND OTHER RECEIVABLES (CONTINUED)	31/12/2021	31/12/2020
	MVR	MVR
Trade Receivables	337,667,845	323,441,606
Provision for Impairment Loss (Note 16.1)	(54,635,184)	(45,307,420)
	<u>283,032,661</u>	<u>278,134,186</u>
Prepayments	488,072	449,038
Other Receivables	112,735,317	47,085,428
	<u>396,256,050</u>	<u>325,668,652</u>
16.1 Provision for Impairment of Trade Receivables		
As at 1 st January	45,307,420	32,405,204
Provision for the Year	9,327,764	12,902,216
As at 31 st December	<u>54,635,184</u>	<u>45,307,420</u>
17 AMOUNTS DUE FROM RELATED PARTIES	31/12/2021	31/12/2020
	MVR	MVR
Indira Gandhi Memorial Hospital	19,755,385	14,766,449
Dhivehi Raajjige Gulhun PLC	3,432,391	4,282,045
Male' Water & Sewerage Company (Private) Limited	1,143,577	1,623,836
State Trading Organisation PLC	2,868,473	5,204,258
Maldives Transport and Contracting Company PLC	1,316,936	1,723,937
Maldives Customs Services	634,603	268,815
Maldives Industrial Fisheries Company Limited	143,410	166,608
Bank of Maldives PLC	105,301	640,997
Public Service Media	61,786,952	49,682,460
Maldives Road Development Corporation Limited	1,038,505	2,512,186
National Center For the Arts	1,174,121	1,441,291
Housing Development Corporation Limited	9,218,666	6,621,906
National Social Protection Agency	88,863	9,967,088
Maldives Port Limited	1,595,251	2,230,434
Ministry of Finance and Treasury	190,269,558	130,624,059
Other Government Owned Organizations	146,872,631	139,654,901
	<u>441,444,623</u>	<u>371,411,269</u>
Provision for Impairment Loss (Note 17.1)	(140,796,474)	(125,447,216)
	<u>300,648,149</u>	<u>245,964,053</u>
17.1 Provision for Impairment Loss	31/12/2021	31/12/2020
	MVR	MVR
As at 1 st January	125,447,216	74,938,724
Provision for the Year	15,349,258	50,508,492
As at 31 st December	<u>140,796,474</u>	<u>125,447,216</u>
18 CASH AND CASH EQUIVALENTS	31/12/2021	31/12/2020
	MVR	MVR
Favorable Balances		
Cash in Hand	3,907,403	4,225,116
Balances with Banks	297,184,042	254,279,764
	<u>301,091,445</u>	<u>258,504,880</u>

19 SHARE CAPITAL

19.1 Authorized Share Capital

The authorized share capital comprises of 150 (2020 : 150) ordinary shares with a par value of MVR 1,000,000/- per share. However, the Board of Directors of the Company has decided to increase the authorized share capital to 5000 ordinary shares with a par value of MVR 1,000,000/- per share.

19.2 Issued and Fully Paid Share Capital

The issued and fully paid share capital comprises of 150 (2020 : 150) ordinary shares of MVR 1,000,000/- each.



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19 SHARE CAPITAL (CONTINUED)

19.3 Dividends and voting rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at the shareholders' meetings of the Company.

19.4 Dividends and voting rights

The Board of Directors has declared dividends of MVR 140,000/- per share amounting to MVR 21,000,000/- during the year ended 31st December 2021 (2020 : 133,333/- per share amounting to MVR 20,000,000/-).

20 REVALUATION RESERVE	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	187,144,612	201,437,881
Transfer to Retained Earnings (Note 20.2)	(16,815,610)	(16,815,610)
Deferred Tax Transferred to Retained Earnings (Note 10.6)	2,522,341	2,522,341
As at 31 st December	<u>172,851,343</u>	<u>187,144,612</u>

20.1 The Company's property, plant and equipment was revalued on 31st December 2011 by the professional valuer, Kanti Karamsey & Co. of No.412, Marker Chambers, Nariman point, Mumbai, India based on the open Market Value of the properties. The firm is a Government registered firm, Fellow of Institution of Engineers (F.I.E- India), Member of the Practising Valuers Association (P.V.A- India) and Fellow of Institution of Valuers, New Delhi (F.I.V).

