



# ANNUAL REPORT 2019

# CONTENTS

01

Our Company

02

Corporate  
Governance

03

Our Footprint

04

Highlights of 2019

05

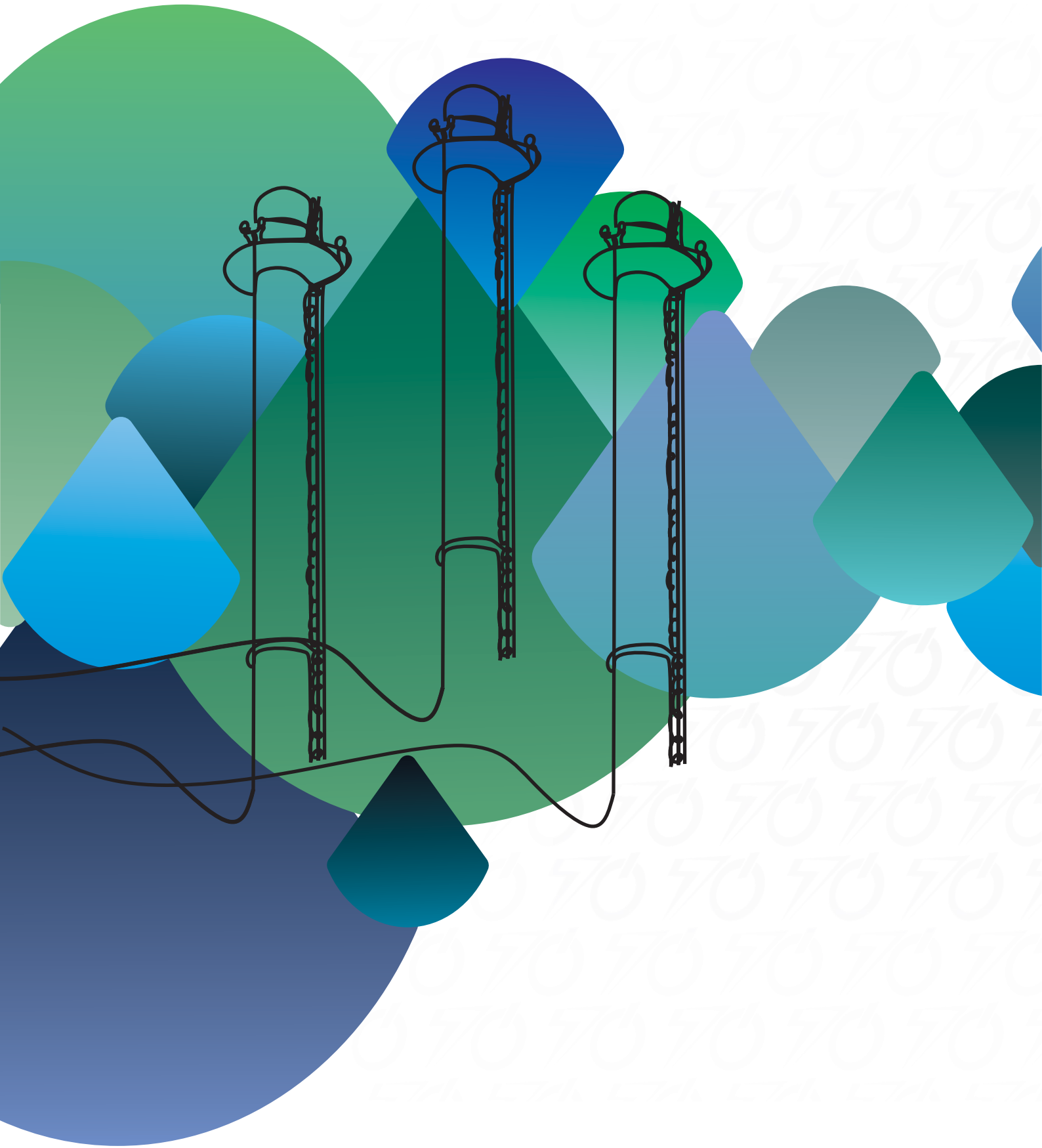
Performance Review

06

Our Future

07

Audited Financial  
Statements





01

OUR  
COMPANY



## About Us

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 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 integrated utility service provider with power generation facilities, transmission networks, water and sewerage facilities.

We serve over 65,000 customers through 35 independent power plants with the addition of 4 desalination plants.

## Consumer Segmentation

Residential

**47,598** Consumers

73%

Commercial

**15,765** Consumers

24%

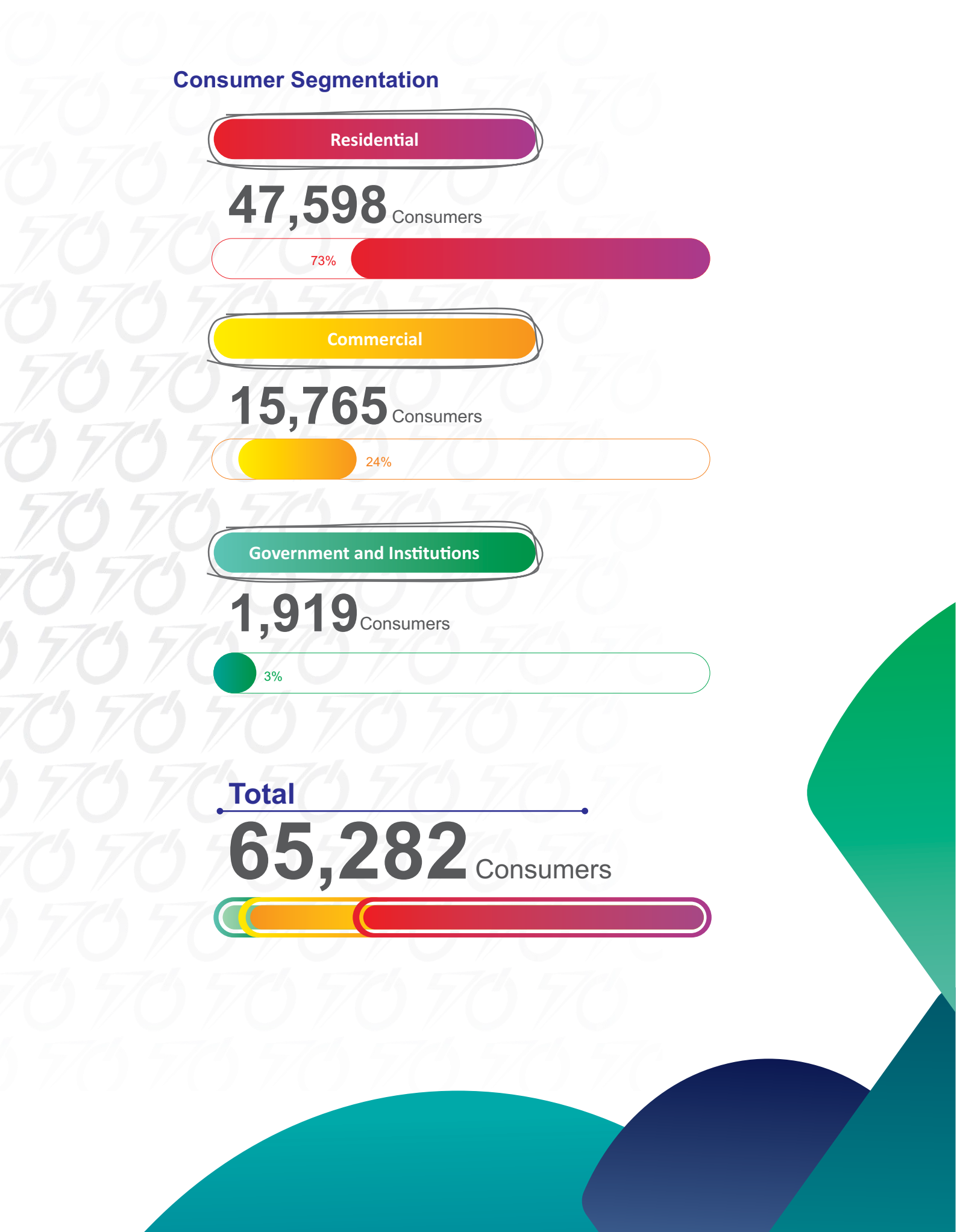
Government and Institutions

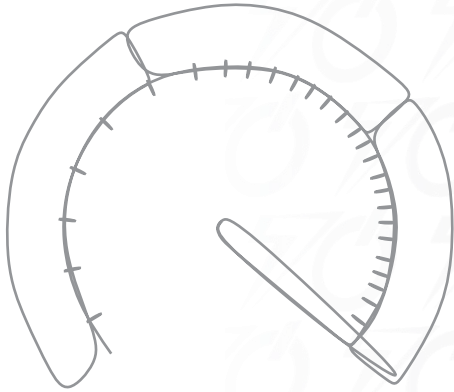
**1,919** Consumers

3%

Total

**65,282** Consumers



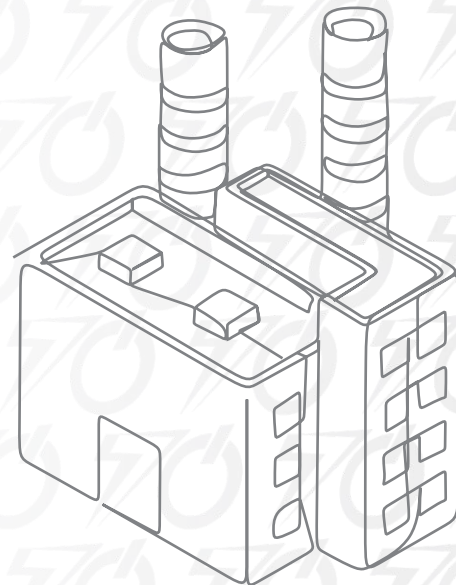


## Our Vision

To achieve total customer satisfaction through management excellence and staff satisfaction.

## Our Mission

To provide electricity to enrich the lives of the public every day in every way and everywhere in a reliable, fast and honest manner.



## Our Strategic Objectives

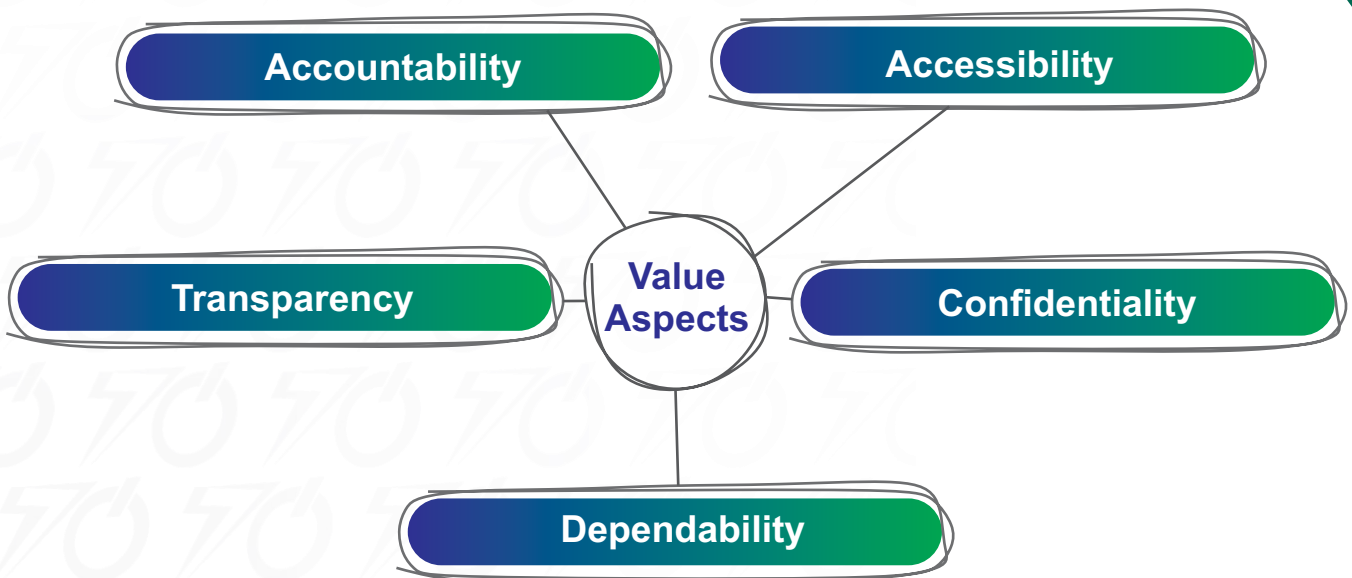
Reliability

Efficiency

Sustainability

Customer Satisfaction

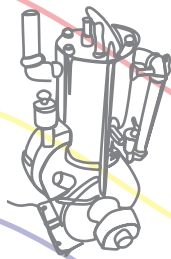
Financial Stability



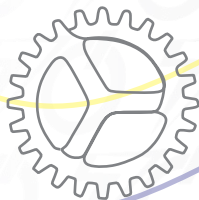
### **We Strive To:**

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

# KEY MILESTONES



**1949**  
**First Powerhouse**  
**established at**  
**H.Orchidmaage**  
installed capacity  
14kW



**1953**  
**Upgrading Power**  
**Generation Capacity**  
2 X 38 kW Generator Sets  
Installed



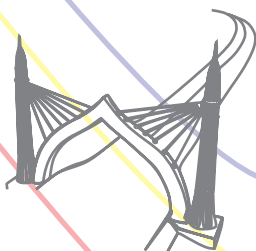
**1958**  
**“Baa Injeenuge”**  
**Established**  
Power generation  
capacity 2 X 75 kW



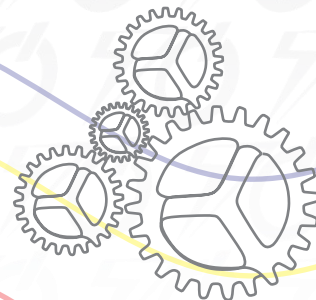
**1960**  
**Upgrading Power**  
**Generation Capacity**  
2 X 238 kW Generator  
Sets installed

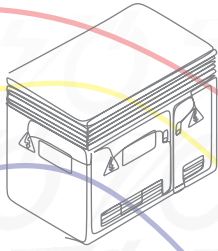
**2016-2019**  
**Fifth Power**  
**Development Project**  
6 X 8700 kW Generator  
Sets installed

**2018**  
**Greater Male’**  
**Grid Connection**  
**Phase 1**  
Male’ - Hulhumale’  
Inter-Connection  
Initiated



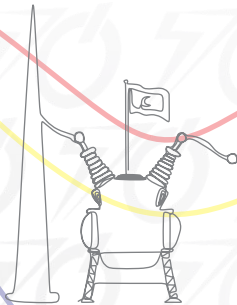
**2017**  
**Fourth Power**  
**Development**  
**Extension Project**  
1 X 8700 kW Generator  
Sets installed





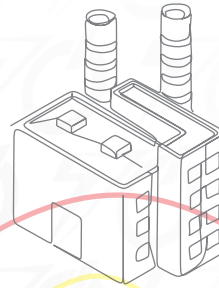
**1964**  
**First Substation**  
**Installed**

Underground cables laid  
to powerhouses



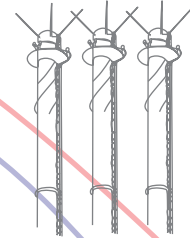
**1982**  
**Institution**  
**Renamed**

Renamed to Maldives  
Electricity Board



**1990-1993**  
**New Powerhouse**  
**constructed**  
**on south east side**  
**of Male'**

Power Development  
Project 3 X 2000 kW  
installed



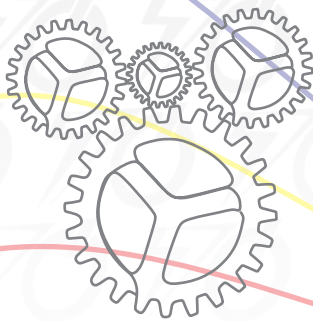
**1996-1997**  
**Second Power**  
**Development**  
**Project**

5700 kW and 4000 kW  
installed

**2000-2002**  
**Third Power**  
**Development Project**  
2 X 6500 kW Generator  
Sets installed

**2008-2012**  
**Fourth Power**  
**Development Project**

2 X 8700 kW Generator  
Sets installed



**1997**  
**STELCO**  
**Incorporated**  
"State Electric Company Limited"  
Established as a company





**MOHAMED  
RASHEED**  
CHAIRMAN

## CHAIRMAN'S MESSAGE

It is a great privilege to lead the Board of State Electric Company Limited and to present the company's Annual Report and Financial Statements for the financial year ending 31<sup>st</sup> December 2019.

We have completed yet another successful year owing to our dedication towards promoting good governance and our unwavering determination on achieving the targets and objectives set for the year.

We believe that a solid governance framework in trust and transparency and accountability within the company is the key to our success. Therefore in 2019, the Board has spent a significant proportion of its time reviewing and strengthening the governance process. As a result, we were the proud recipient of the Corporate Governance Efforts Award 2019 in the State-Owned Enterprises category.

Despite the presently bleak business climate, the Board assures all stakeholders that we will stay resilient in providing service in a sustainable manner and hope to employ innovative solutions to minimize the impact of the current pandemic and move forward in supporting national development.

Furthermore, I would like to highlight the hard work and commitment by our Managing Director Mr. Hassan Mughnee and his Senior Management team in ensuring that the company remains focused on the right priorities and deliver outstanding results.

May Almighty Allah bless STELCO and its team with prosperous years ahead and grant us the strength and will to better serve our customers and nation.



**Mohamed Rasheed**

Chairman





# HASSAN MUGHNEE

MANAGING DIRECTOR



## MANAGING DIRECTOR'S MESSAGE

STELCO has made significant improvements in numerous areas such as financial performance, technical operations and quality of service during the year 2019. The consistent progress we have made in our performance, since my appointment as Managing Director in 2018, has raised the ranking of STELCO to a category 'A' company as per the "Categorization of State Owned Enterprises" by Privatisation and Corporatisation Board (PCB). I thank and also congratulate the Board of Directors, management and all employees for their collective effort in achieving this historic milestone for the company.

### Vision for the Future

In 2019, we have laid the groundwork to achieve my vision towards cleaner power generation and to implement innovative operational solutions. Hence, during the past year, we established a Solar Centre within the company which is also in line with the government's strategy to increase power generation from renewable resources. With the financial successes of the past years, STELCO is also planning an initial public offering.

### Financial Performance

Financial performance of STELCO for 2019 has been very optimistic. The turnover increased by 8.9% to MVR 1942 million whilst the expenses increased by 7.7% to MVR 1833 million, giving record pre-tax profits of MVR 137 million. The profits after taxes also rose to MVR 109 million, showing the effectiveness of the cost-control measures started in 2019. This has allowed the company to invest in the infrastructure projects necessary to provide reliable energy supply to the people. Non-current assets rose by 12.7% compared to the year 2018, to a total MVR 3433 million.

### Infrastructure Development

STELCO has made significant investments to make the company's infrastructure more robust. These investments include Greater Male Grid Connection project to increase service reliability and power security, upgrading the networks of islands to improve grid stability and major developments in K. Thilafushi and K. Gulhifalhu to proactively cater to the foreseeable demand for power due to upcoming projects in this area.



## Embracing Technology

We have strengthened our focus on technological solutions to increase operational efficiency. As such, we are upgrading the SCADA system which will allow faster troubleshooting of engine faults and automation of powerhouse processes. In addition to this, we have incorporated technological solutions to enhance the customer experience. Today, we offer more product options and also more payment options than ever before, giving our customers more choice, certainty and control over their energy costs.

STELCO continues to embrace the digital transformation in electricity, with an optic fiber network being rolled out to all power substations. The network will be a part of STELCO Distribution SCADA and will allow remote digital monitoring of our sites. This network will also provide the backbone for the future smart metering project.

## STELCO GreenLife Initiative – Fehi Dhiriulhun

STELCO GreenLife Initiative was launched in 2019. It is a comprehensive environment-friendly campaign to implement green practices within the workplace and also to encourage our customers to choose greener options. Under this initiative, residential customers have the option to switch to solar power by installing solar panels at their homes. Furthermore, STELCO has conducted the 'Rah Fehi Program', the Inter-Powerhouse tree planting competition for the 2<sup>nd</sup> year in a row, to make STELCO's premises greener.

STELCO GreenLife Initiative was officially launched by H.E.P Ibrahim Mohamed Solih during the '70 Years of Service' event held on 3<sup>rd</sup> March 2020. STELCO is also preparing to implement a company-wide ban on single-use plastics by the end of 2020 under this initiative.

The initiative will also focus on a greener STELCO – with a significant portion of the energy usage at all STELCO powerhouses planned to come from renewable sources within the next two years.

## Staff Welfare & Development

Our staff are key to the company's progress and thus STELCO has always given importance to staff development. Likewise, in 2019, we have conducted several technical training programs to develop a more efficient workforce that is keen to adopt new technologies. STELCO also invested in staff development by providing fully-funded scholarships to staff who display outstanding performance. This serves as a motivation for staff who wish to advance their careers in STELCO. With the aim of fostering an active lifestyle within the company, STELCO Wellness Centre was completed in 2019. The facility is a state-of-the-art gym with access to all staff.