20.2 Transfer of Revaluation Surplus to Retained Earnings

Revaluation surplus is realized to retained earnings on the basis of utilization of the asset. An amount equal to the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost is transferred from revaluation surplus (net of deferred tax) to retained earnings on an annual basis.

21 CAPITAL CONTRIBUTION	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	582,414,534	332,001,171
Received during the Year	<u>158,931,233</u>	<u>250,413,363</u>
As at 31 st December	<u>741,345,767</u>	<u>582,414,534</u>

The Company has received a capital contribution amounted to MVR 95,369,248/-, MVR 96,627,670/- and MVR 54,693,921/- from the Ministry of Finance and Treasury of the Republic of Maldives during the period of 2017 to 2020 for the construction and installation of Hulhumale Power Plant (5th Power Project) and MVR 154,007,552/- for repayment of the loan obtained from China Exim bank for construction of the Hulhumale Power Plant (5th Power Project). Further, MVR 7,109,196/-, MVR 78,201,136/- and MVR 96,405,811/- were received in 2018, 2019 and 2020 for the installation of greater Male' Grid connection. During the year 2021, the Company has received an additional MVR 92,856,020/- for greater Male' Grid Connection Project and MVR 66,075,213/- for repayment of the loan obtained from China Exim bank for construction of the Hulhumale Power Plant (5th Power Project). These amounts have been considered as capital contribution from Ministry of Finance since Ministry of Finance provides these contributions at its capacity of Shareholder of the Company and the Company is expecting to issue shares on these capital contribution.

22 LOANS AND BORROWINGS	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	2,970,165,249	3,002,354,927
Loans Obtained during the Year	1,931,061	2,012,705
Interest for the Year	118,882,485	131,810,974
Capital Repayments during the Year	(56,252,206)	(107,853,104)
Interest Paid during the Year	<u>(17,875,919)</u>	<u>(58,160,253)</u>
As at 31 st December	<u>3,016,850,670</u>	<u>2,970,165,249</u>



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22 LOANS AND BORROWINGS (CONTINUED)

22.1 Maturity Analysis	31/12/2021 MVR	31/12/2020 MVR
Non - Current Liabilities		
Loans and Borrowings	2,913,307,845	2,865,471,612
Current Liabilities		
Loans and Borrowings	103,542,825	104,693,637

22.2 Terms and Repayment Schedule

Source of finance	Purpose to Finance	Nominal interest rate	Maturity Date	Carrying Amount	
				31/12/2021 MVR	31/12/2020 MVR
Ministry of Finance	Third Power System	8%	1-Aug-2021	125,822,280	121,601,582
Ministry of Finance	Third Power System	8%	1-May-2024	120,556,037	116,368,520
Ministry of Finance	Third Power System	8%	1-Sep-2024	127,696,793	123,316,044
Ministry of Finance	5.4 V Generator Set	8%	15-Feb-2016	58,264,092	56,296,490
Ministry of Finance	Second Power System	8%	31-Jul-2025	81,744,332	79,051,978
Ministry of Finance	Power System	8%	1-Sep-2018	20,763,331	19,932,377
Danida (Note 22.4)	Fourth Power System	4.25% & 8.5%	30-Sep-2035	1,231,413,243	1,175,001,598
Maldives Islamic Bank	MGAF Project	8%	9-Dec-2021	-	7,810,774
Ministry of Finance	POISED Project	6%	15-May-2033	200,386,285	189,087,272
Exim Bank of China	Fifth Power Project	3% + 6 Months LIBOR	31-Jul-2031	1,050,204,277	1,081,698,614
				3,016,850,670	2,970,165,249

22.3 All of the above Loans have been secured by a letter of guarantee from Government of Maldives.

22.4 The Ministry of Finance and Treasury ("MOFT") through its letter dated 4th February 2019, has taken over the settlement of these loans and instructed the Company to transfer the loan balances (including accrued interest) as a capital contribution. However, the transaction has not been finalized by the parties for the year ended 31st December 2021.

23 LEASE LIABILITY	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	106,519,450	106,596,527
Adjustment due to Lease Contract Modification (Note 23.3)	-	1,114,237
Interest Expense for the Year	10,061,834	10,180,400
Repayment during the Year	(11,405,684)	(11,371,714)
As at 31 st December	105,175,600	106,519,450

The lease liability is recognised on the lands which has an unexpired lease period from 45 years as at 31st December 2021.