## Empowering Women

During 2019, we have taken important steps to empower our female employees such as conducting the first-ever Electrician Course especially targeted for women. This course will equip them with the skills to work in the same field as their male colleagues. STELCO has also revised its Hajj & Umra Policy to reserve 1 slot for women for each pilgrimage out of 2 total slots. We have also introduced 6 months of maternity leave and 1 month paternity leave in support of H.E.P Ibrahim Mohamed Solih's pledge. Furthermore, we have upgraded STELCO's in-house Health Insurance Scheme to cover health issues that are unique to women and are not covered by any other health insurance schemes in the Maldives.

## Giving Back to the Community

STELCO is always attentive to the needs of the local community and strives to enrich the communities we operate in. As a result, our Corporate Social Responsibility (CSR) initiatives are focused on projects that matter most to our communities. In 2019, we have renovated the Friday Mosque Minaret under CSR, a project to restore a structure that is close to the people's heart and also to preserve an important part of Maldivian history. We also conduct our annual Apprenticeship Program, to build the youth of our communities and provide them with career opportunities within the company. Furthermore, we are a proud partner of the government's Corporate Scholarship Scheme.

## Awards & Recognitions

In 2019, STELCO was awarded the Riveli Award for our role in promoting inclusivity in the workplace by providing opportunities for differently-abled youth. Furthermore, our continuous efforts to promote good governance practices resulted in STELCO winning the CG Efforts Award in the State-Owned Enterprises category. We also won "Public Enterprise of the Year" award for our overall business performance during the year 2019. These awards and recognitions are a direct result of STELCO embracing the State Corporate Governance Code, and the changes made to the organizational structure over the past year to better reflect STELCO's Vision and Mission.

## Acknowledgments

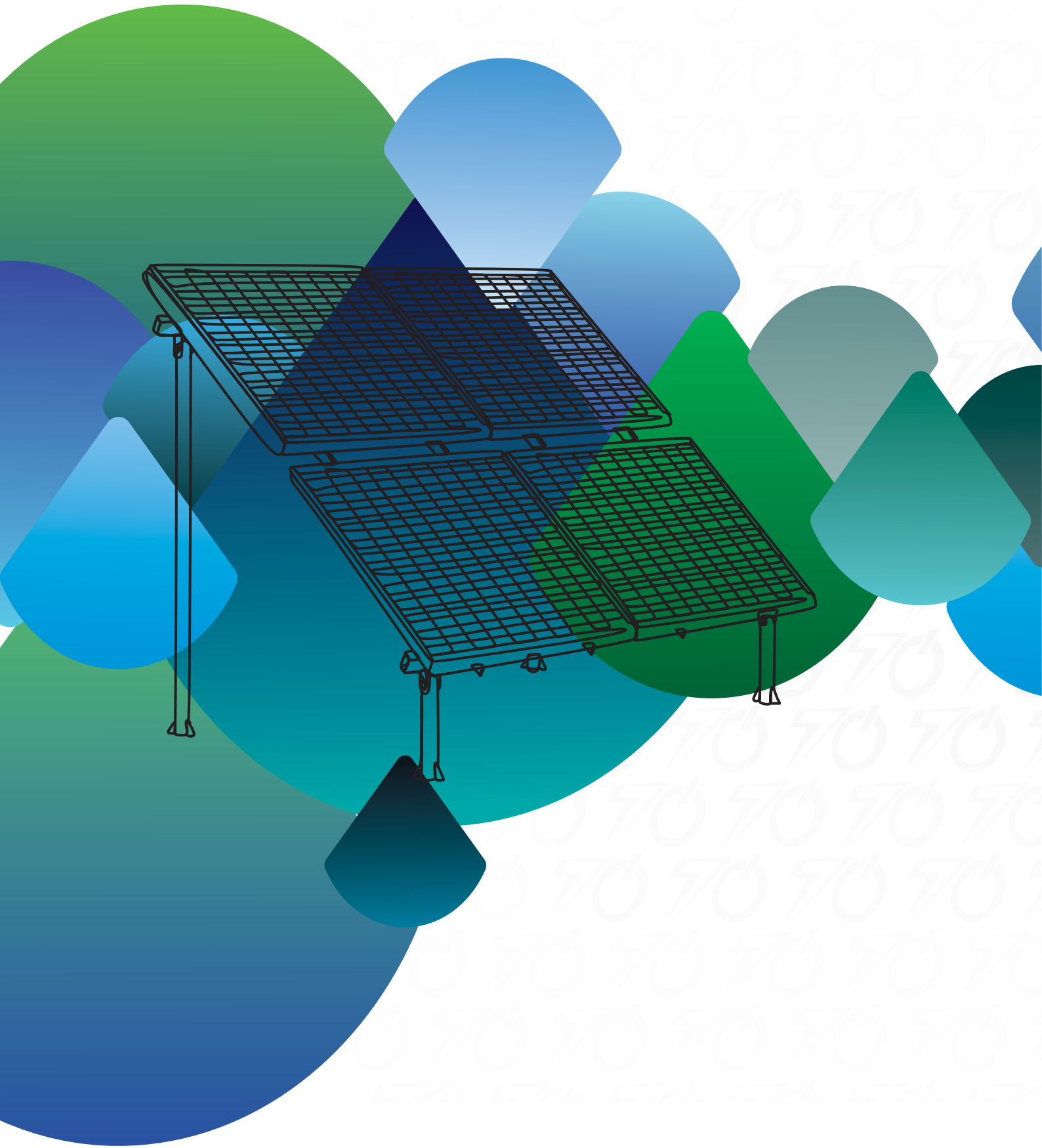
Our remarkable success in 2019 was accomplished with the contribution of the Board of Directors, my management team and the incredible work ethic of our employees. I would like to express my heartfelt appreciation to our employees, who are an inspiration, especially with their sincere service, national spirit, dedication and tireless efforts to serve the nation during this pandemic.

May Almighty Allah bless STELCO, our team and our efforts, and lead us to success.



**Hassan Mughnee**  
Managing Director







02

# CORPORATE GOVERNANCE



## Directors Governance Report

The company strives to strengthen good governance by ensuring that we operate efficiently through greater accountability and transparency, internal controls and internal risk management.

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.

## **The Board of Directors**

STELCO's Board size and structure is governed by the Privatisation & Corporatisation Board under Ministry of Finance. During 2019, the Board comprised of the Chairman, two independent directors who were appointed by the government and two executive directors. The Board has an appropriate balance of executive and non-executive directors to ensure that unbiased and diversity advice is brought to the company governance structure.



## **MOHAMED RASHEED**

### **CHAIRMAN**

Being one of the first technical foreign-educated engineers in the Maldives, Mohamed Rasheed has played a key role in the development of the countries electricity sector.

He 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. He has over 48 years of experience and is one of the most respected engineers in the country. He was appointed as Chairman of STELCO on 12<sup>th</sup> February 2019.

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**

Hassan Mughnee was appointed as the Managing Director and Executive Director of the Board of State Electric Company Ltd (STELCO) on 4th December 2018.

With over 15 years of experience in State Owned Enterprises, Mr. Mughnee has previously worked in Male Water & Sewerage Company (MWSC) as the Head of Marketing Division and as the Chief Operating Officer at Maldives Transport & Contracting Company (MTCC). He has held senior positions in several government and independent institutions including the position of Director General of Elections Commission of the Maldives in 2013, Director General of Customs Integrity Commission in 2015 and Director General of National Integrity Commission.

Mughnee brings an array of technical and academic knowledge to the company. He holds a Master's Degree in Business Administration from Brandeis International Business School, USA and a Bachelor of Science with Summa Cum Laude in Financial Management & Marketing from Upper Iowa University, USA.





**DR. ALI AZWAR**

**DEPUTY MANAGING DIRECTOR, EXECUTIVE 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 18<sup>th</sup> 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 13 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.

## **FORMER MEMBERS OF BOARD OF DIRECTORS**

### **ABDUL RAHMAN ARIF**

#### **NON-EXECUTIVE DIRECTOR (2013-2020)**

Abdul Rahman Arif was appointed as a Director of the Board in 2013. He is currently the Chief Engineer at Sun Hotels & Resorts and has over 16 years of experience in the field.

Abdul Rahman Arif has served as the Board Member from 2013 to July 2020. We thank him for his invaluable contribution towards the development and improvement of the company during his tenure.

### **MOHAMED WASEEM**

#### **NON-EXECUTIVE DIRECTOR (2014-2020)**

Mohamed Waseem was appointed as a Director of the Board in 2014. Waseem served the Government in various capacities for a period of 15 years.

Waseem served as the Board Member from February 2014 to April 2020. We thank him for his invaluable contribution towards the development and improvement of the company during his tenure.

### **MARIYAM SHAFEEGA**

#### **NON-EXECUTIVE DIRECTOR (2016-2019)**

Mariyam Shafeega served as the Board Member from April 2016 to February 2019. We thank her for her invaluable contribution towards the development and improvement of the company during her tenure.



## Independence

The majority of the board consists of non-executive and independent members. The Board has determined that the Board members Mr. Abdul Rahman Arif, Mr. Mohamed Waseem and Mr. Ahmed Latheef 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 directors' independence. In light of these factors, the Board is satisfied of the independence of the directors mentioned above.

## 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.

These specific skills, expertise and experience of the Board members allow the Board to deliberate on major strategic and operational matters of the company.

## The Chairperson

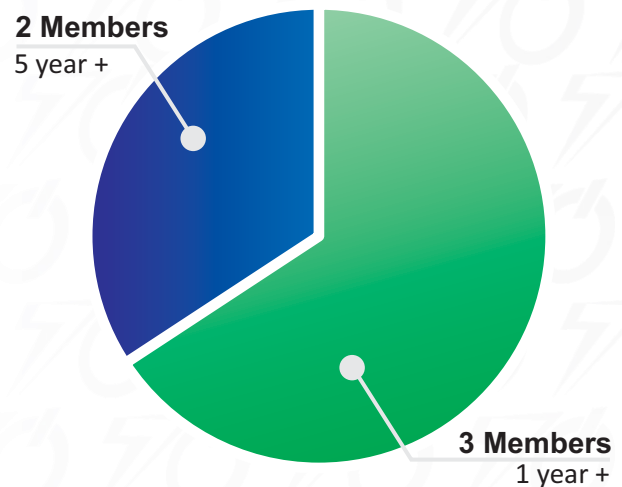
Mr. Mohamed Rasheed was appointed as the Chairman of the Board on 12th February 2020. As mentioned in the Articles of Association and the Code of Corporate Governance for State-Owned Enterprises, the Chairman is a non-executive member and the roles and responsibilities of the Chairperson are separate 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.

## Tenure

As of 31st December 2019, all of the board members have been appointed to the board within the past 5 years, whereby former board director Mr. Abdul Rahman Arif held the longest duration in the board with over 5 years. Moreover it is identified that at least 1 member has been replaced each year within the past 3 years.

**Service period of members**



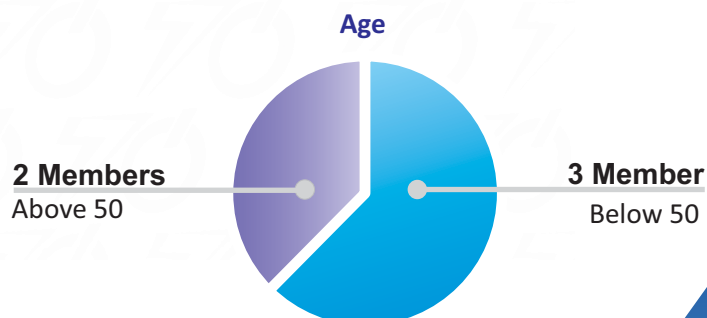
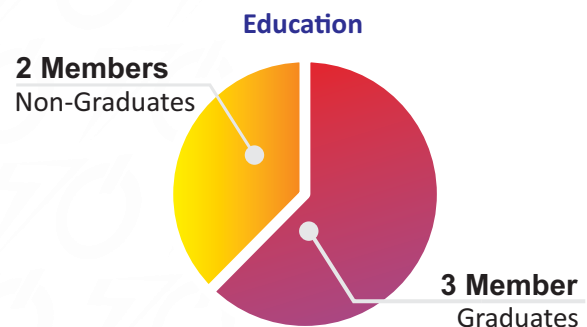
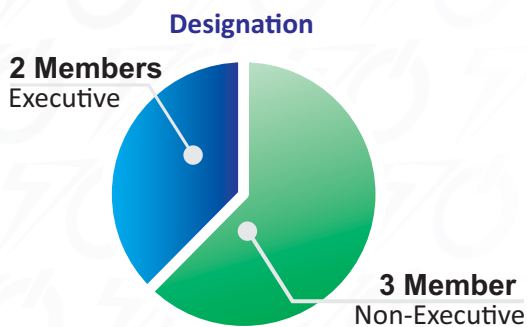
## Composition of Board

The size and composition of the Board is adequate to ensure effective corporate governance, necessary pluralism productive and constructive discussions, prompt and rational decisions and effective organization of the work of its committees.

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 are nominated based on the qualifications and 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 also to ensure that no individual or small groups of individuals can dominate the Board's decision.

### Composition of the Board of Directors as of 31<sup>st</sup> December 2019

Name	Designation	Executive/Non Executive
Mr. Mohamed Rasheed	Chairman	Non-Executive
Mr. Hassan Mughnee	Managing Director	Executive
Dr. Ali Azwar	Board Director	Executive
Mr. Abdul Rahman Arif	Board Director	Non-Executive
Mr. Mohamed Waseem	Board Director	Non-Executive





## Board of Directors Service Duration

Name	Designation	Service Duration		
Mr. Hassan Mughnee	Managing Director	04.12.2018	-	to present
Mr. Abdul Rahman Arif	Board Director	18.12.2014	-	13.07.2020
Mr. Mohamed Waseem	Board Director	12.02.2014	-	18.03.2020
Ms. Mariyam Shafeega	Board Director	12.04.2016	-	06.02.2019

## Newly appointed Board Members

Name	Designation	Appointed Date
Mr. Mohamed Rasheed	Chairman	12.02.2019
Dr. Ali Azwar	Board Director	09.05.2019
Mr. Ahmed Latheef	Board Director	18.03.2020
Major (Rtd) Tholhath Hassan	Board Director	13.07.2020

## Process of Appointing of New Directors

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

## Non- Executive Members

Non-Executive Board members comprise at least one-half of the Board. These directors are responsible for the stewardship of the company on behalf of the Government, and the public. The two key functions in its stewardship of the company are to lead the company and to oversee the management and operations of the company. Their responsibilities also include performing their duties in good faith and in a manner that they believe to be in the best interests of the company and the public.

## 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 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.

Furthermore, 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 the stipulated period. Some Board Directors have also refreshed this training in light of the updates made to Code of Corporate Governance for State-Owned Enterprises published by the Privatisation and Corporatisation Board in 2019.

Name	Designation	Director's Training completed / refreshed date
Mr.Mohamed Rasheed	Chairman	30 June 2020
Mr. Hassan Mughnee	Managing Director	30 June 2020
Dr. Ali Azwar	Deputy Managing Director	30 June 2020
Mr. Abdul Rahman Arif	Independent Director	08 November 2014
Mr. Mohamed Waseem	Independent Director	08 November 2014
Mr. Ahmed Latheef	Independent Director	30 June 2020

### Trainings

STELCO provides training opportunities to Board Director's to enhance their knowledge and skills, thus enabling them to effectively contribute to the Board and Committee meetings.

Name	Training	Duration	Institution
Mr.Abdul Rahman Arif Mr. Mohamed Waseem	Internal Audit in Corporate Governance	10.01.2019 - 17.01.2019	Bangkok School of Management

## The Board

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

- Approval of Annual Budget
- Approval and review of Audited Financial Statements
- Reviewing Operational and Financial Performance of the company
- Approval of Major capital expenditures
- Reviewing of the company's Internal Controls and Risk Management

## Board Evaluation

According to the Code of Corporate Governance for State-Owned Enterprises adopted in 2019, an evaluation of the Board must be carried out annually. STELCO's Board Evaluation Policy has been adopted. Our Board evaluation process will follow the 360-degree evaluation method and therefore take into account the performance of the Chairperson, individual Board Directors and a self-evaluation of the performance of the Board as a whole.

The Company Secretary will prepare a report based on the findings of the Board evaluation and present these findings to the Board members. The Board members will discuss ways of improving Board performance and make recommendations.

## Conflict of Interest

In 2019, 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 process 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 members, 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 upon request.

## 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 Board meetings in person but if this is not possible, then the director can participate via video conference.

## Attendance of Directors at Board Meetings (2019)

Name	Designation	Attendance
Mr. Hassan Mughnee	Managing Director	 17/17
Mr. Abdul Rahman Arif	Board Director	 16/17
Mr. Mohamed Waseem	Board Director	 11/17
Ms. Mariyam Shafeega	Board Director	 1/1

## Attendance of newly appointed Directors at Board Meetings (2019)

Name	Designation	Attendance
Mr. Mohamed Rasheed	Chairman	 16/16
Dr. Ali Azwar	Board Director	 11/12



## Major Decisions of the Board

- Adopted the Code of Corporate Governance for SOEs as recommended by Privatization and Corporatization Board and Ministry of Finance.
- Approved to request Ministry of Finance to change the ranking of STELCO to A category.
- Approved to increase Authorized Share Capital of the company to MVR 2 Billion, the Authorized Share amount to 2000 shares and Paid-up Share amount to 1650 shares. Consequently approved to make necessary alteration to Articles of Association and Memorandum of Association of the Company.
- Endorsed the remuneration package for Managing Director, Deputy Managing Director, Chairman, Board Directors and Company Secretary proposed by Ministry of Finance.
- Amended the Corporate Travel Policy of the Company as instructed by Ministry of Finance.
- Amended the Goods Auction and Disposal Procedure of the company.
- Approved to extend Maternity leave period to 6 months and Paternity leave period to 1 month and amend Staff Leave Policy accordingly.
- Approved the Policy ' Minimum Requirement for Chief Internal Auditor for SOEs' and appointed the temporary CIA of the Company.
- Approved to provide Hajj opportunity to one male employee and one female employee and to provide Umrah opportunity to one male employee and one female employee and amend 'Hajj and Umrah' policy of the Company accordingly.
- Approved Umrah leave and Compassion leave and amended Staff Leave Policy accordingly.
- Approved to set MVR 3000 as Dependent premium amount for STELCO In-house health Insurance and to renew STELCO In-house Health Insurance Scheme for further one year effective from 18th June 2019.
- Approved to take over AA. Ukulhas Sewerage system developed Ministry of National Planning and Infrastructure.
- Approved the amendment to the Finance contract between Government of Republic of Maldives and European Investment Bank for the financing of Preparing Outer Islands for Sustainable Energy Development (POISED) Project and gave authority to Mr. Hassan Mughnee, Managing Director to sign all documentation regarding this amendment on behalf of STELCO.
- Approved procurement transactions exceeding MVR 3 million as per the Procurement Policy.
- Approved the budget for the year 2020.

## Company Secretary

Ms. Aishath Muzna was appointed as the Company Secretary of STELCO on 21st August 2017. The Company Secretary holds a Bachelor's Degree in Accounting & Finance and has over 20 years of experience in the company. Furthermore, she has completed the Effective Corporate Governance Training Program conducted by Bangkok School of Management in 2017 and the Company Secretaries Training Program conducted by the Capital Market Development Authority on 13th February 2020.

During 2019, the Company Secretary has carried out the responsibilities set out in the Code of Corporate Governance for State Owned Enterprises which include:

- Facilitating the efficient administration of Board meetings.
- Assisting and advising the Board on the company's compliance with corporate governance.
- 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.
- Ensuring timely, accessible and accurate filing of corporate statutory records as required by the law, PCB and the company's Articles of Association.

The Board is satisfied with the level of competency and professionalism displayed by the Company Secretary.

## Remuneration of Board Members & Senior Management

The Board members' 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 Chairperson, Executive and Non-Executive Directors. STELCO does not provide Board Members with any additional allowances outside of this policy.

The Board has decided that the remuneration of the senior management will be disclosed to the Ministry of Finance as they are the shareholder representative from the government.

## Internal Control

The Board has overall responsibility for the company's system of internal control and for monitoring its effectiveness.

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 the approval of the Board.
- A comprehensive system of financial reporting is established.
- Large capital expenditure requires the 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.

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.

### **Good Governance, Policies, Procedures & Guidelines**

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

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

These policies are implemented to ensure that the company has an effective 'check 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 & Responsibility**

The Board has delegated the leadership and control of the company to the Managing Director and his Senior Management team for a regular 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.

### **Internal Audit**

STELCO Internal Audit activities are undertaken by the company's Internal Audit Department. The Internal Audit department is an independent objective assurance and consulting function which adds value and improve company's operations.