23.1 Maturity Analysis	31/12/2021 MVR	31/12/2020 MVR
Non - Current Liabilities	103,764,762	105,175,599
Current Liabilities	1,410,838	1,343,851
	105,175,600	106,519,450

23.2 Maturity Analysis of Undiscounted Future Lease Payments are as follows;	31/12/2021 MVR	31/12/2020 MVR
Less than one Year	11,341,884	11,405,684
Between two and five Years	55,869,600	45,974,599
More than five Years	343,599,989	364,836,874
	410,811,473	422,217,157

23.3 The annual rent of Thilafushi Power House is increased by 15% in every two years effective from 31st December 2020. This rent change has been accounted as a modification to the lease liability as at 31st December 2020. The Corresponding adjustment has recognised under Right of Use Assets according to IFRS 16.



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24 DEFERRED INCOME	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	34,717,636	2,373,578
Grant Received during the Year	-	34,490,854
Amortization for the Year	(1,795,347)	(2,146,796)
As at 31 st December	<u>32,922,289</u>	<u>34,717,636</u>

24.1 Deferred income comprises of grants received from the Ministry of Finance and Treasury of the Republic of Maldives. An amount of MVR 25,287,089/- was received in 2006 for the installation of 6 sets of 1250 k Diesel Generators. During the year 2020, the Company has received MVR 34,490,853/- for construction of Peak Handling Project and these grants are amortized over the useful life of the assets.

25 DEFINED BENEFIT OBLIGATION	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	39,535,454	68,305,743
<u>Amount Recognized in Profit or Loss</u>		
Current Service Cost for the year	154,467	1,799,618
Interest Cost for the year	757,762	3,142,064
<u>Amount Recognized in Other Comprehensive Income</u>		
Actuarial deficit/ (gain) for the Year (Note 25.1)	291,976	(33,211,971)
	<u>40,739,659</u>	<u>40,035,454</u>
Payments during the Year	(2,893,833)	(500,000)
Reversal during the year (Note 25.3)	(37,845,826)	-
As at 31 st December	<u>-</u>	<u>39,535,454</u>

25.1 During the year ended 31st December 2020, the Company has changed maximum benefit to be paid to an employee as of MVR 500,000/-. That was resulted to reduce the defined benefit liability as at 31st December 2020.

25.2 The Company have engaged a qualified actuary to estimate the retirement benefit obligation. The projected unit credit method is used to determine the present value of the defined benefit obligation. Key assumptions used in the calculation are as follows,

	31/12/2021	31/12/2020
Expected Salary Increment	1%	1%
Discount Rate	4.60%	4.60%
Staff Turnover Factor	<u>2.20%</u>	<u>2.20%</u>

25.3 During the year 31st December 2021, the Board of the Directors of the Company has decided to discontinue the Defined Benefit Obligation scheme with effective from 1st June 2021.

26 CONTRACTOR PAYABLE	31/12/2021 MVR	31/12/2020 MVR
As at 1 st January	386,847,534	261,016,949
Payable on account of Percentage of Completion	52,772,671	207,984,071
Interest charge during the year	18,835,905	14,252,323
Repayment during the Year	(92,856,020)	(96,405,809)
As at 31 st December	<u>365,600,090</u>	<u>386,847,534</u>
26.1 Maturity Analysis		
Non - Current Liabilities	292,416,086	297,424,914
Current Liabilities	73,184,004	89,422,620
	<u>365,600,090</u>	<u>386,847,534</u>

The Company has entered into an agreement with Dongfang Electricity International Corporation ("DEC") to construct a power interconnect network project between two Islands via a bridge on 12th February 2018 for a contract price of US\$ 45,619,736/-. Contract is repayable over the period of 8 Years and the contractor payable is determined based on the percentage of completion of the project and the contractual cashflows have been discounted at a rate of 4.8%.