The function helps the company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process

Head of Internal Audit reports functionally to the Audit Committee and Administratively to Managing Director.

**Mohamed Rasheed**

Chairman

## External Audit

External Auditor's 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 their opinion and recommendation.

They Review financial statements to ensure that they are a 'true and fair' account of past financial performance and current financial position.

Through professional judgment and maintaining scepticism, the external auditor's review company's internal controls, understand the appropriateness of accounting policies and evaluate overall presentation and content of financial statements.

The external audit of the company is conducted by an independent party appointed by the Auditor General Office. During the year 2019, the Auditor General Office appointed KPMG as our external auditor.





## REMUNERATION COMMITTEE REPORT

The function of the Remuneration Committee is to develop policies on employee remuneration and determining the structure and the amount of remuneration packages of individual Directors and general employees of the Company.

### Members of the Committee as of 31<sup>st</sup> December 2019

Name	Designation	Service Duration
Abdul Rahman Arif	Committee Chairman	03.05.2016 - 13.07.2020
Mariyam Shafeeqa	Member	03.05.2016 - 12.02.2019

### Current Members of the Remuneration Committee

Name	Designation	Service Duration
Ahmed Latheef	Committee Chairman	26.05.2020 - Present
Major (Rtd) Tholhath Hassan	Member	14.07.2020 - Present

### Roles and Responsibilities:

- 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.

### Conclusion

The Remuneration Committee is satisfied with the activities carried out in 2019.

On behalf of the Remuneration Committee:



**Abdul Rahman Arif**  
**Chairman, Remuneration Committee (2019)**



## AUDIT COMMITTEE REPORT

STELCO's Audit Committee is established in accordance with the requirements of the Corporate Governance Code (CG Code) of the Maldives. All members of the Audit Committee are Independent, Non-Executive Directors who possess the capacity to undertake the responsibilities of the Committee.

The Audit Committee is delegated with the authority from the STELCO Board of Directors in overseeing the organization's risk management, internal control process and governance. This oversight mechanism also serves to provide confidence in the integrity of these practices.

The Audit Committee conducts itself in accordance with the code of values and ethics of STELCO. The Committee charter is reviewed annually and the outcomes of the Audit Committee meetings are reported to STELCO Board of Directors. The Committee's effectiveness is reviewed annually as part of the Board's performance evaluation process.

### Members of the Committee as of 31<sup>st</sup> December 2019

Name	Designation	Service Duration
Mohamed Waseem	Committee Chairman	03.05.2016 - 18.03.2020
Abdul Rahman Arif	Member	03.05.2016 - 13.07.2020

### Attendance of Members to Committee Meetings (2019)

Name	Designation	Attendance
Mohamed Waseem	Committee Chairman	2/2
Abdul Rahman Arif	Member (Board Director)	2/2

### Current Members of the Remuneration Committee

Name	Designation	Service Duration
Major (Rtd) Tholhath Hassan	Committee Chairman	14.07.2020 - Present
Ahmed Latheef	Member	26.05.2020 - Present

## Roles and Responsibilities:

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

- Review the company's internal control, internal audit, compliance and risk management systems.
- Receive and discuss the external auditor – Auditor General's 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 2019:

- Approved Internal Audit Annual Plan.
- Reviewed and Internal Audit Committee Charter.
- Presented and discussed on the external Audit Report.
- Approved and Implemented Confidentiality and Non-Disclosure Agreement.

- Approved new format for Process Audits and Special Audits .

- Endorsed Whistleblowing Policy

The Internal Audit Department carried out multiple process audits and special audits during the year in line with the approved Internal Audit Plan for 2019. The findings of the audits were presented to the Audit Committee, along with the Management comments and Action Plan.

## Conclusion

In reliance to the activities referred above, the Audit Committee is satisfied with the activities carried out during the year. Furthermore, the committee is also satisfied with the company's Internal Audit function, its independence and objectivity and the effectiveness of the internal controls established.

On behalf of the Audit Committee:



**Mohamed Waseem**  
Chairman, Audit Committee (2019)







## EXECUTIVE TEAM





### **HASSAN MUGHNEE**

#### **MANAGING DIRECTOR**

Hassan Mughnee was appointed as the Managing Director and Executive Director of the Board of State Electric Company Ltd (STELCO) on 4th December 2018.

With over 15 years of experience in State-Owned Enterprises, Mr. Mughnee has previously worked in Male Water & Sewerage Company (MWSC) as the Head of Marketing Division and as the Chief Operating Officer at Maldives Transport & Contracting Company (MTCC). He has held senior positions in several government and independent institutions including the position of Director General of Elections Commission of the Maldives in 2013, Director General of Customs Integrity Commission in 2015 and Director General of National Integrity Commission.

Mughnee brings an array of technical and academic knowledge to the company. He holds a Master's Degree in Business Administration from Brandeis International Business School, USA and a Bachelor of Science with Summa Cum Laude in Financial Management & Marketing from Upper Iowa University, USA.

**DR. ALI AZWAR**

**DEPUTY MANAGING DIRECTOR**

Dr. Ali Azwar joined STELCO in 1997, and currently is 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 specializing in Renewable Energy 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.





**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. Latheef holds a Bachelor of multi-disciplinary Science degree from Curtin University of Technology, Australia.



**AISHATH MUZNA**

**HEAD OF BUSINESS DEVELOPMENT / COMPANY SECRETARY**

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

**AHMED IQBAL**

**HEAD OF ENGINEERING & MECHANICAL**

Ahmed Iqbal joined STELCO in 1991 and currently is the Head of Engineering & Mechanical department of the Company. He has held various executive posts including the posts of Head of Male' Region and Regional department.

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.





### **IBRAHIM NIZAM**

#### **HEAD OF TRANSMISSION & DISTRIBUTION**

Ibrahim Nizam joined STELCO in 1997 and currently is the Head of Transmission & Distribution Department of the company. He has also held various executive posts including the posts of Head of Customer Services & Billing, Power Generation, Business Development, Water Production Department and Hulhumale' Powerhouse. 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.



### **AHMED SAIF**

#### **HEAD OF ELECTRICAL, INSTRUMENTATION & CONTROL**

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



**HUSSAIN FAHMY**

**HEAD OF CUSTOMER SERVICES & BILLING**

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

**HASSAN HUSSAIN**

**HEAD OF TRANSPORT & LOGISTICS**

Hassan Hussain joined STELCO in 1982 and currently is the Head of Transport & Logistics Department. He has held various executive posts including the posts of Head of Managing Directors Bureau and In-charge of Hulhumale Powerhouse. Hassan holds an Advanced Certificate in Office Management from the Centre for Management and Human Resource Development, Maldives.





## **MOHAMED SALEEM**

### **HEAD OF PROCUREMENT**

Mohamed Saleem joined STELCO in November 2002 and currently is the Head of Procurement Department of the company. He has held various executive posts including Head of Finance & Accounts Department, Head of Internal Audit and In-charge of Ha.Hoarafushi Powerhouse.

Saleem holds a Master of Business Administration degree from University of Wales, United Kingdom.



## **IBRAHIM NASHID**

### **HEAD OF INFORMATION TECHNOLOGY & SOFTWARE ENGINEERING**

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



**IBRAHIM RAUF**

**HEAD OF WATER & SEWERAGE**

Ibrahim Rauf joined STELCO in 1991 and currently is Head of Water and Sewerage Department of the company. Prior to that, he held the post of Chief Superintendant Engineer and Head of the Electrical Department. Rauf holds a BTEC National Diploma in Engineering.

**ABDUL MALIK THOUFEEG**

**HEAD OF PROJECTS, PLANNING AND IMPLEMENTATION**

Abdul Malik Thoufeeg joined STELCO in 1999 and currently is the Head of Projects, Planning & Implementation Department. Prior to that, he served as Head of Procurement Department and Internal Audit of the Company. He also worked in Electrical Department and Customer Service Department. Malik 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.



**ENAS AHMED**

**HEAD OF FINANCE & ACCOUNTS / ACTING CHIEF FINANCIAL OFFICER**

Enas Ahmed joined STELCO in 1999 and currently is the Head of Finance & Accounts Department. She is also the acting CFO of the company. Prior to that, she held the post of Unit Head of Finance & Accounts Department. Enas is a Chartered Management Accountant and a member of Chartered Institute of Management Association (CIMA), United Kingdom. She also holds a Masters in Business Administration degree from Anglia Ruskin University, United Kingdom.



**ABDULLA NAZIR**

**HEAD OF CORPORATE & LEGAL AFFAIRS / STELCO BUREAU**

Abdulla Nazir joined STELCO in 2001 and currently is the Head of Corporate Affairs Department and Stelco Bureau. He was also the temporary Head of Public Relations, Head of Human Resource and Training Department and Media Department in his service period. He served as the Company Secretary of STELCO from 2010 to 2014. Nazir holds a Bachelor of Arts degree in Business Administration from University of East London, United Kingdom.



**ALI MUJTHABA MOHAMED**

**HEAD OF HUMAN RESOURCES & TRAINING**

Ali Mujthaba Mohamed joined STELCO in 2003 and currently is the Head of Human Resource and Training Department of the company. Prior to that, he has held various executive posts including the posts of Head of Procurement Department, Corporate and Legal Affairs Department, Business Development Department and Customer Services & Billing Department. Ali Mujthaba Mohamed holds a Master of Business Administration Degree from Australian Institute of Business, Australia.

**AHMED SHAFEEU**

**CHIEF ELECTRICAL ENGINEER (HULHUMALE')**

Ahmed Shafeeu joined STELCO in 1991 and currently is the Chief Electrical Engineer of Hulhumale' Powerhouse. He has held various executive posts including the posts of Head Transmission Distribution Department, Business Development, Billing Services, Greater Male Region, Regional and Customer Services & Information Technology Department. 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 the Company. 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 SHARNEEZ**

**CHIEF MECHANICAL ENGINEER (HULHUMALE')**

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

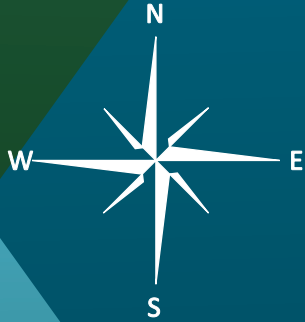


**MOHAMED SHAMIL ABDUL SATTAR**

**ACTING HEAD OF INTERNAL AUDIT**

Mohamed Shamil Abdul Sattar joined STELCO in 2019 and currently is the acting Head of Internal Audit Department of the company. He also provisionally holds the responsibilities of a Chief Internal Auditor. Prior to that, he held the post of Assistant Manager in the Department. Shamil holds a Bachelors of Science Degree in Business Administration, Major in Internal Auditing (BSBA-IA) Major in Internal Auditing from Far Eastern University, Philippines.





K.Kaashidhoo

K.Gaafaru

K.Dhiffushi

K.Thulusdhoo

K.Himmafushi

Hulhumale'

Male'

Villimale'

K.Gulhi

K.Maafushi

K.Guraidhoo

V.Fulidhoo

V.Thinadhoo

V.Felidhoo

V.RKeyodhoo

V.Rakeedhoo

AA.Thoddoo

AA.Ukulhas

AA.Bodufohudhoo

AA.Rasdhoo

AA.Mathiveri

AA.Feridhoo

AA.Maalhos

AA.Himandhoo

ADH.Hangnaameedhoo

ADH.Omadhoo

ADH.Kumburudhoo

ADH.Mandhoo

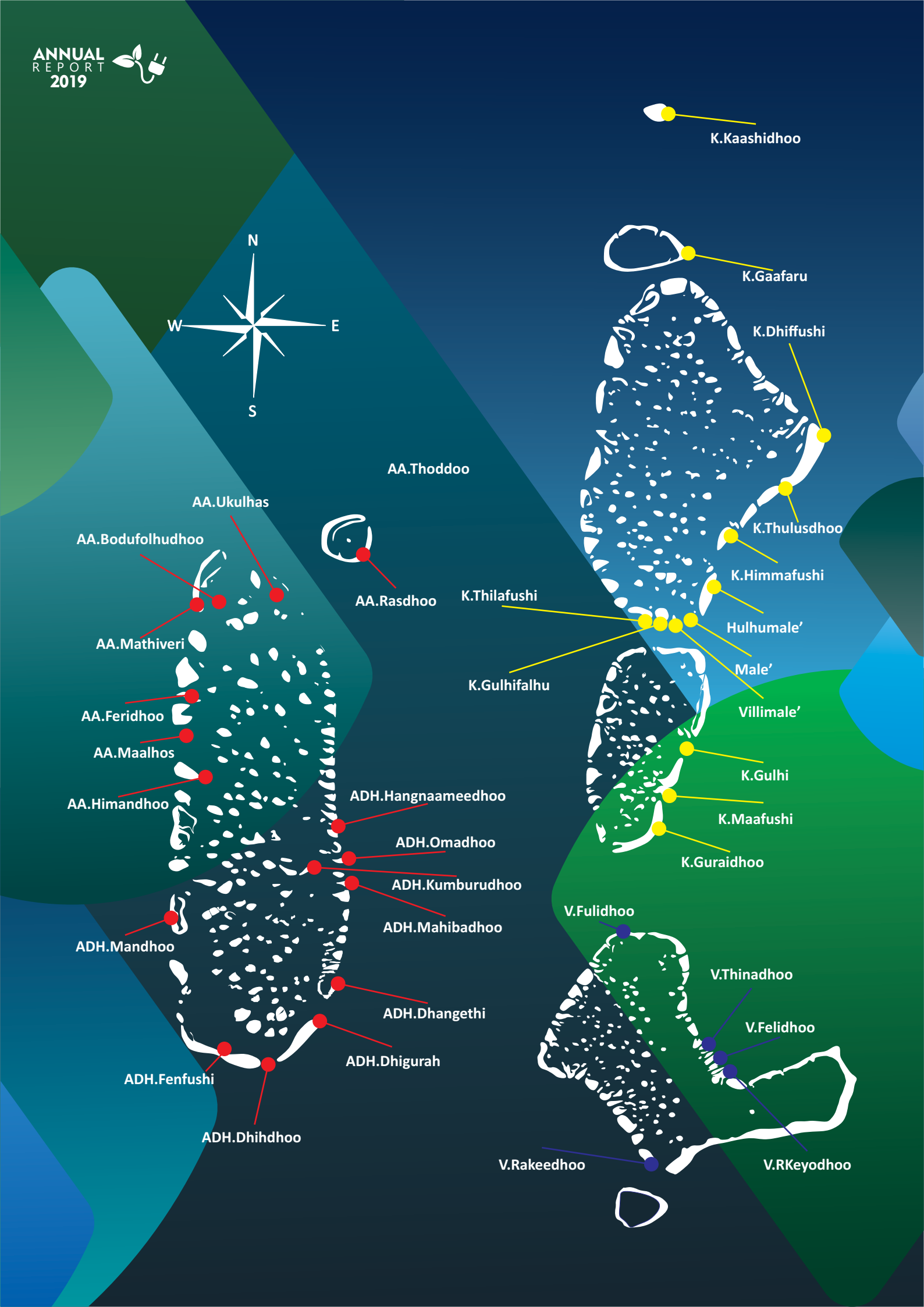
ADH.Mahibadhoo

ADH.Dhangethi

ADH.Dhigurah

ADH.Fenfushi

ADH.Dhihdhoo





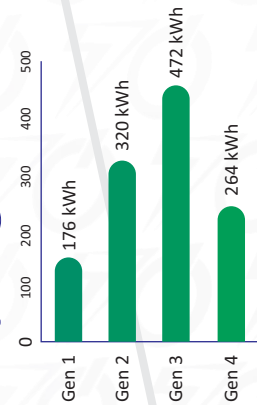
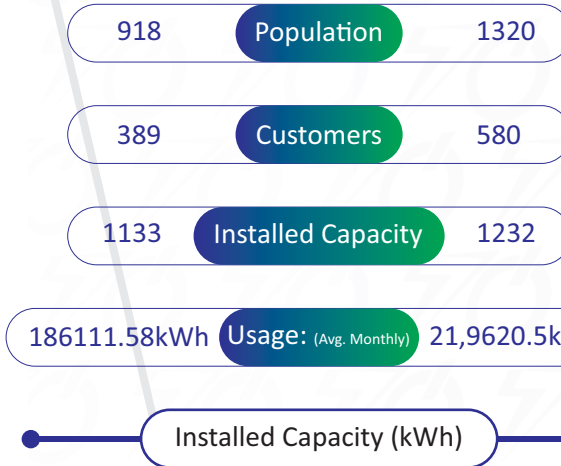
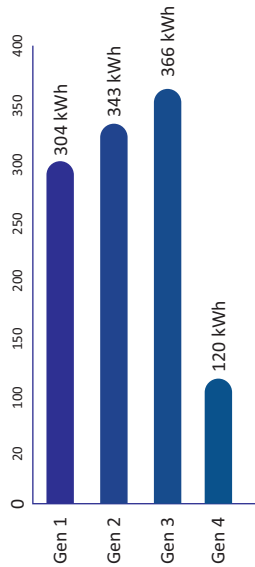
03

OUR  
FOOTPRINT

# OUR ISLAND POWERHOUSES

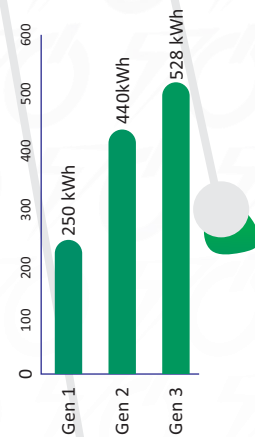
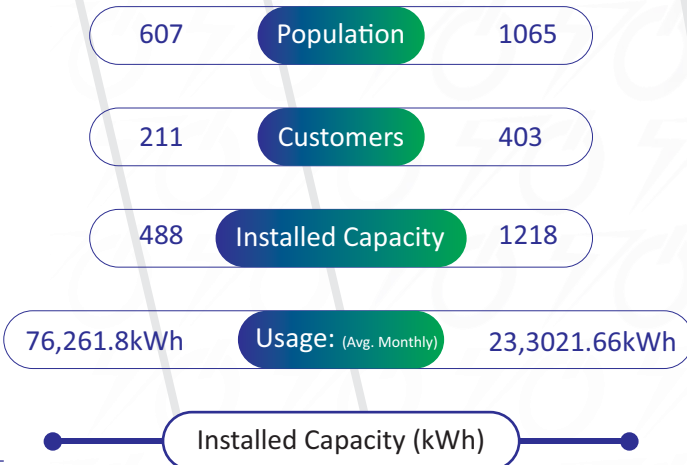
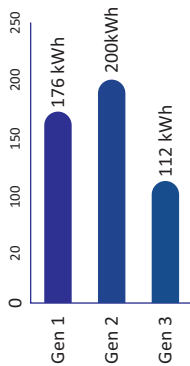
## AA.Ukulhas

## AA.Thoddoo

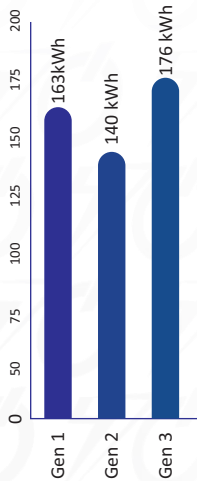


## AA.Bodufolhudhoo

## AA.Rasdhoo



**AA.Maalhos** **AA.Mathiveri**



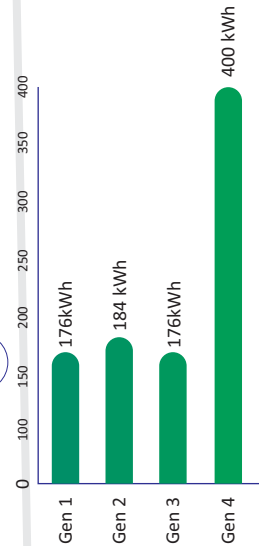
426 **Population** 578

165 **Customers** 231

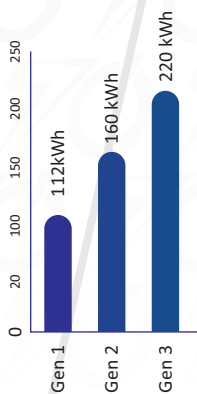
479 **Installed Capacity** 936

56,280.25kWh **Usage: (Avg. Monthly)** 100,393kWh

Installed Capacity (kWh)



**AA.Himandhoo** **AA.Feridhoo**



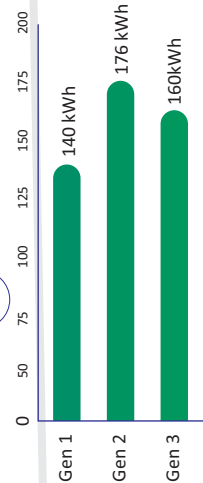
703 **Population** 437

233 **Customers** 176

492 **Installed Capacity** 476

89,422.42kWh **Usage: (Avg. Monthly)** 61,658kWh

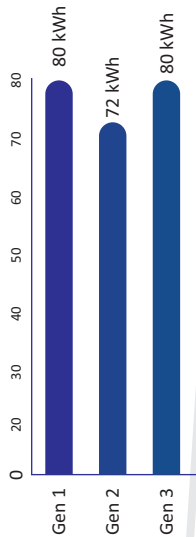
Installed Capacity (kWh)