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27 TRADE AND OTHER PAYABLES	31/12/2021	31/12/2020
	MVR	MVR
Trade Payables	13,107,752	26,064,412
Accrued Expenses	19,711,384	19,354,929
Dividend Payable to Ministry of Finance (Note 27.3)	-	20,000,000
Payable to Housing Development Corporation Ltd (Note 27.1)	55,223,123	55,223,123
Advanced Received from employees on Hiyaa Project (Note 27.2)	71,636,768	56,046,503
Other Payables	38,646,030	32,842,011
	<u>198,325,057</u>	<u>209,530,978</u>

27.1 The amount is payable to Housing Development Cooperation ("HDC") in relation to the "Hiyaa Project".

27.2 The Hiyaa housing project is an end- user financing project, where 20% of the sales price to be paid by the staff as down payment on or before December 2022. Remaining 80% should be financed by the employee.

27.3 Dividend Payable to Ministry of Finance	31/12/2021	31/12/2020
	MVR	MVR
As at 1 st January	20,000,000	-
Dividend Declared during the Year	21,000,000	20,000,000
Set off against Related Party Receivables	(41,000,000)	-
As at 31 st December	<u>-</u>	<u>20,000,000</u>

As disclosed in Note 19.4 to the financial statements, the Company has declared MVR 21,000,000/- of dividend during the year ended 31st December 2021. However, based on the confirmation obtained from the Ministry of Finance, board of Directors of the Company has resolved to set off the dividend payable to Ministry of Finance amounting to MVR 41,000,000/- against related party receivables as at 31st December 2021.

28 AMOUNTS DUE TO RELATED PARTIES	31/12/2021	31/12/2020
	MVR	MVR
State Trading Organisation PLC	51,553,350	68,071,946
Ministry of Environment and Energy	3,053,300	-
Maldives Transport and Contracting Company PLC	1,444,559	4,964,585
Maldives Road Development Corporation Limited	663,612	663,612
Male' Water & Sewerage Company Limited	1,182	45,128
Dhivehi Raajjige Gulhun PLC	364,504	156,551
Other Government owned Organizations	326,787	6,235,567
	<u>57,407,294</u>	<u>80,137,389</u>

The amount due to related parties are unsecured, interest free, and have no fixed repayment period. Accordingly, these amounts have been determined to be payable on demand and are classified as current liabilities.

29 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings and trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	31/12/2021	31/12/2020
	MVR	MVR
Total Liabilities	3,882,278,996	3,914,876,981
Less: Cash and Cash Equivalents	(301,091,445)	(258,504,880)
Net Debt	<u>3,581,187,551</u>	<u>3,656,372,101</u>
Total Equity	1,662,007,719	1,417,009,753
Net Debt to Equity Ratio (Times)	<u>2.15</u>	<u>2.58</u>

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30 COMMITMENTS

30.1 Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows;

	31/12/2021	31/12/2020
	MVR	MVR
On Property Plant and Equipment	472,676,529	702,140,568

There were no other material capital commitments outstanding at the reporting date which require disclosure in the financial statements.

31 CONTINGENT LIABILITIES

The Centre Enterprice Private Limited has filed a case at the Civil Court against the Company claiming MVR 400,000,000/- for breaching the contract regarding a forklift. The Company has requested from the court to disclose a case report to seek further information regarding this case. However, there were no on going proceedings have taken place during the year 2021. Based on the expert advice, the Board Directors is confident that the ultimate resolution of the case will not have an adverse impact on financial statements of the company since the likelihood of an unfavorable outcome for the Company is very unlikely.

There were no material contingent liabilities which require disclosure than above mentioned in the financial statements as at the reporting date.

32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, the Company's management of capital. Further, quantitative disclosures are included throughout the Company's financial statements.

(ii) Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the the Company's receivables from customers, investment in debt securities and deposits with banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum gross exposure to credit risk at the reporting date was:

	Carrying amount	
	31/12/2021	31/12/2020
	MVR	MVR
Trade Receivables	283,032,661	278,134,186
Other Receivables	112,735,317	47,085,428
Amounts due from Related Parties	300,648,149	245,964,053
Balances with Banks	297,184,042	254,279,764
	<u>993,600,169</u>	<u>825,463,431</u>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.



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32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(iii) Credit Risk (Continued)

Expected credit loss assessment

The Company uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are based on actual credit loss experience over past years. These rates are multiplied by scalar factors to reflect difference between economic condition during the period over which historical data has been collected, current condition and company's view of economic condition of expected lives of the receivables.