### ADh.Dhihdhoo

### ADh.Fenfushi



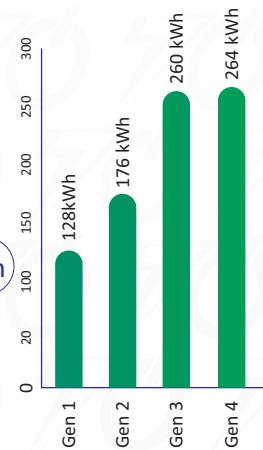
156 Population 836

75 Customers 299

232 Installed Capacity 828

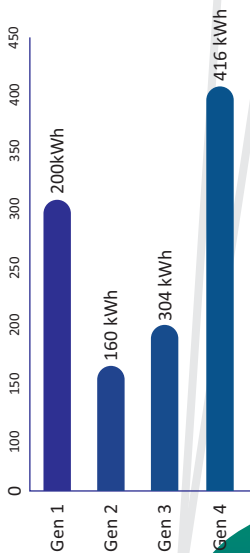
19,975.75kWh Usage: (Avg. Monthly) 103,395.25kWh

Installed Capacity (kWh)



### ADh.Dhigurah

### ADh.Mandhoo



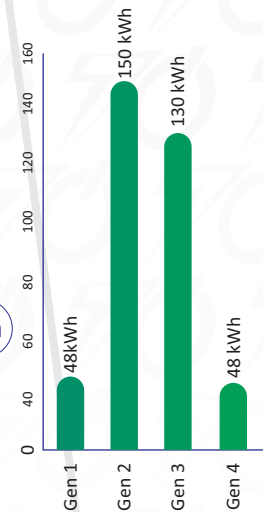
608 Population 363

278 Customers 115

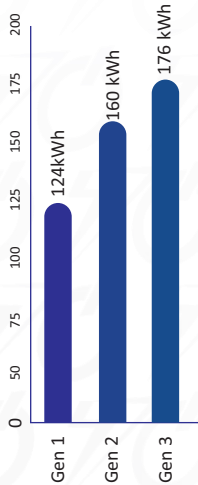
1080 Installed Capacity 376

300,688kWh Usage: (Avg. Monthly) 41,843.75kWh

Installed Capacity (kWh)

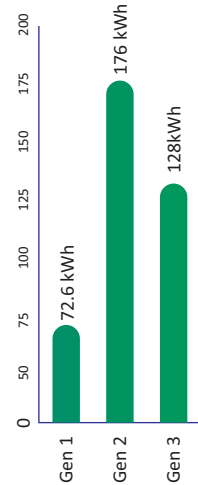


**ADh.Hangnameedhoo** **ADh.Kumburudhoo**

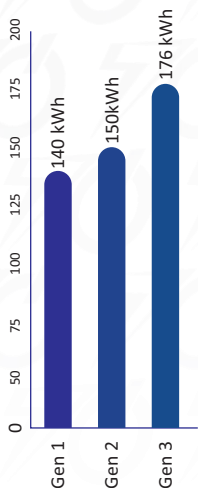


501	Population	462
194	Customers	114
460	Installed Capacity	376.6
66,346kWh	Usage: (Avg. Monthly)	52,189.45kWh

Installed Capacity (kWh)

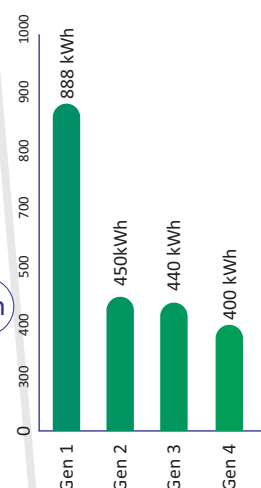


**ADh.Omadhoo** **ADh.Mahibadhoo**



886	Population	2075
240	Customers	576
466	Installed Capacity	2178
81,470.75kWh	Usage: (Avg. Monthly)	307,795.11kWh

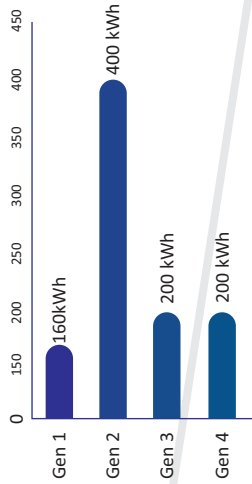
Installed Capacity (kWh)





## ADh.Dhangethi

## V.Rakeedhoo



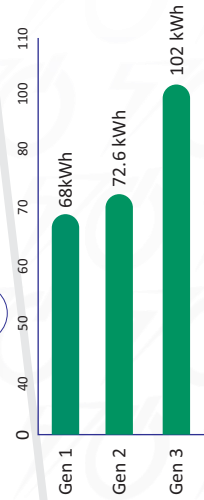
827 **Population** 84

366 **Customers** 61

960 **Installed Capacity** 242.6

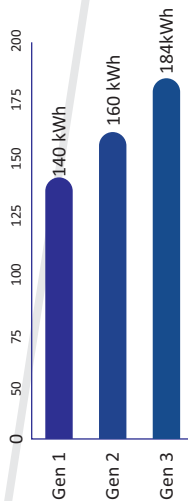
123,325.17kWh **Usage: (Avg. Monthly)** 16,272.67kWh

Installed Capacity (kWh)



## V.Keyodhoo

## V.Felidhoo



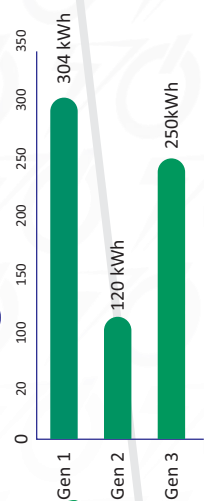
657 **Population** 516

232 **Customers** 205

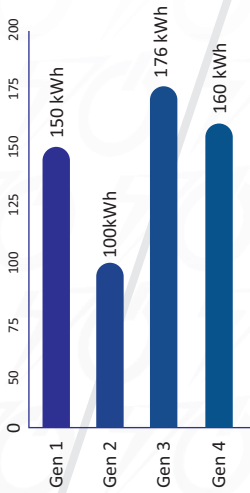
484 **Installed Capacity** 824

83,077.61kWh **Usage: (Avg. Monthly)** 88,474.05kWh

Installed Capacity (kWh)



V.Fulidhoo V.Thinadhoo



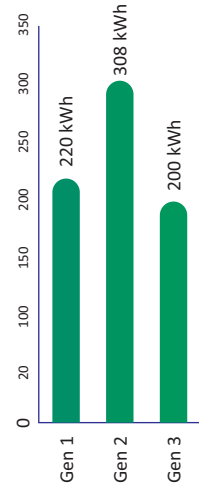
360 Population 132

157 Customers 91

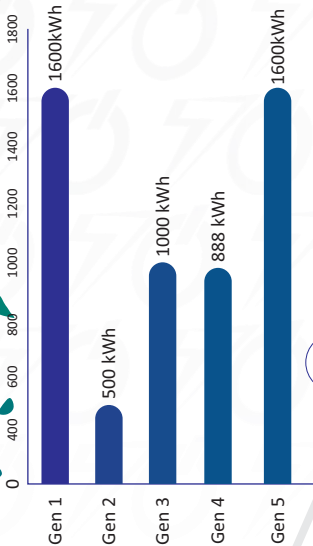
586 Installed Capacity 729

65,013.58kWh Usage: (Avg. Monthly) 76,718.92kWh

Installed Capacity (kWh)



K.Maafushi K.Guraidhoo



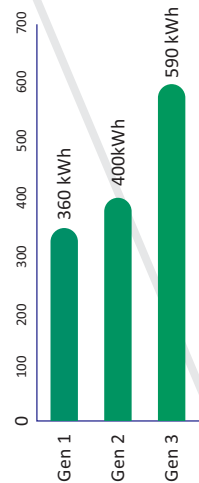
2692 Population 1605

732 Customers 590

5588 Installed Capacity 1350

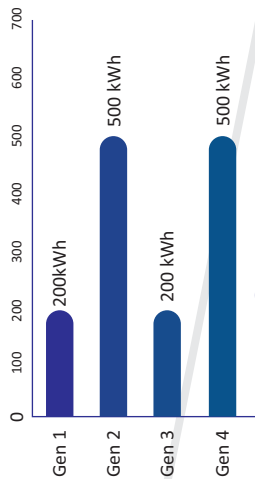
805,192.17kWh Usage: (Avg. Monthly) 265,437.58kWh

Installed Capacity (kWh)





**K.Himmafushi** **K.Gulhi**



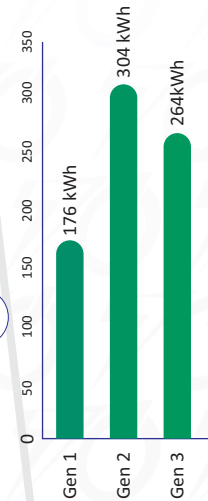
1308 **Population** 893

435 **Customers** 196

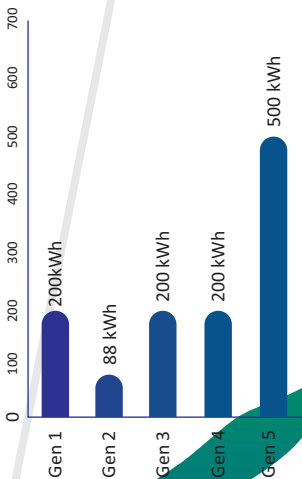
1400 **Installed Capacity** 744

278,053.12kWh **Usage: (Avg. Monthly)** 115,688.08kWh

Installed Capacity (kWh)



**K.Gulhifalhu** **K.Thilafushi**



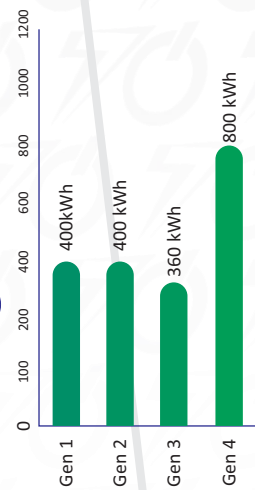
- **Population** -

66 **Customers** 287

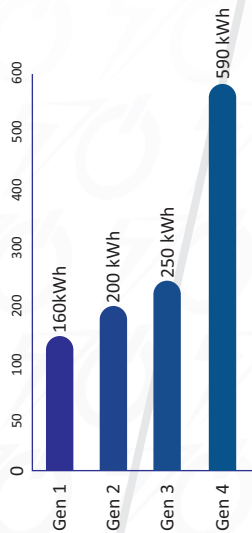
1188 **Installed Capacity** 1960

30,669kWh **Usage: (Avg. Monthly)** 483,160kWh

Installed Capacity (kWh)



**K.Kaashidhoo** **K.Dhiffushi**



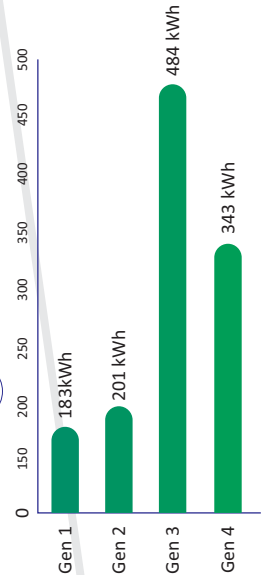
1865 **Population** 1024

579 **Customers** 454

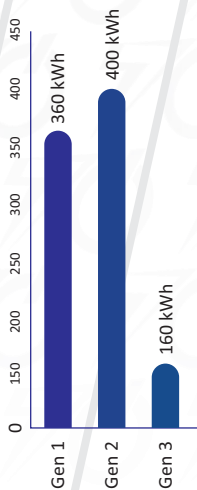
1200 **Installed Capacity** 1211

231,742.69kWh **Usage: (Avg. Monthly)** 185,428.47kWh

Installed Capacity (kWh)



**K.Gaafaru** **K.Thulusdhoo**



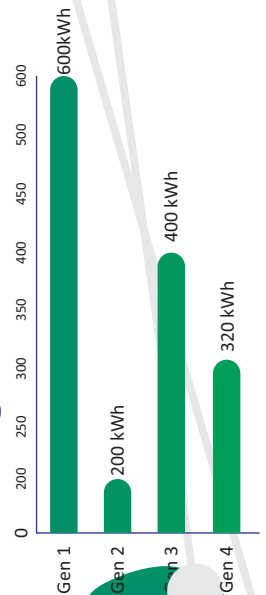
1061 **Population** 1388

334 **Customers** 445

920 **Installed Capacity** 1520

136,961.5kWh **Usage: (Avg. Monthly)** 29,490.36kWh

Installed Capacity (kWh)



## OUR WATER DESALINATION NETWORKS

### AA.Ukulhas

RO TANK Capacity

**35** Tons

RW Capacity

**1,350** Tons

Initiation Date

30-09-2014

### Adh.Mahibadhoo

RO TANK Capacity

**700** Tons

RW Capacity

**500** Tons

Initiation Date

27-02-2016



AA.Thodoo

RO TANK Capacity

500 Tons

RW Capacity

1,000 Tons

30-05-2018

Initiation Date

K.Guraidhoo

RO TANK Capacity

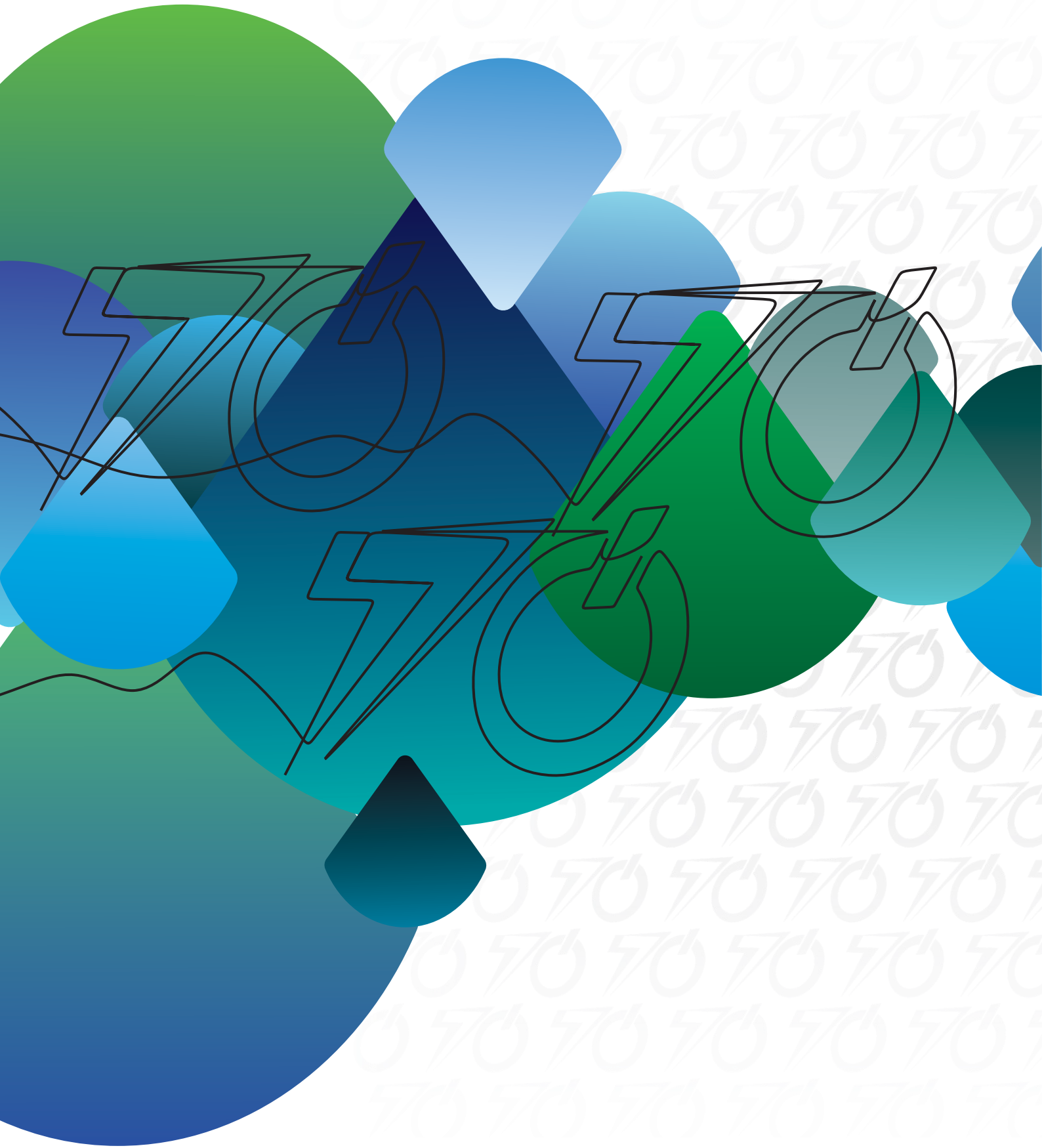
500 Tons

RW Capacity

1,000 Tons

07-11-2019

Initiation Date





04

HIGHLIGHTS  
OF 2019



## Financial Highlights

### Revenue

MVR  
**1,942** Million

+ **10%**

### Expenditure

MVR  
**1,833** Million

+ **8%**

### Profit

#### Before Tax

MVR  
**137** Million

+ **111%**

#### After Tax

MVR  
**109** Million

+ **4%**



Total Asset

MVR  
**4,457** Million

+17%

Total Liability

MVR  
**3,762** Million

+16%

Total Investment

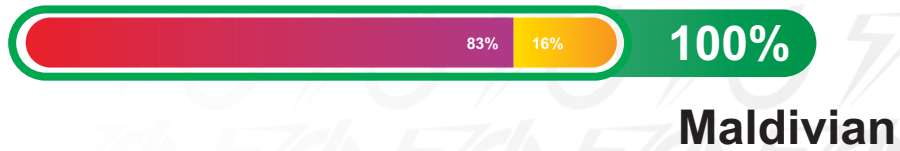
MVR  
**413** Million

## Key Facts

### Our Staff

**Total**  
**1,034** Staff

Male	Female	New
<b>855</b> Staff	<b>167</b> Staff	<b>121</b> Staff



### Our Business

**35**

Power System

**4**

Water Networks

### 70 Years of Service

In 2019 we mark the



70 YEARS OF SERVICE

## Key Achievements

### Riveli Award 2019

'Riveli' award is given to acknowledge the contribution made by individuals and institutions for the growth and support of disabled people. STELCO received the award for the best company in providing job opportunities for the disabled. We believe that disabled people are an important part of our society and that they deserve to be treated in the same way as the rest of society.

STELCO gives a high priority for impartiality by utilizing our resources and available operations in providing opportunities to those in need. In addition to giving the opportunity to these staffs to work under the utility sector, we also give high importance to develop their skills as the rest of the staffs. This includes an arrangement of training programs and recreational activities for these staffs. Our goal is to provide them with the same resources, benefits and opportunities as other staffs, to value their contribution to the society.

We are well committed in expanding our contribution towards the disabled and those in need by finding areas of operation we can utilize their skill even further and providing more opportunities to them. Moreover, we would like to encourage such practices in other institutions and fully support any help required on the way.





## Public Enterprise of the year 2019

STELCO won the 'Public Enterprises of the Year' awards at the Maldives Business Awards 2019. The award validates our commitment to social and technological development, in terms of growth, expansion, and innovation. The mix of rising customer demands and technological adoption requires STELCO to operate and deliver value. We execute our strategies, making needed adjustments, and accelerating work to keep us moving towards our goals. Our strategic enhancements have allowed us to strengthen the grid, make it more resilient and secure, and incorporate new technologies to serve the community better, improve reliability, and extend renewable energy services.

Our focus on operational excellence and the unique approach that we uphold to enable customer-centricity by working closely with the community that we serve is foundational to our success. We embody the very spirit and ethos of public service. Our ability to develop new solutions and offer quality products through dedicated employees, extensive experience, and commitment to service, STELCO strives to improve the quality of service.

STELCO recognizes the need to continue the growth and innovation. Our customers and the community have great expectations for us, and we are committed to anticipating the award proved that we are embracing this challenge head-on.



## CG Efforts Award 2020

STELCO also won the 'CG Efforts' award for state-owned enterprise at the CMDA's CG Efforts Awards 2020. The award is given for excellence in our practice of corporate governance. With this accomplishment, we are the first company to have received this award under the category. Our commitment to facilitating effective, entrepreneurial and prudent management to deliver the long-term success of the company is a crucial component in attaining such achievement. We believe our effort to improve operations through proper guidance, risk management, conduct and ethics is also supporting factors to receive this award.

We aim to exercise the utmost level of disclosure and transparency in addition to implication raising priorities for ethical works regarding social, environmental and health and safety issues. Moreover as a state-owned company, we are fully committed to obeying the government policies and procedures in every step of our success.

In the future, we look forward to maintaining our success in holding our best corporate governance practices through continuous improvements to our control and directional procedures. Our goal is to look for the most efficient ways to work and adjustment in operations into modern enterprise advancements to become the best of the sector at a national and regional level.





## 70 Years of Electricity Service

Started with only 14kWs of power capacity in 1949 we were the first Electricity provider in the Maldives. With this small generator installed in H.Orchidmaage, we were able to provide electricity to the critical facilities in the capital city, Male'. This small operation was a major milestone in Maldivian infrastructure history expanding over the years to open a fully functional powerhouse, "Baa Injeenuge" in the year 1958. Years into our growth, the first-ever substation was built in Male', with connecting underground cables being laid to powerhouses in 1964.

As the first electricity provider in the country, demand for our service grew drastically, leading to government initiative in carrying out the operations under a structural manner, thus forming the Maldives Electricity Board in 1982. A new powerhouse was constructed on the south-east side of Male' in 1993 to cater to the whole city's population. With the focus of improving the living standard of our population, the government was hereby obligated to form a separate entity for electricity services. Therefore State Electric Company Limited was incorporated in 1997.

Over the 22 years of our operations, we conducted major projects to increase power capacity with the "Fifth Power Development" project being one of the nations largest infrastructure project in history. In addition to this, we also expanded our operations across the nation providing electricity to over half of the population of the country in the years. However, these our operations were handed over to FENAKA Corporation under the instructions of government to systemizing regional utility services. We currently operate in 35 islands in 4 atolls including the whole of Greater Male' region.

2019 marks our 70 year-long journey of success and accomplishment in the sector. With this success, STELCO aims to become a regional leader in utility through sustainability and technological advancement.



70 YEARS OF SERVICE



70 year logo revealing



70 Years celebration  
ceremony with President  
Mr. Ibrahim Mohamed Solih



Winners of the Special  
Recognition Award given for  
long service in the sector



## HIGHLIGHTS OF 2019

### 16th January

Expedite the cable laying to Thilafushi Industrial Zone.

### 10th March

STELCO has allowed 6 months paid Maternity Leave & 1 month Paternity Leave for all our employees.

### 22nd January

“Corruption aai Hiyaanaai Huttuvumugai Ahurenge Vaudhu” inaugurated by Minister at the President Office Mr.Ahmed Sameer.

### 22nd December

Received Public Enterprise of the Year Award at Maldives Business Awards 2019.

### 8th November

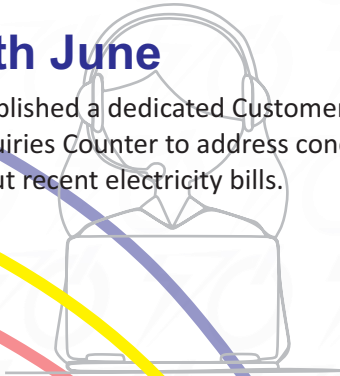
Water plant and sewerage system establishment in K.Guraidhoo.

### 20th October

STELCO became a Partner of Corporate Scholarship Scheme Organized by Ministry of Higher Education.

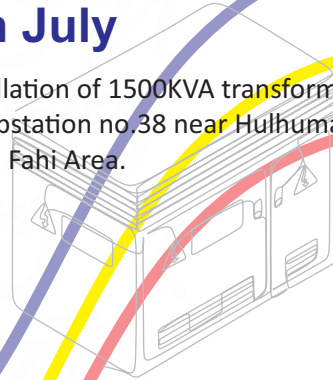
## 11th June

Established a dedicated Customer Enquiries Counter to address concerns about recent electricity bills.



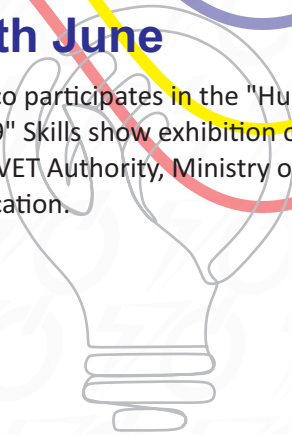
## 4th July

Installation of 1500KVA transformer at substation no.38 near Hulhumale Veshi Fahi Area.



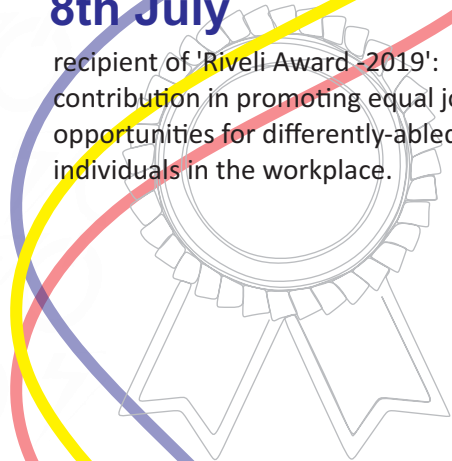
## 23th June

Stelco participates in the "Hunaruveni 2019" Skills show exhibition organized by TVET Authority, Ministry of Higher Education.



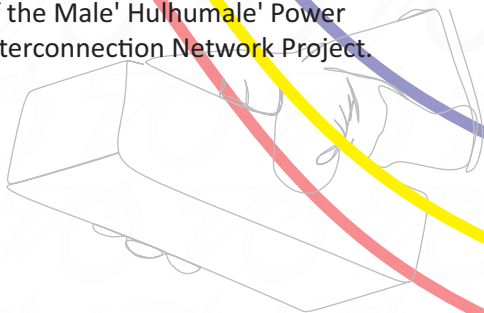
## 8th July

recipient of 'Riveli Award -2019': contribution in promoting equal job opportunities for differently-abled individuals in the workplace.



## 30th September

Foundation laying ceremony for a new substation to be built in Male' city, as part of the Male' Hulhumale' Power Interconnection Network Project.



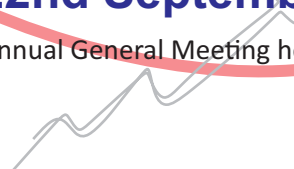
## 9th September

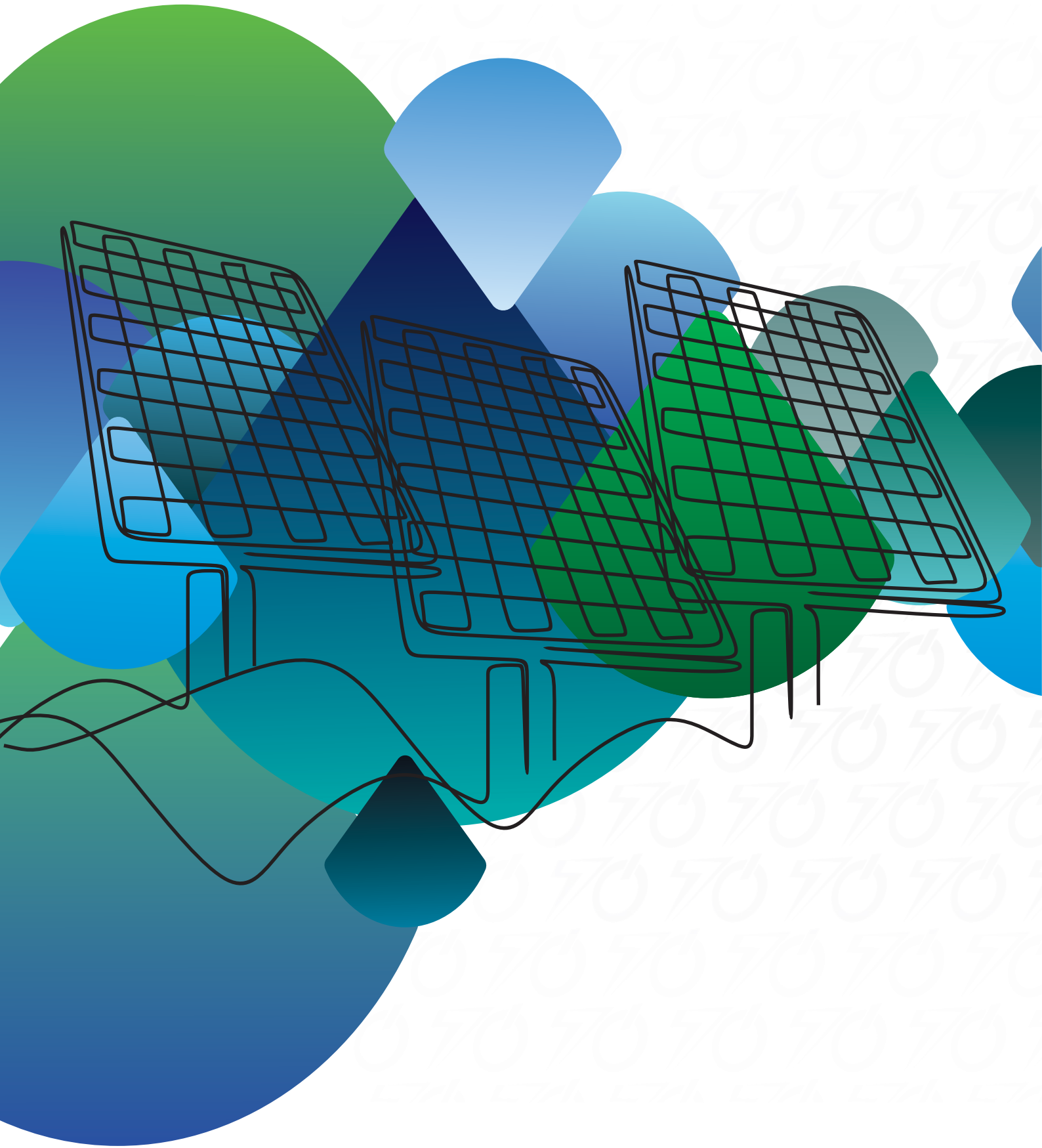
Managing Director unveils new logo commemorating 70 years of electricity service by STELCO to the Nation.



## 22nd September

Annual General Meeting held.







05

PERFORMANCE  
REVIEW



## Power Generation

Our primary power is derived from diesel generator sets. Depending on the island load profile, multiple generator sets are used in combination with synchronization panels to deliver uninterrupted power.

In addition to the diesel power generation, we are currently expanding our production into renewable sources to attain efficiency and sustainability in operations, which is mainly derived from solar power.

Our aim is to ensure operational excellence and cost efficiency at the heart of the power generation process.

### Individual Powerhouses

**35**  
Islands

### Total Capacity of Greater Male'

**123,593**  
kW

### Solar Generation Capacity

**3,104**  
kWp

### Total Generation Capacity

**146,186.2**  
kW

### Solar Photovoltaic System

Our Solar Photovoltaic (PV) System has been expanded to 13 different location in 2019 compared to the 2 in the previous year. These include 3 sites in the Greater Male' region and 10 islands in 3 different atolls (1 in Alif Dhaalu, 1 in Vaavu and 8 in Kaafu) generating over 3MW of power.

## Operational Capacity

The capacity of our power generation from all operational powerhouses totalled up to 146MW in 2019, as a result of installed and maintained energy sources to cater the growing peak load over the years. We currently have 35 individual powerhouses across 4 atoll's with the region of Greater Male' being our largest power generating location. In 2019 The Greater Male' Region held 123MW of power capacity.

## Overhauling

In the year 2019, STELCO carried out 4 major overhauls to maintain the health of the engines and improve the efficiency of fuel consumption. These include:

- major overhaul of two of our biggest capacity engines at the beginning of 2019. Rated at 9.0 MW each, both DG 09 and DG 08 were overhauled routinely upon approaching 48000 hours of operation.
- In the 4<sup>th</sup> quarter of 2019, routine major overhaul works of DG01, rated 4.5 MW, was finished upon completion of 144000 hours of operation.
- Last major work of the year was the routine overhaul of DG 05 upon completion of 168000 hours of operation, which commenced in the 4<sup>th</sup> quarter of 2019.

Prior to this overhaul, it was estimated that DG 05 consumed about 210 L of lube oil per day during normal operation which was normalized to about 70 L per day after the completion of the overhaul.

## Installations

In Addition to the overhaul works, STELCO also installed 2 new engines to address increasing peak load

Therefore, two Cummins QSK 60 engines, each rated 1.6 MW, were brought from Hulhumale' power stations to handle and cater the annual peak load. The dismantlement of the aforementioned engines in Hulhumale' power in the 2<sup>nd</sup> quarter of 2019. These engines were installed in Gaakoshi powerhouse 3 and were named GE 04 and GE 10 for male' powerhouse use. The installations DG04 and DG10 were completed and normal operation also began in the 2<sup>nd</sup> quarter of 2019.

## Data Collection System

In 2019 STELCO Implemented a cloud data collection system using existing STELCO Owncloud system as a part of technological advancement in our operations.

With the system daily engine logging cloud upload began while 99% of powerhouses have begun routine data uploading.

With the ease of the system being proven, we are working on the implementation of other data channels in the future.



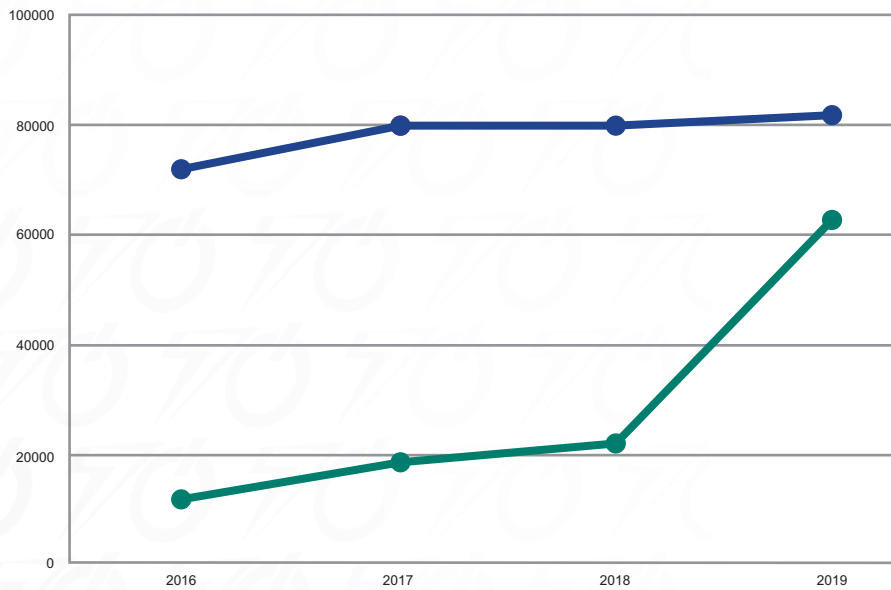
## Powerhouse Upgrades of 2019

Many other installations and transfer of engines were facilitated by STELCO in 2019 within regional locations. Mentioned below are the significant upgrades brought to powerhouses in different locations to match the generation capacity with the growing consumption.

- Commissioning of Cummins KTA-38-G4 (600 kW) Genset at K. Thulusdhoo Powerhouse
- Commissioning of Volvo TAD 531 GE Genset (72 kW) transferred to Adh. Kumburudhoo Powerhouse from AA. Bodufolhudhoo
- Commissioning of Cummins 6BTA5.9G1 Genset (80 kW) transferred from Adh. Fenfushi Powerhouse to Adh. Dhihdhoo Powerhouse
- Commissioning of Volvo TAD 733 GE Genset (176 kW) transferred from Adh. Dhihdhoo Powerhouse to AA. Mathiveri Powerhouse
- Commissioning of Volvo TAD 531 GE Genset (72 kW) transferred from V. Thinadhoo Powerhouse to V. Rakeedhoo Powerhouse
- Commissioning of Cummins NT-855-G6 Genset (250 kW) at Adh. Fenfushi Powerhouse
- Commissioning of Cummins 6CTA-8.3-G1 (150 kW) transferred from Adh. Mahibadhoo Powerhouse to Adh. Mandhoo Powerhouse
- Installation of new engine on existing alternator of Genset 01 (Cummins 6CTA8.3-G2, 124 kW)
- Commissioning of Cummins 6CT8.3-G2 Genset (122 kW) transferred from Thilafushi Powerhouse to K. Gulhifalhu Powerhouse
- Commissioning of Cummins KTA-19-G3 Genset (300 kW) at K. Gulhi powerhouse
- Commissioning of Cummins KTA-38-G7 Genset (500 kW) at K. Himmafushi Powerhouse
- Commissioning of Cummins QSK19-G4 Genset (400 kW) at AA. Rasdhoo Powerhouse
- Commissioning of Cummins KTA-19-G3 Genset (300 kW) at AA. Ukulhas Powerhouse
- Commissioning of Cummins KTA-19-G2 Genset (250 kW) at V. Felidhoo Powerhouse
- Commissioning of Cummins QSK60-G4 (1600 kW) transferred from Hulhumale Powerhouse to K. Maafushi Powerhouse

### Installed Capacity Increase (kW)

#### Male', Hulhumale'



2019

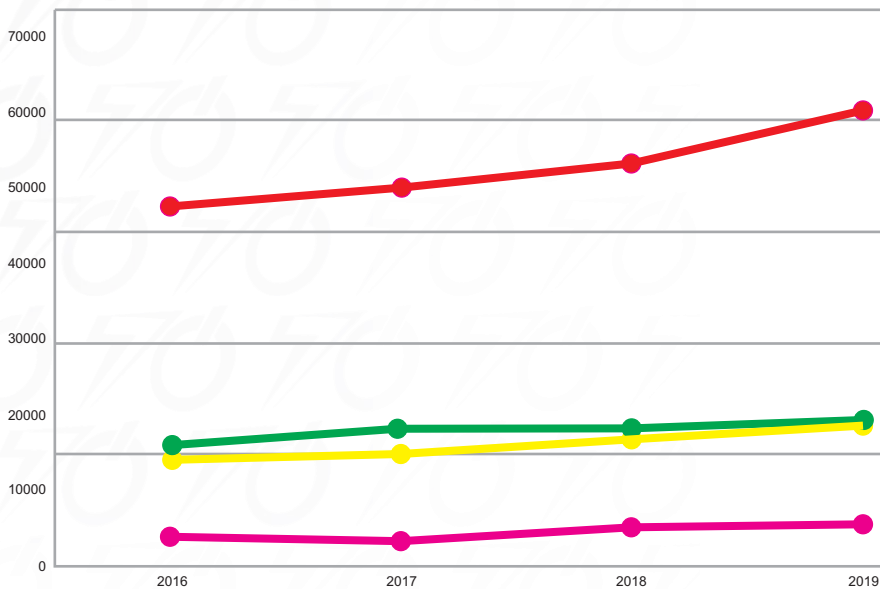
**81,340** kW

Male' 

**62,144** kW

Hulhumale' 

#### Regional



2019

**6,404** kW

Alif Alif Atoll 

**20,445** kW

Kaafu Atoll 

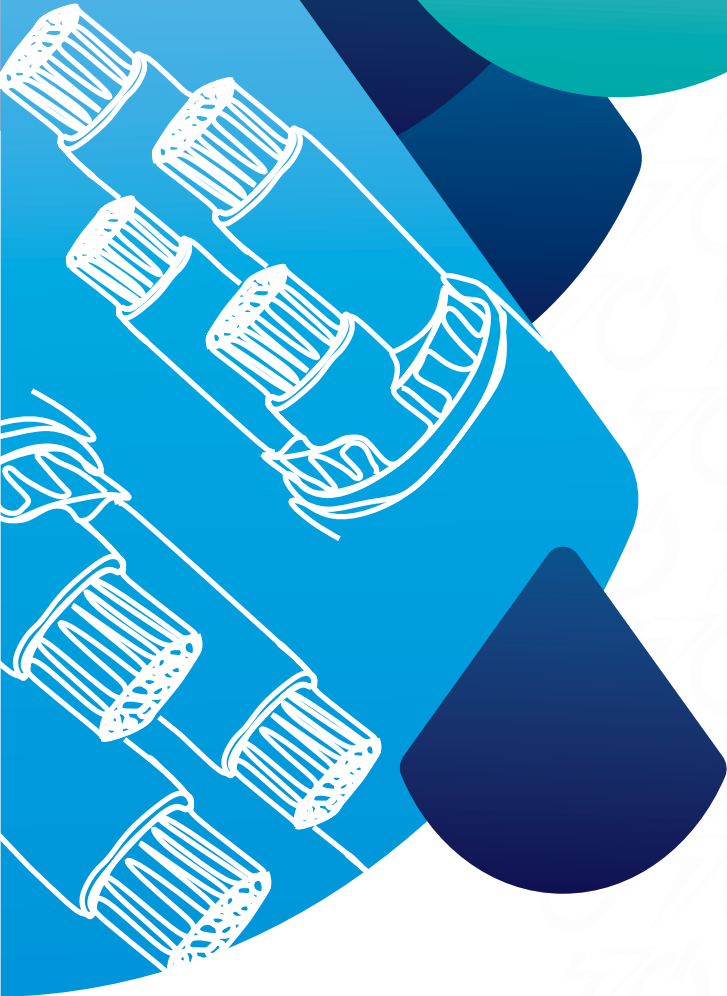
**1,851.6** kW

Vaavu Atoll 

**6,674.6** kW

Alif Dhaalu Atoll 

Note: Data of Kaafu atoll shown on the above graph excludes Male' and Hulhumale'



### **Power Consumption**

Being a tropical country, continuously thriving improvement in the standard of living and welcoming new technological advancements, our customers are highly dependent on the use of electricity in their daily life. Given these factors, the consumption rate of our utility service increases rapidly from year-to-year. On average the consumption rate of the peak period of April 2019 shows over 16.88% increases compared to that of 2018.