Scalar factors are based on actual and forecast GDP growth rates and normalized average GDP use for ECL assessment.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

Probability of default (PD)

Loss given default (LGD)

Exposure at default (EAD)

The following table provides information about exposure to credit risk and ECLs for trade receivables and receivable from related parties.

31 st December 2021	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance
		MVR	MVR
1-30 days past due	1.9%	258,524,817	4,808,264
31-60 days past due	5.1%	94,063,411	4,831,314
61-90 days past due	8.0%	56,100,923	4,469,135
91-180 days past due	16.3%	69,310,240	11,274,427
181-360 days past due	25.8%	104,486,958	27,004,136
More than 360 days past due	73%	196,626,119	143,044,382
		<u>779,112,468</u>	<u>195,431,658</u>
31st December 2020	Weighted	Gross Carrying	Loss
		MVR	MVR
1-30 days past due	0.5%	220,700,023	1,081,307
31-60 days past due	2.4%	67,445,365	1,646,099
61-90 days past due	4.0%	65,629,992	2,629,159
91-180 days past due	15.1%	76,746,160	11,610,605
181-360 days past due	32.1%	95,341,674	30,619,901
More than 360 days past due	72.9%	168,989,661	123,167,564
		<u>694,852,875</u>	<u>170,754,636</u>

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32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Credit risk (Continued)

Measurement of ECL (Continued)

Gross carrying amount and loss allowance comprise the trade receivables.

The Company believes that the unimpaired amounts are still collectible, based on historic payment behavior. Based on historic default rates, the Company believes that, apart from the above, no provision for impairment is necessary in respect of trade and other receivables.

The provision for impairment of the amounts due from related parties are estimated considering the individual repayment capabilities of these entities.

Movements in allowance for impairment in respect of trade receivables and amounts due from related parties.

The movements of allowance for impairment in respect of trade receivables and Related party receivables during the year is presented in Note 16.1 and 17.1 respectively.

Balances with Banks

The Company held an amounts of MVR 297,184,042/- as at 31st December 2021 in banks. (2020 - MVR 254,279,764/-). Impairment on cash at bank has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash has low credit risk based on the external ratings of the counterparties. As a result, the amount of the allowance on cash at bank is negligible.

(iv) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The followings are the contractual maturities of financial liabilities as at the reporting date.

Financial Liabilities (Non- derivative)

31st December 2021	Carrying Amount MVR	Contractual Cashflows MVR	0-12 Months MVR	1-5 Years MVR	More than 5 Years MVR
Trade and Other Payables	198,325,057	198,325,057	198,325,057	-	-
Loans and Borrowings*	3,016,850,670	3,016,850,670	104,693,637	484,414,317	2,427,742,716
Contractor Payable	365,600,090	411,033,231	89,306,229	321,727,002	-
Amounts due to Related Parties	57,407,294	57,407,294	57,407,294	-	-
Lease Liabilities	105,175,600	410,811,473	11,341,884	55,869,600	343,599,989
Total	3,743,358,711	4,094,427,725	461,074,101	862,010,919	2,771,342,705

*Loans and borrowings are excluding the future interest.



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32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iv) Liquidity Risk (Continued)

31 st December 2020	Carrying Amount MVR	Contractual Cashflows MVR	0-12 Months MVR	1-5 Years MVR	More than 5 Years MVR
Financial Liabilities (Non- derivative)					
Trade and Other Payables	209,530,978	209,530,978	209,530,978	-	-
Loans and Borrowings*	2,970,165,249	2,970,165,249	104,693,637	387,531,454	2,477,940,158
Contractor Payable	386,847,534	435,918,527	92,856,017	343,062,510	-
Amounts due to Related Parties	80,137,389	80,137,389	80,137,389	-	-
Lease Liabilities	106,519,450	422,217,157	11,405,684	45,974,599	364,836,874
Total	3,753,200,600	4,117,969,300	498,623,705	776,568,563	2,842,777,032

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

*Loans and borrowings are excluding the future interest.