## **Distribution**

Distribution is the final stage of our value chain in catering the electrical service to our valuable customers; distribution networks carry the power generated from our generation systems to the individual customers.

With the increase in customer base and the increase in usage of electricity over time, we are highly focused on maintaining and upgrading our systems to ensure that customers are satisfied with our services

### **System Average Availability**

With such increase, we have our utmost priority to maintain our services without power interruption to customers in the long run and to quicken the restoration process, in case of an outage.

In 2019 we experienced a total of 230.15 minutes of power interruption. In comparison, we have managed to maintain a high System Average Availability of 99.96% for 2019.

## Distribution Upgrades

To cater to the growing demand for power consumption and for the efficiency of operations in distribution, STELCO continues to invest in improved distribution networks. The well-executed plans and projects to expand networks and new grids have helped us in maintaining our customer satisfaction through meeting the capacity of distribution to the market demand and forecasted growth of power consumption in the future.

Within the year of 2019 alone, 3 new transformers were installed with a total output of 2800 kVA. Moreover, 1,252 meters of high voltage cable was laid in different areas in 2019. With these upgrade and update works, a total of 113 substations operational and running by the end of 2019

## Net Metering

In 2019, STELCO commissioned 15 Net Metering. In addition to this, with our initiative to endorse solar power generation, 89.26kW of solar panel was commissioned in 2019. It is a priority of ours to increase these rates and improve awareness of the public towards renewable sources of energy.

## Major Distribution Works of 2019

With our focus on improving in the above-mentioned areas, STELCO has executed a number of mentionable works to contribute to the upgrades. These include:

- Hulhumale 5<sup>th</sup> Power Work HV joint, switchgear extending and termination works
- Kaashidhoo HV installation
- Hulhule HV cable joint works
- Adh. Mahibadhoo LV cabling
- K.Maafushi transformer maintenance work
- Thilafushi HV cable joint works
- Thilafushi Transformer Installation works





## Water & Sewerage

Although we have been an electricity producer and distributor for most of our history, we are now in the business of distributing drinking water and providing sewerage facilities.

At this moment, STELCO provides this service in 4 islands. Since the majority of the infrastructure is built by the government, our main aim is to operate the systems in the most efficient and reliable manner.

Since this is a new endeavour STELCO is committed to becoming the industry standard similar to what we have proven in the electricity industry. As such training to build skill and resources are key.

### Desalination Networks

With the establishment of water services in recent years, we currently operate water desalination networks across 4 islands in Kaafu, Alif Alif and Alif Dhaalu atoll. With our first plant being put into operations in 2014, today we have a total raw water capacity of 3850 tons of water in these islands. In addition to this we also currently hold the capacity for total 1735 tons of water in our reverse osmosis tanks.

As part of our commitment to providing a reliable service, we have installed a third RO plant in AA. Ukulhas. In addition to this, several major upgrades were brought to make the facility more efficient. This included the installation of a second Borehole pump, installation of a recovery system as well as installation of water distribution line from the harbour.

Total RW Capacity

**3,850**  
Tons

Total RO Tank Capacity

**1,735**  
Tons

## Entry to Sewerage Service

In 2019, 2 major sewerage systems were commissioned for operation making our first entry to sewerage service. Today, we have a total of 4 running sewerage networks across Kaafu and Alif Alif atoll.

### K.Guraidhoo

Initiated on 07-11-2019

### K.Himmafushi

Initiated on 27-02-2020

### AA.Ukulhas

Initiated on 05-08-2019

### K.Thulusdhoo

Initiated on 27-02-2020

## Future Plans

- Constructing new buildings for RO plants in K.Guraidhoo and AA.Thodoo.
- Installation of Solar panels for RO plant in K.Guraidhoo, AA.Thodoo, AA.Ukulhas and Adh.Mahibadhoo, as a measure to reduce operational cost and as part of our renewed emphasis on going towards renewable sources.
- Building new water storage tanks in AA.Ukulhas and Adh.Mahibadhoo.





## Customer Service

As a utility service provider, we are admitted to deliver outstanding customer service while maximizing value and performance. In today's competitive environment we need advanced tools to optimize customer service delivery and manage critical infrastructure.

Customer care is one of the most important functions of our utility enterprise. Customers always expect utility service to be provided on a continuous basis without any service interruption. We understand that the customer wants clear, accurate bills with easy methods of payment, access to usage history and enough understanding to efficiently manage usage and to be taken care of when they have concerns or complaints. Reliable delivery of utility service to our customers is critical for the success of our business. Our goal is to provide reliable, affordable electric power and water to customers while also communicating, billing, and collecting payment from customers in a courteous, efficient, and proactive manner. Although this customer service is simply stated, in the world of utility operations this easy to state mission entails complex business processes and creates multiple challenges. To tackle these challenges we identify ways to streamline the operations and implement new strategies to ensure the reliable supply of utility resources to meet the present and future needs of our customers.

In the year 2019, we have managed to do so by enhancing and implementing some services which have improved the customer service experience.

The central billing system was expanded to six additional island powerhouses (K.Gulhi, K.Gaafaru, K.Dhiffushi, Adh.Mahibadhoo, Adh.Fenfushi and Adh.Dhigurah), hence billing services, payment collections and customer services works were incorporated into the central billing system which increased the speed and reliability of services.

In addition, portable meter reading devices were provided to a total of 25 Island Power Houses which enhanced the work by decreasing the time taken to take a meter reading and also minimize human errors which will make the work more efficient and accurate. This increased the speed and reliability of services.

In 2019 to enhance customer service a priority counter was opened to serve the elderly, the disabled, pregnant women, and customers who come with children under the age of six years. In addition, to making bill delivery more convenient, we started providing customers bill on WhatsApp, Viber and Email on request.

In the year 2019, a total of over 3831 new customers acquired our service.

Bill payment was made easier with the introduction of outsourced bill collection services. Customer payments can be accepted at the following outlets;

- Majestic Mobiles (Male')
- Smart Phone (Male')
- Ell Mobile Maafannu (Male')
- Ell Mobile Henveyru (Male')
- Innox Trade & Travel Pvt Ltd (Hulhumale)
- 727 TeleShop (Villingili)



For the tech-savvy customers, online methods were introduced. Currently, the following online services can be used to make payments;

- Epay via STELCO website
- STELCO mobile application
- Direct Debit
- Ooredoo m-Faisaa wallet application

For our customer to check bill information the following methods can be used:

- STELCOe-Bill  
(<https://ebill.STELCO.com.mv/>)
- STELCO Mobile Application





## Technological Advancement

In STELCO we believe that technological Advancement in our customer services and internal operations is key to excellence as a service provider. It is our utmost priority to stay up to date with modern technology and systems for efficient and productive operations.

### Enhancing Our Services

In 2019, major changes were brought to the SBnet software being used at STELCO bill collection outlets in Male'. The Bill collection operations were also expanded to the island powerhouses of the country. With this upgrade, more efficient bill collection procedures were established.

The PABX system was also upgraded to improve call handling and to provide an enhanced customer service experience. New modes of call response such as the emergency mode were introduced with the implementation of the IP PABX. Call recording and efficient messaging were an additional feature of this operational upgrade. This PABX system along with its latest upgrades were installed and configured at the Hulhumale powerhouse. The existing customer service hotline was also upgraded to a call center in 2019.

Additionally, changes to the STELCO mobile application were brought with updates to include reminder notifications, viewing of meter readings along with the addition of the SMS feature in order to increase customer satisfaction.

## Easing internal operations

STELCO Bill and meter reading devices were introduced to the Kaafu atoll powerhouses in 2019 and we are currently working on establishing the devices at all 35 operational islands by the end of 2020. We believe that these advancements are the key to excelling our services.

The STELCO Insurance Management Application was also developed in the year 2019. With this development, we are proud to have a functioning in house application with the analytics to manage our staff insurance. We believe that this important component of our internal operations was made more efficient with the development of this application.

We prioritize the implementation of our Inventory Manager application across all STELCO island operations. In 2019, the system was tested and run successfully in over 5 island powerhouses. We believe this was a major upgrade to the manual book keeping system being used previously. We hope that this application provides a better understanding of inventory movement and ensures better capital usage.

## Strengthening Security

In 2019, the CCTV systems of the following STELCO powerhouses were upgraded from DVR to NVR

- Male Head Office
- V. Keyodhoo PH
- V. Thinadhoo PH
- V. Rakeedhoo PH
- ADh. Kumburudhoo PH
- AA. Himandhoo

With the prime target of improving security at our premises, this upgrade was brought in order to practice the highest and most up to date security measures across all powerhouses.

Additionally, our systems were upgraded with the latest software to further improve network security. This includes the installation and configuration of the Baracuda software for email spam filtering and the upgrade of the Kaspersky Anti-Virus system for STELCO network. These upgrades ensure network protection in the case of a data breach or a cyber-attack.

## Technological Improvements Planned for Future

Our team works hard on improving our services and keeping to date with the latest advancements.

These are such tasks planned for the year 2020.

- Implementation of the Inventory Management application and meter reading devices across all islands by the end of 2020.
- Improved troubleshooting and security monitoring at all STELCO island powerhouses.
- Updates for existing applications.
- PABX upgrades.
- Implementation of Sharepoint.



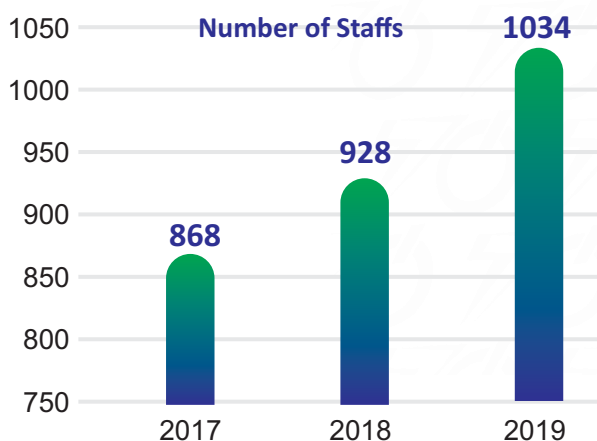


## Staff Wellbeing & Empowerment

Employees are a vital part of any organization. STELCO delivers talent management, training and human resource leadership to ensure a high-performing workforce.

We provide strategic direction and advice related to government-wide human resource policies and initiatives such as diversity and leadership development; develops and implements innovative corporate human resource policies and practices; and fulfils legislative and delegated responsibilities for recruitment, compensation, pensions and benefits, employee development, organizational health and labour relations.

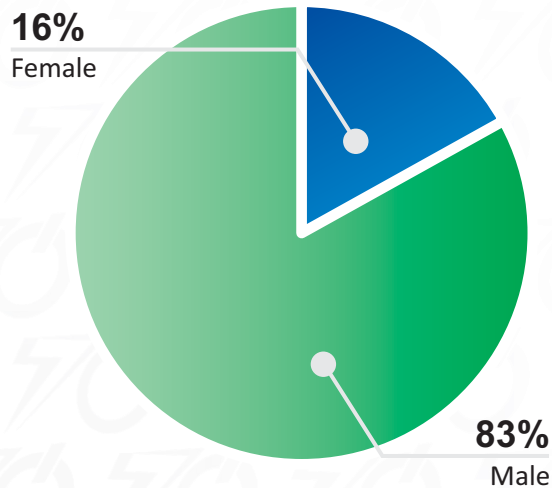
STELCO believes that a highly motivated and competent workforce is crucial for the company. Our staff development programs ensure career development and progress for the staff. These programs are designed to reinforce leadership and technical capability order to enhance their performance. Several programs are conducted each year as part of motivating the team.



STELCO currently employs 1034 staff. We are proud to maintain 100% local workforce with 705 staff at Male' across 329 in island powerhouses.

Our staffs come in a diversity of gender, age, experience and skill set to perform the work in the most productive, efficient and effective way as possible

In 2019 we have hired 121 staff, totalling 167 female and 855 male employees working in STELCO as of 2019. We continually increase the number of female staff as it has reached from 156 to 167 by 2019.



### Staff Development

Throughout the year 2019, a total of 54 staff was provided with the opportunity to attend 23 different training, workshops and seminars held abroad. Compared to the year 2018 this is an increase of 17% in the total number of staff trained abroad and a 21% increase in the number of overseas training opportunities provided to the staff. In addition to this, 334 staff was provided with the opportunity to attend 27 different in-house/local training and workshops organized by STELCO and local training Institutions, in related fields. Compared to the year 2018 this is an increase of 328% in the total number of locally trained staffs and 238% increase in the number of in-house/local training opportunities provided to the staff. Furthermore, a total of 15 staff was studying abroad in related fields under scholarships and pay-leave scheme. Moreover, additional 01 scholarship opportunity and 02 pay-leave opportunities were awarded to in 2019.

### Women Empowerment

In 2018, a "Basic Electrician Course" was conducted especially to increase participation of women in this field. 146 women successfully completed the course. Due to the huge success and requests from the public, in 2019 was announced that advanced training will be held for women. Thus, STELCO has initiated "National Certificate Level 3 in Electrician" for women and 19 participants are enrolled for this course. The main aim of this program is to increase the involvement of women in various technical fields and to empower women in society to pursue fields which were previously recognized as male-dominant career paths. The course also paved way for advanced learning in the field for interested individuals.

In addition, to increase women participation in Stelco, Support assistants are recruited for island powerhouses and only females are selected to this post.





## Industrial Training

Industrial training provide an opportunity for the students to implement the subjects practically and explore the relevant working environment prior to graduation. STELCO provide the industrial training opportunities with our expert team, to create employment for the youth and motivate them to join our workforce. The students would get an opportunity to gain knowledge through hands-on observation under a supervisor during the specified timeframe of the training. In 2019, a total of 26 placements were offered and completed industrial training, of which 24 students were given supervised practical training in the technical area and 2 students in the administration field.



## Staff Wellbeing

STELCO believes in investing in the health and welfare of our employees. The introduction of In-house health insurance “STELCO Health Insurance” in June 2018 for an increased in the wellbeing of the staff which play a huge role for the company in decreasing the amount of Absenteeism and Medical leaves.

Statistics from 2019 show a decrease in the premium amount due to the deduction of dependent additional fee from MVR3500 to MVR3000. New additional 02(two) categories were added to the STELCO Health Insurance Policy 02 for the benefit of employees. In 2019, some cases of occupational Injury were fully covered under STELCO welfare.

## Staff Recognition

Employee recognition is the affirmation of our outstanding performance. STELCO believes that through staff recognition, employees and their work are valued, their work efficiency increase and they are inspired to keep up or improve their work performance. A remarkable number of 92 staff have achieved awards in 2019 through different categories of awards given.

In addition, each year Company gives the opportunity for 2 staff to perform Hajj or Umrah. Thanks to the management, in 2019 women were given a special opportunity, thus 2 females and 2 males are now given the opportunity to perform prestigious Hajj and Umrah. This is the foundation for solid staff engagement, continuous employee development, and retention strategy for the future, which started in the year 2012.





## Recreational Activities

In addition to motivating and valuing our staffs at workplace, STELCO is also fully committed in each staff's health and wellbeing growth. We encourage staffs to enhance their talents by providing the opportunity to excel themselves in recreational activities. STELCO Recreational Club was formed with the goal of raising such talented individuals in the company to a national level and to exercise healthy competition between staffs for team spirit. We prioritize the health of our staffs and give importance to making our company to be a positive environment to them.

### Club Activities

- Participation of STELCO Team in futsal competition held by Club Maldives
- STELCO was represented on the billiard competition held by Maldives Pool Billiard Association
- Both Female and Male teams represented STELCO in "Ooredoo Mas Rees 2019"
- Our Staffs participated in the Quran recitation completion held by Ministry of Islamic Affairs in the month of Ramadan for staffs working in government offices, state-owned companies and students at universities, colleges.
- Our Staffs at Villimale' participated in the "Vilimale' Muvassasaa Cup 2019" held by MTCC
- STELCO team participated in the Inter-Office Badminton Championship 2019 held by the Badminton Association of Maldives.
- Members of STELCO Recreation Club participated in the "Kids Run" 21.1 half marathon race organized by Kuda Hussain Sports Academy
- STELCO team participated in the Inter-Office Chess competition held by Maldives Chess Association
- Participated in the Handball Tournament arranged by Handball Association
- Participated in the "Veterans Cup 2019" held by Badminton Association
- Participated in the "Dhiraagu Road Race 2019"

### In-house tournaments

- Inter Department Mas Rees
- Inter Department Volley Ball Tournament
- Open Billiard Tournament





## Corporate Social Responsibility

STELCO being a good corporate citizen recognizes the importance of contributing to the activities and events that promote and uphold the social and economic development of the Society. In this regard, STELCO has continued Corporate Social Responsibility (CSR) activities and assistance to various areas of the community including renewable energy, education, sports and entertainment, community development, religious activities, national events and environmental protection activities.

STELCO strives to be an exemplary company in supporting and promoting the events and activities that confer a benefit to the disadvantaged and the underprivileged of society. STELCO has continued its contribution to Care Society by sponsoring a Care Development teacher for a duration of one year.



### Protecting Our Religion, Heritage & Culture

During last year, greater importance has been given in supporting and promoting the activities and events that strengthen the Islamic faith, culture and tradition of our nation. STELCO has contributed CSR assistance to the Schools of different Islands in supporting activities and events promoting the aforementioned causes such as Quran competitions and quiz competitions. Furthermore, STELCO has signed an MOU with Ministry of Arts, Culture and Heritage to provide maintenance work and technical support for the renovation and maintenance of Minaret and the water wells of Male' Friday Mosque for a four year period.

STELCO recognizes the need to build credibility and trust in the communities STELCO operate in through implementation of effective CSR assistance programs targeted to such communities. In this regard, assistance has been provided to improve Education, Environment, Social and Economic Development of the community.

#### **Sponsorship & Social Contribution**

Sponsorship was provided to Ministry of Education for football fiesta 2019 held for Greater Male' schools of grade 4 and 5 students. Moreover, STELCO has continued to support 'STELCO Fen maa' built in Male' by providing maintenance services and technical support.

#### **Recognition of Global Achievement**

With the intention of recognizing and encouraging the individual/team effort in bringing good name to our country by representing Maldives at national level, STELCO has sponsored the Sports attire of athletes who won Gold medal in Indian Oceans Island Games (I.O.I.G) 2019 for a duration of one year.

#### **Responsibility Towards Our Environment**

In the year 2019, STELCO has provided CSR assistance to various events promoting environmental concerns, organized by different NGO's, organizations and government institutions. STELCO participated in 'Rah Fehi program' (tree planting program) initiated by President Ibrahim Mohamed Solih and planted around 3000 trees including all the islands in which STELCO operates. STELCO has decided to continue this program every year on the same day, at the same time in all STELCO greater Male and all the island it operates.



#### **Educating Our Future Generations**

The program to include and educate children in the energy sector is of utmost importance. In this regard, STELCO has arranged tours to facilities for more than 750 school students during the year. These tours will educate the students in the area of Power generation and distribution process with practical demonstrations and information from our Engineering team. Furthermore, to attract youth to tEnergy sector, STELCO has provided technical and material assistance in conducting Electrical training programs in different Schools of islands where STELCO operates.

#### **Promoting Social Awareness**

Throughout the year, great emphasis was given on creating awareness among the public to develop a responsible and respectful society. The 'STELCO Maa TV' has played a great role in delivering awareness information to the public. In collaboration with Maldives Police Service, STELCO has been displaying video clips regarding Road safety and crime prevention on 'STELCO Maa TV'. Furthermore, enlightening video clips and information's has been displayed on Maa TV regarding Health awareness and Human Rights.





## Business Diversification

In addition to our current utility operations, we aim to explore new areas of diversified services to enhance our customer experiences and for the advancement of efficiency.

We are highly focused on establishing renewable sources of energy production in our operations. Moreover, our goal has been set towards the adoption of technological advancements in our current services.

## Renewable Energy

### STELCO Solar Centre

STELCO has plans to increase the renewable energy mix in the grids we serve. The STELCO Solar Center came into being through this vision and will be the focal point for all solar energy ventures. Increasing the rooftop solar systems under net-metering, with attractive and affordable financing plans for the solar systems are available. STELCO has set up a modular setup that can be easily scaled to meet the requirements of any customer wishing to install rooftop solar systems.

In addition to this, utility-scale solar projects are being planned including 5MW in Greater Male' area as well as Solar PV systems with battery storage to increase the total clean energy in the islands.



## Sales Centre

### Online Shopping Platform

Customers lifestyle and decision-making process has changed dramatically. Now a day's customers prefer online shopping over conventional shopping. Taking this to account, it was planned to introduce an online shopping platform of STELCO Sales Centre.

This will enable customers to make direct purchases of STELCO Sales Centre products online and via their smartphone without visiting brick-and-mortar location. Adapting this change makes doing business much easier and faster. Since the Maldives is geographically dispersed to islands, the goal is to reach a wider market and make it easier for customers from our local islands to purchase products at STELCO Sales Centre from the convenience of their homes. We believe the future is in convenience. This will also help to increase the customer base, by reaching customers that cannot physically visit STELCO Sales Centre at Male'. In addition, this platform will allow to reduce customer enquiries about availability, specification and operational hours.

Establishing an online shop has become an indispensable way to grow our business to a higher level and reach customers while achieving the STELCO goal.



## Service Projects

Under the business growth strategy, STELCO provides extended services to customers. Thus, STELCO business is not limited to sales of electrical items but also offers electrical-related services. In 2019 STELCO executed over 17.3 million rufiyaa worth of electrical service projects to government institutes, public limited companies, and private businesses. Supply and installation of transformers and metering panel board, servicing of a back-up generator, individual electricity upgrading, and rectifying electrical faults are some of the vital services that STELCO provides to customers. Since electricity is related to safety, STELCO aims to ensure quality and reliable service to customers.



## Major Projects 2019

STELCO needs to continuously invest in new infrastructure to increase capacity to meet the ever-growing demand. 2019 was particularly a major year for STELCO as work of some major projects were progressed and commissioned within the year 2019.

These include 5 major projects being initiated, and work of 1 progressing project. Moreover, 2 projects were also commissioned in the year 2019

### Previous Initiations

Greater Male' Grid Connection Phase 1

### Commissioned in 2019

Fifth Power Development Project

Installation of 100 T RO Plant in K. Guraidhoo

### New Initiations in 2019

Smart Metering

Distribution Automation

SCADA Upgrade

Adh. Omadhoo Powerhouse Construction

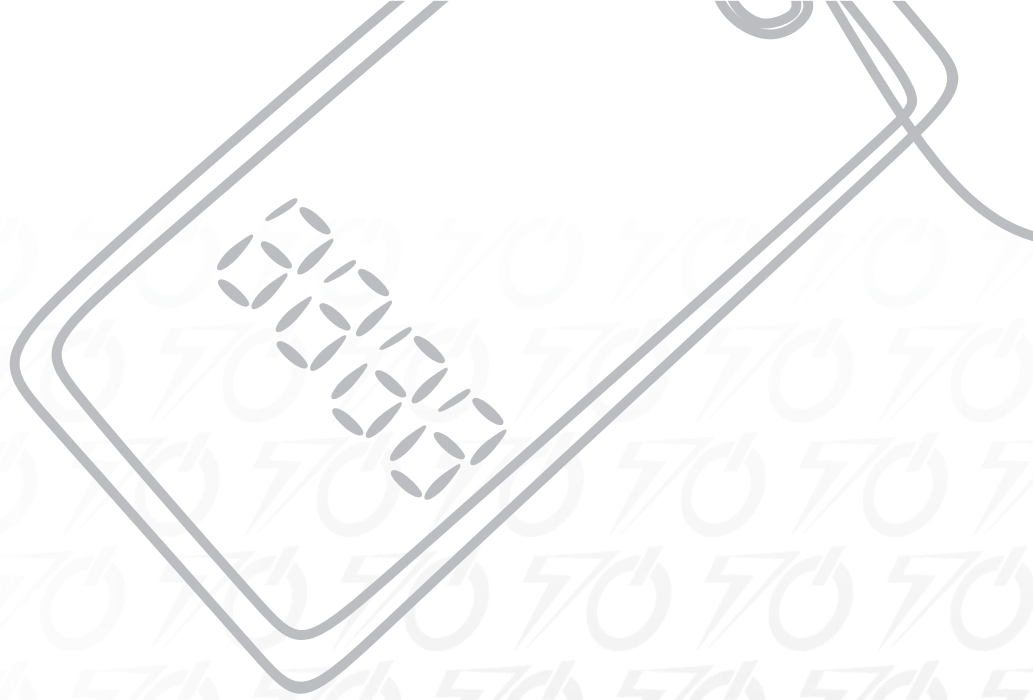
Establishment of sewerage system in Adh. Fenfushi

### Greater Male' Grid Connection Phase 1

Greater Male' Grid Connection Phase 1 project is a revolutionary project that aims to change the way power is managed in the Male' region. The phase 1 of the project covers the interconnection of three island grids, that are Male', Hulhumale' and Hulhule' giving STELCO the flexibility to develop power facilities in Hulhumale' and import power to Male' as well as lend support to Hulhule' in case of a power shortage. This further allows the power generation requirement of Male' to be reduced whereby moving essential power distribution services away from residential settings. With the implementation of phase 2 of the project, the islands of Villingili, Gulhifalhu and Thilafushi will also be connected to the single grid paving way for large scale power generation in Thilafushi to achieve better economies of scale as well as improve the reliability of the overall power grid. The project further introduces new technological advancements in grid power management as well as higher operating voltage of 132kV to improve distribution loss and load optimization. Concurrently transmission SCADA and Distribution SCADA, as well as power quality management systems will be introduced to elevate the level of service quality.

The project commenced on 22<sup>nd</sup> October, 2018 and 52.1% of work being completed as of December 2019. The total value of the project is USD 44 million. The project is expected to be completed by early 2021.





### **Smart Metering**

With the implementation of smart metering infrastructure, STELCO can monitor power consumption in detail and periodically send the collected data for load management and billing. The initiative is targeted to achieve improvement in operational efficiency and enhancement in customer service. This will help to achieve greater reliability of the overall power system. Under the project, individual usage data can be accessed by the customers to help manage consumption with the help of an application. The smart metering project was started in mid-2019 and the project is expected to be completed by late 2020.

### **Distribution Automation**

Distribution Automation Project aims to improve 11KV Distribution network control, monitor and outage management by implementing a state-of-the-Art SCADA system for Power system reliability and efficiency. The SCADA system will achieve the functions of a modern distribution network such as Control, Visualize and real-time data collection, Improve Fault Management, reduce clearance time and Improve Operational Planning.

Under phase 1 of the project, 50 substations of Male' and 25 substations of Hulhumale' will be automated. The project started in later 2019 and is expected to be completed by early 2021.

## SCADA Upgrade

The current Male' power plant was established in the early 90's and has undergone major upgrades in terms of power system control and generation capacity. In order to harmonize and upgrade the various generation capacities to a common control platform, the SCADA system was upgraded. Under this project, old control modules were replaced and upgraded with a new SCADA interface to improve the reliability of the power generation control and monitoring systems.

The SCADA upgrade project consists of upgrading current systems to achieve more efficient controls and to automate additional processes. The project was started late July 2019 and is projected to be completed in early 2021.



## Establishment of sewerage system in Adh. Fenfushi

In order to diversify into areas other than power generation, STELCO initiated the project to establish a sewerage system in Adh.Fenfushi in line with the strategic goal of becoming a fully integrated utility service. The project started in 11th October 2019 and the cost of the project is MVR 23 million.



#### **ADh. Omadhoo Powerhouse Construction**

Some of the powerhouses of STELCO were initially developed by the communities without proper planning and in a makeshift manner. With the transfer of the powerhouses to STELCO operation, the powerhouses are upgraded to the service standards of STELCO.

The existing powerhouse of Omadhoo prior to STELCO operation was located in the middle of the island close to residential areas. Due to the lack of noise attenuation measures as well as emission reduction measures, a lot of inconveniences was caused to the public when the powerhouse was operated. Hence STELCO decided to relocate the powerhouse away from residential areas and improve the powerhouse to a modern standardized facility.

The project to relocate the powerhouse commenced on 1<sup>st</sup> October 2019 and was completed on 1<sup>st</sup> March 2020. The total value of powerhouse construction was MVR 4.5 million. Further works of Genset relocation, as well as the construction of new fuel tanks are ongoing.



## Projects commissioned in 2019

### **Fifth Power Development Project**

STELCO Fifth Power Development Project was the largest power project to be constructed in the Maldives. The project consists of the establishment of 50MW of diesel power generation, a 3200t fuel farm as well as a water desalination system. The project commenced on 26<sup>th</sup> December 2016 and was commissioned in 27<sup>th</sup> April 2019. The cost of the project was USD 79 million.



### **Installation of 100 T RO Plant in K. Guraidhoo**

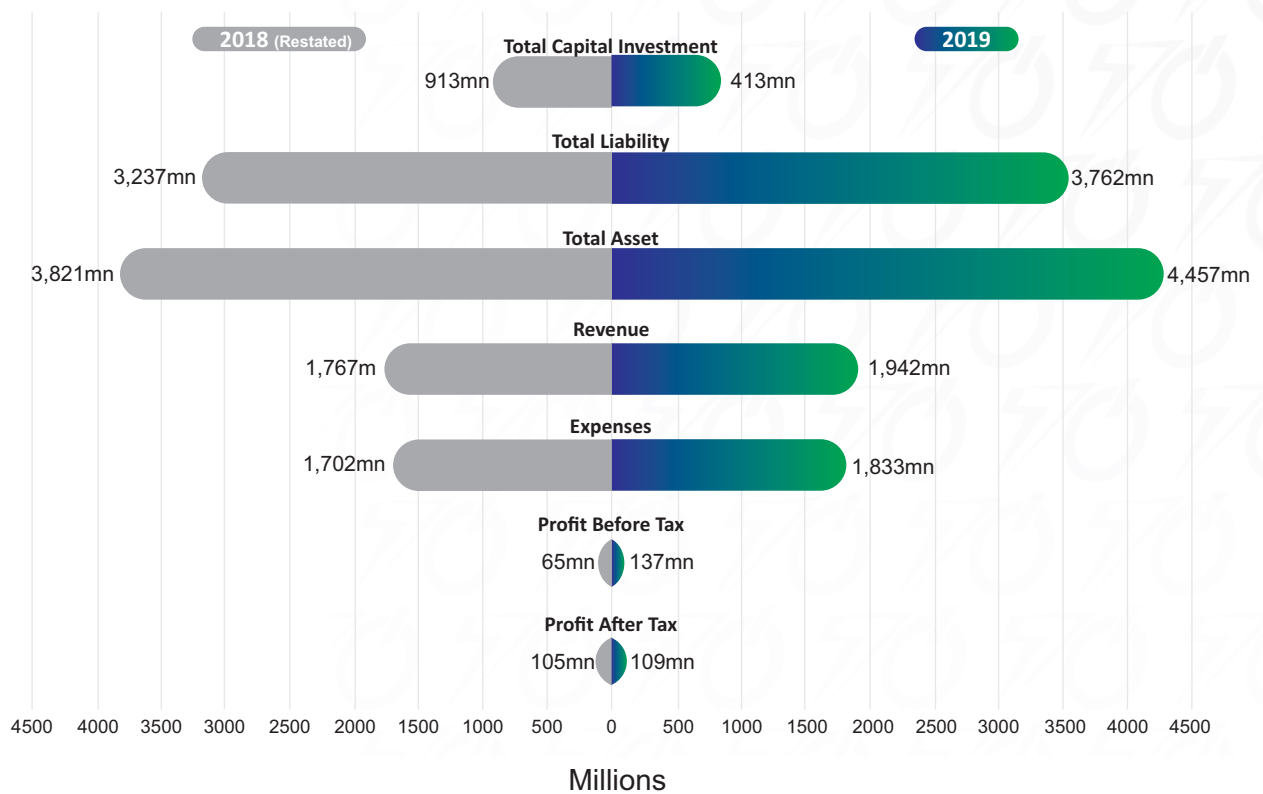
The construction of a water network in K.Guraidhoo was done by STELCO with water services. As the water demand of the island increase, new desalination capacity was added to cater for the demand. A 100T RO plant was installed and commissioned in November 2019.



## Financial Overview

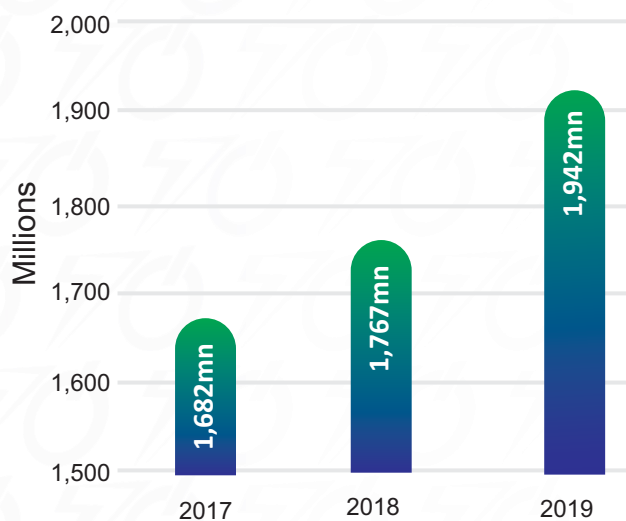
In 2019, STELCO revenue increased by 10% with a profit growth of 4% after tax. Our efforts to address adequate reliable power supply has resulted in improvements on capital investment every year. Inline with this commitment, MVR 413 millions has been invested in 2019, adhering with the need for network and infrastructure development along with the requirement to enhance customer experience and innovation.

### Financial Highlights



Description	2017	2018 (Restated)	2019
Revenue	+18%	+5%	+10%
Total Expenses	+9%	+3%	+8%
Profit Before Tax	+191%	+9%	+111%
Profit After Tax	+187%	+99%	+4%
Total Assets	+31%	+35%	+17%
Total Liabilities	+41%	+38%	+16%

Revenue **MVR 1,942millions** +10%



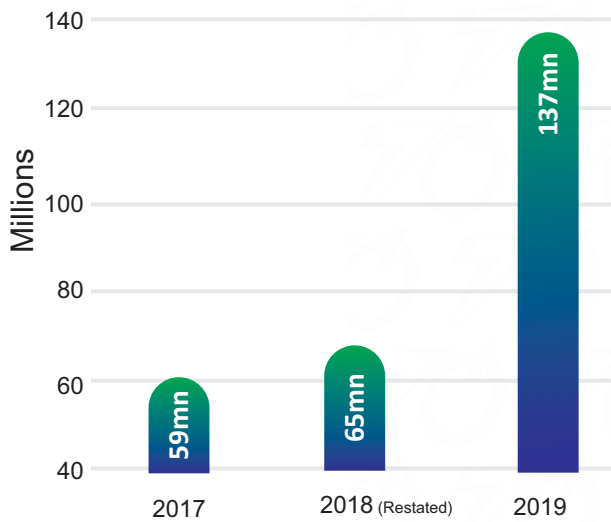
In the year 2019, STELCO generated total revenue of 1,942m. Generating a growth of 10%, which is MVR 175millions increase in revenue compared to prior period.

Driven by continuous growth in commercial and domestic consumer demand, STELCO has been able to sustain annual growth target.

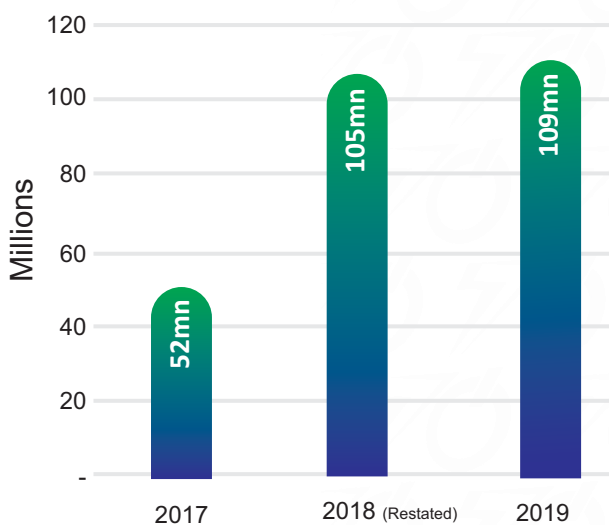


## Profitability

**Profit Before Tax** MVR 137millions +111%



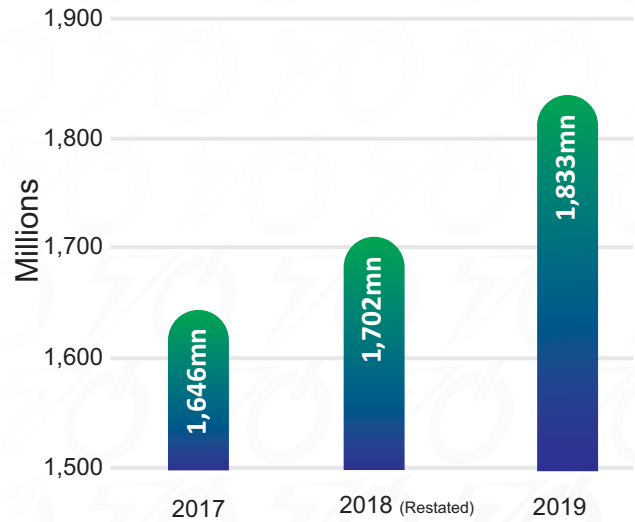
**Profit After Tax** MVR 109millions +4%



Profit before tax gained an increase of 111% compared to 2018. For a second year in a row STELCO maintained profit above MVR100million with an increase of 4% from 2018

The main factors contributing to this are improved control measures for better efficiency in production combined with increased demands.

**Expenses** MVR 1,833millions +8%



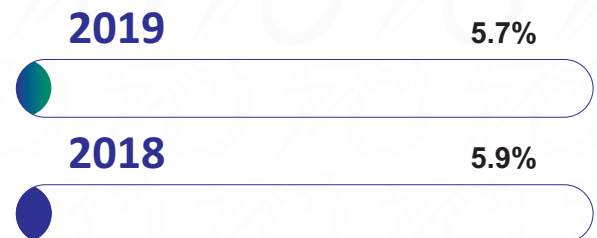
The expenses are consistent with increase in demand, except for non-cash expenses, such as additional depreciation on capitalization of major projects

Better control measures and policies for the purchase of goods and services has set expenses at a controlled level.

### Gross Profit Margin



### Net Profit Margin

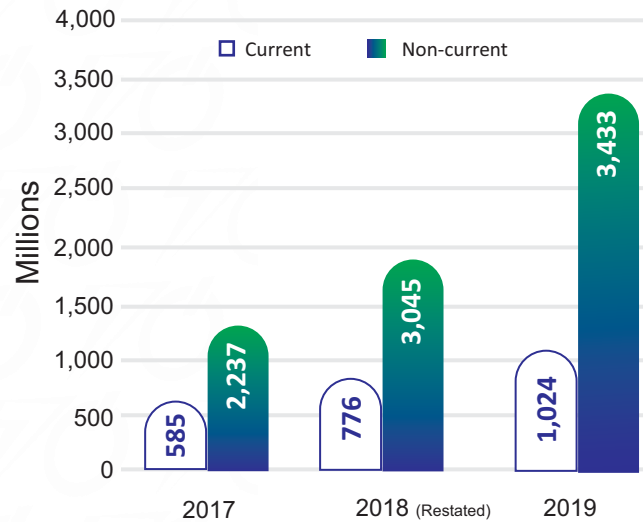
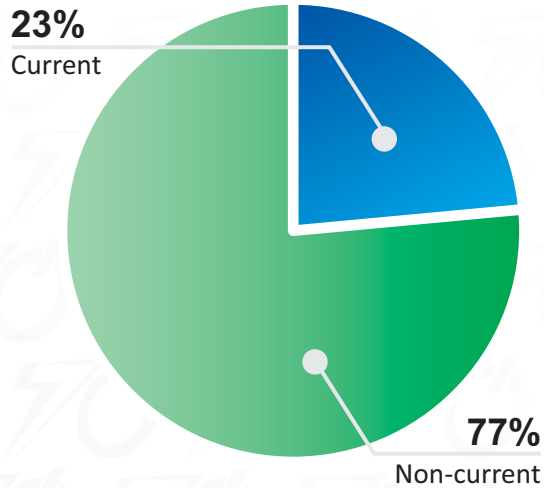


### EPS Growth 3 Years



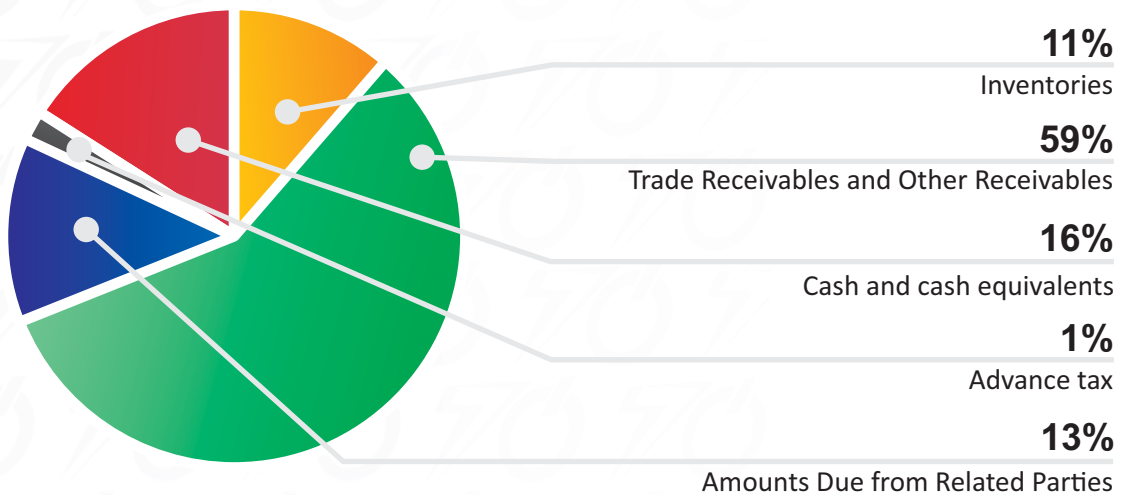
## Assets

### Total Assets



Due to the investment in infrastructure brought about by the growing demand, non-current assets has increased in 2019. Moreover increase in current assets is due to the increase in receivables.