(v) Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates that affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments were:

	Carrying amount	
	31/12/2021 MVR	31/12/2020 MVR (Restated)
Fixed Rate Instruments		
Financial Liabilities	1,966,646,393	1,888,466,635
Variable Rate Instruments		
Financial liabilities	1,050,204,277	1,081,698,614

Cash Flow Sensitivity analysis for variable - rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Sensitivity Analysis	
	100 bp increase MVR	100 bp decrease MVR
	31 st December 2021	
Variable rate instruments	(10,502,043)	10,502,043
31 st December 2020		
Variable rate instruments	(10,816,986)	10,816,986

(b) Currency Risk

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	31/12/2021 US\$	31/12/2020 US\$
Loans and borrowings	147,964,820	146,348,911
Contractor Payable	23,709,474	25,087,389
Net currency exposure	171,674,294	171,436,300

The following significant exchange rate

	Average Rate 2021	Reporting date spot rate	
		31/12/2021	31/12/2020
1 US\$: MVR	15.42	15.42	15.42

In respect of the monetary assets and liabilities denominated in US\$, the Company does have a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within $\pm 20\%$ of the mid-point of exchange rate.

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33 DIRECTOR'S RESPONSIBILITY

The Board of Directors of the Company is responsible for the preparation and presentation of these financial statements.

34 RELATED PARTY TRANSACTIONS

Name of the related party	Relationship	Nature of the transaction	Amount		Balance as at	
			2021 MVR	2020 MVR	31/12/2021 MVR	31/12/2020 MVR
State Trading Organisation PLC	Affiliate	Sales of Services	18,519,873	17,760,924	(48,684,877)	(62,867,688)
		Payments made	(20,855,658)	(14,090,037)		
		Purchases	(1,104,606,061)	(927,081,688)		
		Payments Made	1,121,124,657	970,433,291		
Maldives Transport and Contracting Company PLC	Affiliate	Sales of Services	12,255,873	9,963,805	(127,623)	(3,240,648)
		Payments made	(12,662,874)	(9,085,241)		
		Purchases	(22,314,474)	(21,866,409)		
		Payments Made	25,834,500	18,716,454		
Maldives Road Development Corporation	Affiliate	Sales of Services	2,435,649	-	374,893	1,848,575
		Payment made	(3,909,330)	-		
Male' Water & Sewerage Company Limited	Affiliate	Sales of Services	19,646,933	14,952,566	1,142,395	1,578,709
		Payments	(20,127,192)	(15,132,539)		
		Purchases	(631,813)	(3,025,832)		
		Payments Made	675,759	3,066,643		
Dhivehi Raajjige Gulhun PLC	Affiliate	Sales of Services	37,821,267	40,453,066	3,067,887	4,125,494
		Payments	(38,670,921)	(39,979,031)		
		Purchases	(4,709,226)	(3,228,179)		
		Payments Made	4,501,273	3,172,753		
Maldives Port Limited	Affiliate	Sales of Services	21,686,359	18,748,628	1,595,251	2,230,434
		Payment made	(22,321,543)	(18,295,579)		
		Purchases	(186,976)	(142,420)		
		Payments Made	186,976	142,420		
Other Government owned Organizations	Affiliate	Sales of Services	103,280,162	371,859,624	146,545,844	136,472,634
		Payment made	(61,414,366)	(374,803,593)		
		Purchases	(1,010,376)	(716,818)		
		Payments Made	864,381	657,027		
		Set off against*	(31,646,591)	-		
Indira Gandhi Memorial Hospital	Affiliate	Sales of Services	56,560,774	49,587,666	19,755,385	14,766,449
		Payment made	(51,571,838)	(42,284,582)		
Maldives Customs Services	Affiliate	Sales of Services	3,193,934	3,229,579	634,603	268,815
		Payment Received	(2,828,145)	(3,322,861)		
		Purchases	(6,256,816)	(6,099,829)		
		Payment made	6,256,816	6,099,829		
Maldives Industrial Fisheries Company Limited	Affiliate	Sales of Services	2,234,338	1,592,550	143,410	166,608
		Payment Received	(2,257,536)	(1,553,603)		
		Purchases	-	(570,400)		
		Payment made	-	570,400		
Bank of Maldives PLC	Affiliate	Sales of Services	9,787,384	8,372,123	105,301	640,997
		Payment made	(10,323,080)	(7,836,871)		
Public Service Media	Affiliate	Sales of Services	21,879,967	18,628,894	61,786,952	49,682,460
		Payment Received	(9,464,102)	(554,207)		
		Purchases	-	(897)		
		Payment made	-	897		
		Set off against*	(311,373)	-		
National Center For the Arts	Affiliate	Sales of Services	604,672	499,624	1,174,121	1,441,291
		Payment made	(283,734)	(221,796)		
		Set off against*	(588,108)	-		
Housing Development Corporation Limited	Affiliate	Sales of Services	19,264,591	6,969,244	9,218,666	6,621,906
		Payment made	(16,667,830)	(2,545,050)		
National Social Protection Agency	Affiliate	Sales of Services	456,872	446,204	88,863	9,967,088
		Payment made	(1,881,169)	(487,020)		
		Set off against*	(8,453,928)	-		
Ministry of Environment and Energy	Affiliate	No Transactions	-	-	(3,053,300)	(3,053,300)
Ministry of Finance and Treasury		Sales of Services	121,010,792		190,269,558	130,624,059
		Payment Received	(64,366,768)			
		Payment made	3,001,475			

*Set off against dividend payable to Ministry of Finance (Note 27.3)

STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2021

34 RELATED PARTY TRANSACTIONS (CONTINUED)

34 Transactions with Key Management Personnel

The Board of Directors and Managing Director of the Company are the members of the key management personnel. Key management personnel compensation comprised the following.

	2021 MVR	2020 MVR
Directors' Remuneration	1,029,451	784,100

35 FAIR VALUE MEASUREMENT

Accounting Classifications and Fair Values

31st December 2021

Financial assets not measured at fair value	Financial Assets at Amortised Cost MVR	Fair Value			
		Level 1	Level 2	Level 3	Total
		MVR	MVR	MVR	MVR
Cash and Cash Equivalents	301,091,445	-	-	-	301,091,445
Trade and Other Receivables	395,767,978	-	-	-	395,767,978
Amounts due from Related Parties	300,648,149	-	-	-	300,648,149
	<u>997,507,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>997,507,572</u>

Financial liabilities not measured at fair value	Other Financial Liabilities MVR	Fair Value			
		Level 1	Level 2	Level 3	Total
		MVR	MVR	MVR	MVR
Lease Liability	105,175,600	-	-	105,175,600	105,175,600
Loans and Borrowings	3,016,850,670	-	-	3,016,850,670	3,016,850,670
Amount due to Related Parties	57,407,294	-	-	-	57,407,294
Contractor Payable	365,600,090	-	-	365,600,090	365,600,090
Trade and Other Payables	106,976,905	-	-	-	106,976,905
	<u>3,652,010,559</u>	<u>-</u>	<u>-</u>	<u>3,487,626,360</u>	<u>3,652,010,559</u>

31st December 2020

Financial assets not measured at fair value	Financial Assets at Amortised Cost MVR	Fair Value			
		Level 1	Level 2	Level 3	Total
		MVR	MVR	MVR	MVR
Cash and Cash Equivalents	258,504,880	-	-	-	258,504,880
Trade and Other Receivables	325,668,652	-	-	-	325,668,652
Amounts due from Related Parties	245,964,053	-	-	-	245,964,053
	<u>830,137,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>830,137,585</u>

Financial liabilities not measured at fair value	Other Financial Liabilities MVR	Fair Value			
		Level 1	Level 2	Level 3	Total
		MVR	MVR	MVR	MVR
Loans and Borrowings	106,519,450	-	-	106,519,450	106,519,450
Contractor Payable	2,970,165,249	-	-	2,970,165,249	2,970,165,249
Lease Liability	80,137,389	-	-	-	80,137,389
Amount due to Related Parties	386,847,534	-	-	386,847,534	386,847,534
Trade and Other Payables	209,530,978	-	-	-	209,530,978
	<u>3,753,200,600</u>	<u>-</u>	<u>-</u>	<u>3,463,532,233</u>	<u>3,753,200,600</u>

**STATE ELECTRIC COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2021

36 EVENTS AFTER THE REPORTING DATE


- 36.1** The Board of Directors of the Company has decided to increase the issued and fully paid share capital of the Company to MVR 956,000,000/- on 16th August 2022.


No circumstances have arisen since reporting date which require adjustments to/or disclosure in the financial statements other than above.







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