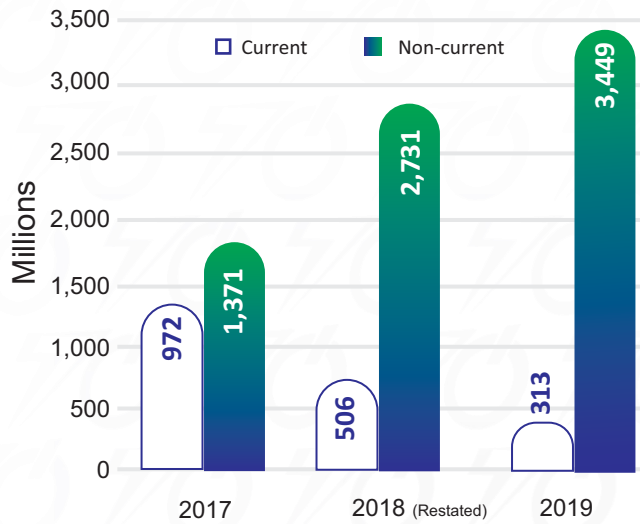
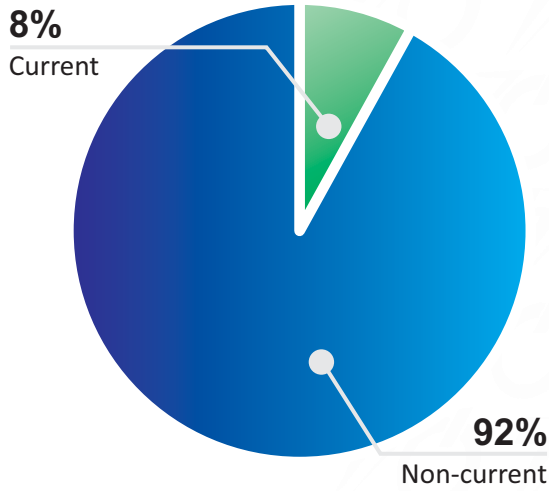
### Current Assets



Majority of current asset consist of trade receivables and other receivables; Out of the MVR1,024million in current assets, MVR131million is outstanding from related parties

## Liabilities

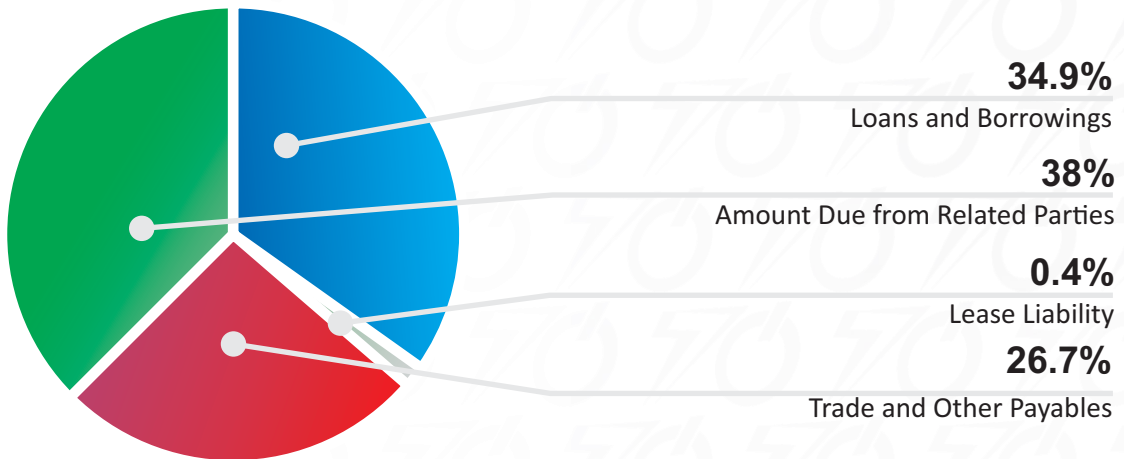
### Total Liabilities



Increase in non-current liabilities due to continuous debt commitments to finance major projects. This mainly involves development of power generation and distribution facilities.

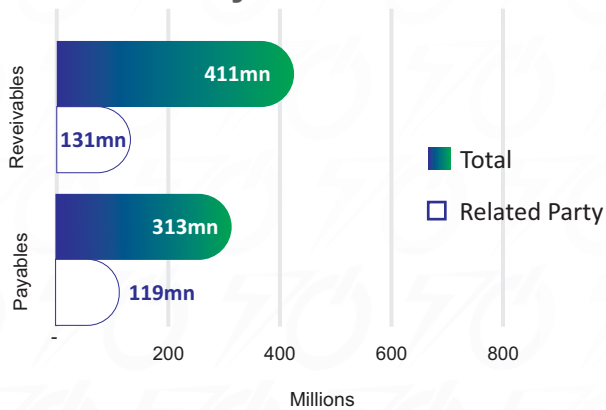
As a result of increased debt financing, non-current liabilities has significantly increased.

### Current Liabilities



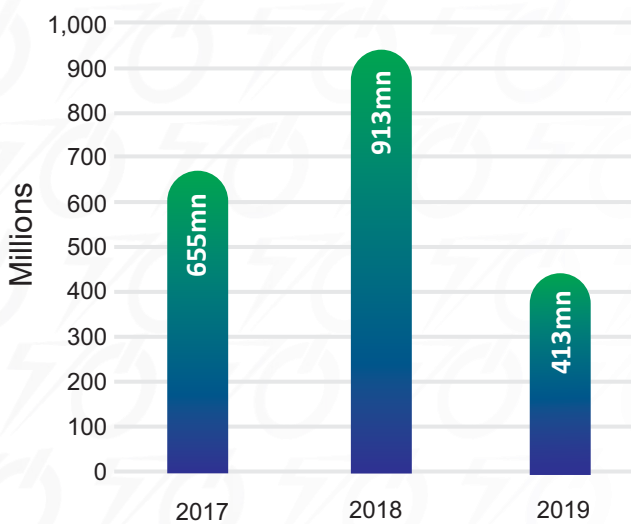
During the year 2019, current liabilities totals to 313m, which is a reduction of 193m compared to 2018. Majority of current obligations are short term loans and borrowings followed by lease liabilities. Due to reclassification of comparative balances (*refer to note 35 of audited statements*), balances for loans & borrowings and liabilities has been changed from 2017-2019 to enhance comparability and fair presentation of financial statements.

## Related Party Transactions



During the year 2019, out of the total payable 38% are due to related parties (State owned and affiliated entities). Whilst 32% of total receivables are due from related parties. Total receivables from related parties had drastically increased by 77% compared to 2018.

## Capital Investment

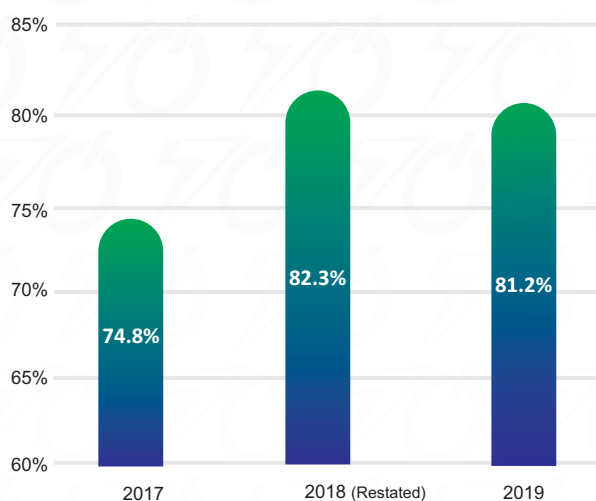


STELCO has been investing heavily on infrastructure to expand the services. During the year 2019, a sum of MVR 413M was spent on the expansion of infrastructure. Most of the capital investment were made on Greater Male' Grid Connection Phase 1 project, which totals to MVR 330million.

Majority of the expansion projects are financed through debt commitments with government assistance.

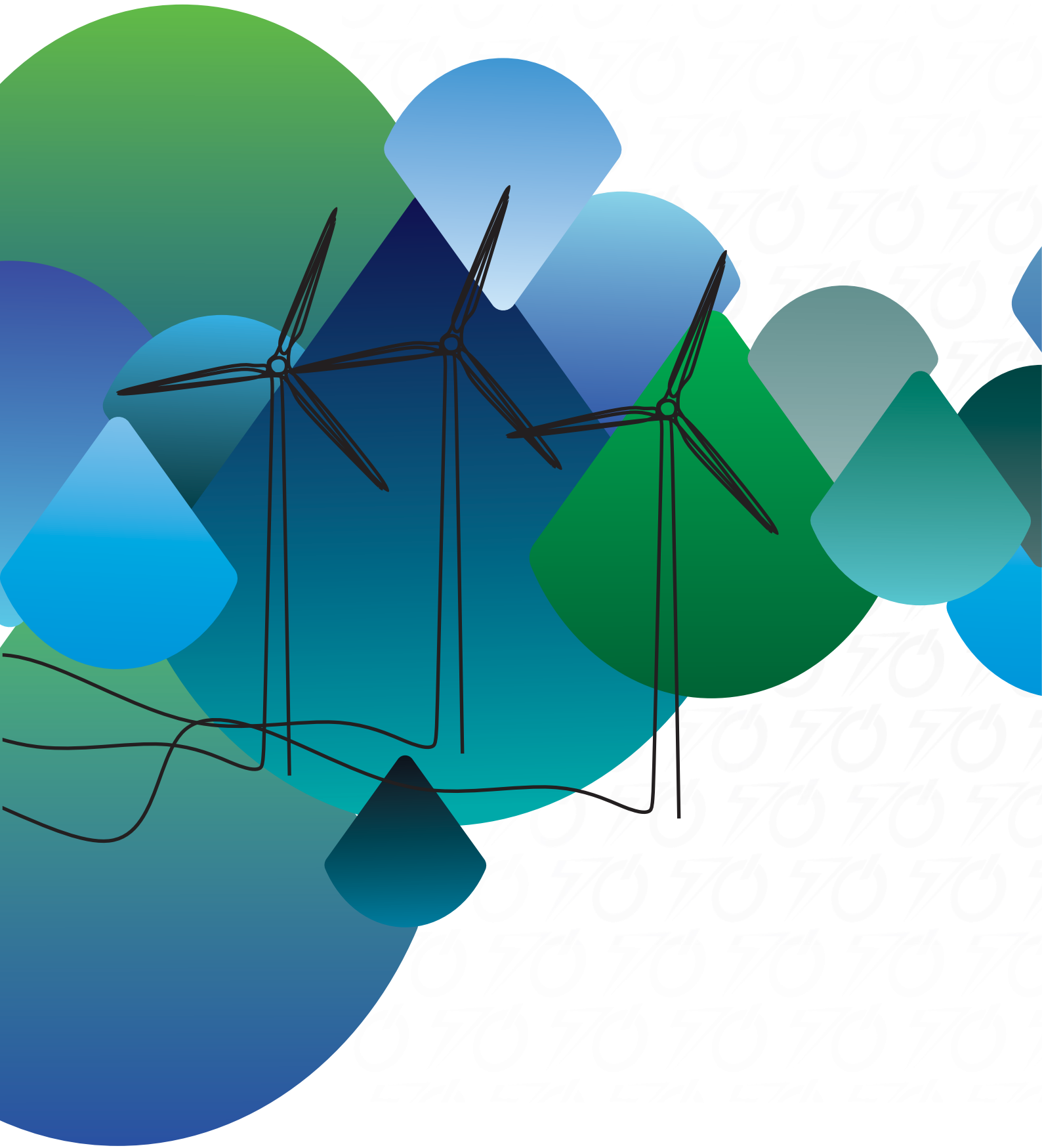
## Financial Challenges

### Gearing Level



Despite generating profits of 109m, the company's main financial challenge of high gearing remains persistent. Due to continuous loan commitments to build infrastructure combined with loss incurring tariff structure has increased the gearing level of the company

Negotiation with Ministry of Finance are under way to convert debts into equity by changing capital structure. Debt restructuring will make STELCO's financial position more appealing to lenders and as a result increasing prospect of rising finance for future projects.





06

OUR  
FUTURE



## Future Outlook

STELCO has continuously strived to hold ground on providing the best of the quality in our services to the valuable customers. Furthermore, we are continuously on the search for ways to develop and improve our operation to cater the most reliable service. We believe that investment in growth, development and new advancements at an industrial level is a critical subject to our future. Therefore we are highly committed to utilize our resources and assist government policies on electrical and energy supply for betterment of our future.

## Sustainability

As a part of finding efficient ways of energy production, we are currently heading towards increasing our power generation from renewable sources of energy. STELCO thrives to minimize our dependency on the current source of energy and reducing the long term cost of production by gradually establishing renewable energy sources.

STELCO is currently expanding the production of solar energy and will carry out more of such projects to reduce our carbon footprint on the environment.

While our future is decidedly focused on renewable sources of energy, we have set our course to establish a Solar Centre in the Greater Male' region to create awareness and provide the market with affordable services. Furthermore, in regard to our environment, we see opportunities for generating energy in surrounding oceans and seas. Therefore our goal is to utilize equipments in these sources to create a more efficient and reliable source of power generation in the long-term future.

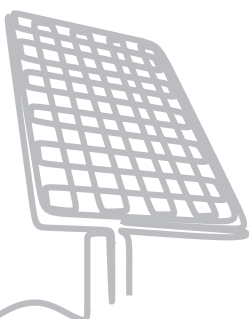
## Technological Advancement

In an industry that is highly reliable to technological advancements, one of our main focus is to adapt our operations in smart and digital ways. Improved automation will be implemented in our supply chain to increase our productivity and provide a more reliable service with ease.

STELCO will implement smart metering systems to better communicate power usage and generate more accurate rates for consumption. Moreover, automated work plans and machinery will require less manual input, reducing errors and further improving easing the operations.

In a digitalized world STELCO also pays great attention to implementing technological advancements. To create convenience in our customer service we are developing ways for customers to request and process services on their smart devices. In future, we plan on providing customers with the accessibility to see their power consumption on these devices and introduce pre-paid and post-paid services with the technology.

As a part of improvement for the future, we will strengthen our distribution channels and introduce automated communication in our substations to enable restoration of power supply without delays.

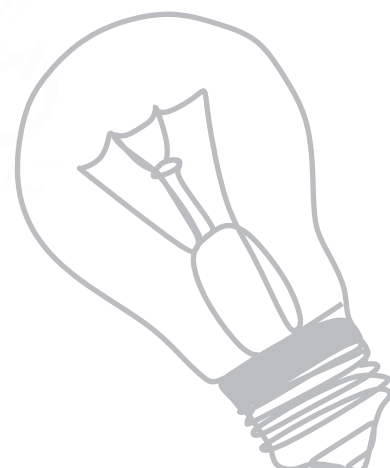


## Expansion and diversification

We are also concentrated on expanding our business strategies by introducing generator and panel board assembling at an industrial scale to become the main provider of this service in the nation. Moreover, STELCO is continuously looking for areas of business diversification in the industry of utility for the company's growth. We look forward in future for STELCO in providing other services and operating in different levels of the industry's supply chain.

## Major Projects Planned For Future

- Construction of additional 50MW capacity in Hulhumale' to cater to the power demand of the unified power grids of Male', Hulhumale' and Hulhule'.
- Construction of a 132kV substation in Male' Industrial Village to improve the power distribution network of Male' as well as to cater for the initiation of the Greater Male' Interconnection Project Phase 2, where the power networks of Male', Hulhumale' and Hulhule will be integrated with the networks of Villingili Gulhifalhu and Thilafushi.
- Development of Distribution Network in Hulhumale Phase 2 (Substations, DBs HV and L cables, SCADA system and HV substation)
- Male' distribution Network upgrading and Automation
- Gulhifalhu new Powerhouse and Distribution Network to cater for the new commercial port that is to be established in Gulhifalhu.
- Establishment of water and sewerage systems in the islands.
- Renewable energy project including construction of photovoltaic systems.
- Research and Development of renewable technologies.
- Establishment of large-scale battery systems for power reliability and quality improvements.
- Upgrading of island powerhouse networks.
- Construction and relocation of new powerhouses.
- Construction of fuel tanks and fuel lines in powerhouses.
- Takeover and operation of water and sewerage networks.

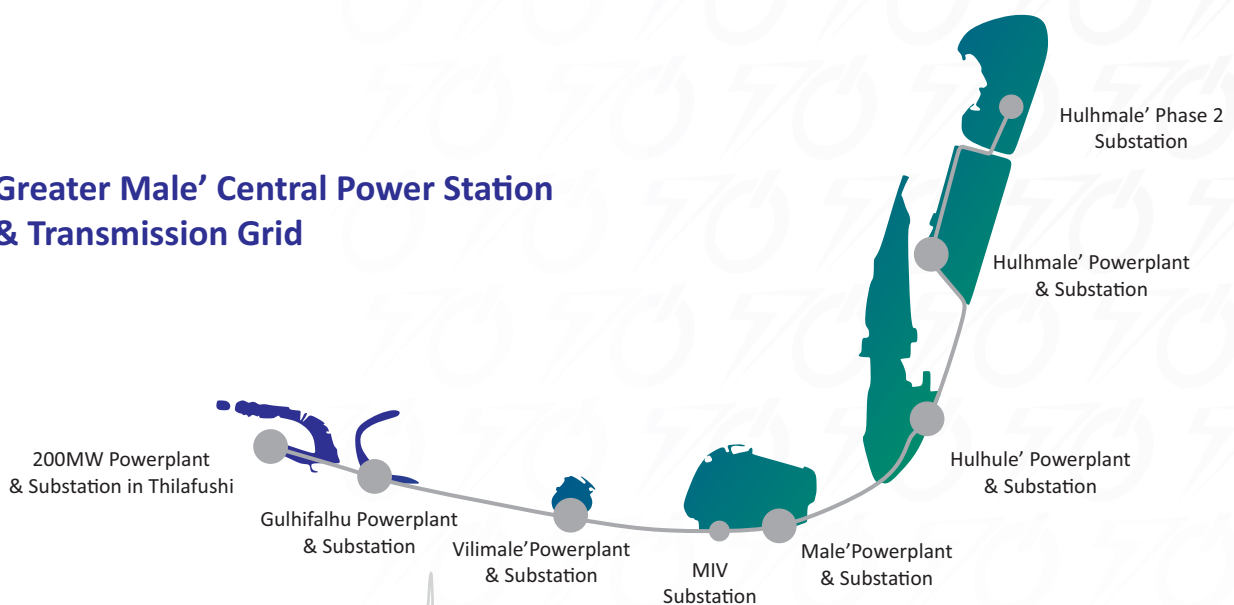


## Unified Grid

STELCO Greater Male' Interconnection phase 1 will be completed by mid-2020. Under this project, 3 substations will be established in Male', Hulhumale' and Hulhule. The prime power fed to this grid will be from newly established Fifth Power Development Project at Male' Power Plant. Completion of this high voltage grid will also enable STELCO to add more renewable energy into the grid.

Additional 50MW's will be installed in Hulhumale' to increase the power generating capacity. Furthermore, Greater Male' Grid Connection Phase 2 is designed to utilize the connectivity of Greater Male' Region to Thilafushi with the establishment of a 200MW Power Plant in Thilafushi for long term power security of the region. The company regards the Fifth Power Project as an important milestone in the development of the country's power sector. The Fifth Power Project is the largest power project conducted in the Maldives. The USD 79 million project initiated by STELCO in Hulhumale' is contracted to Dongfang Electric International Corporation. STELCO aims to assure electricity coverage for the next 10 to 20 years, upon completion of the project. The project is funded by a loan arranged from the Exim Bank of China.

## Greater Male' Central Power Station & Transmission Grid



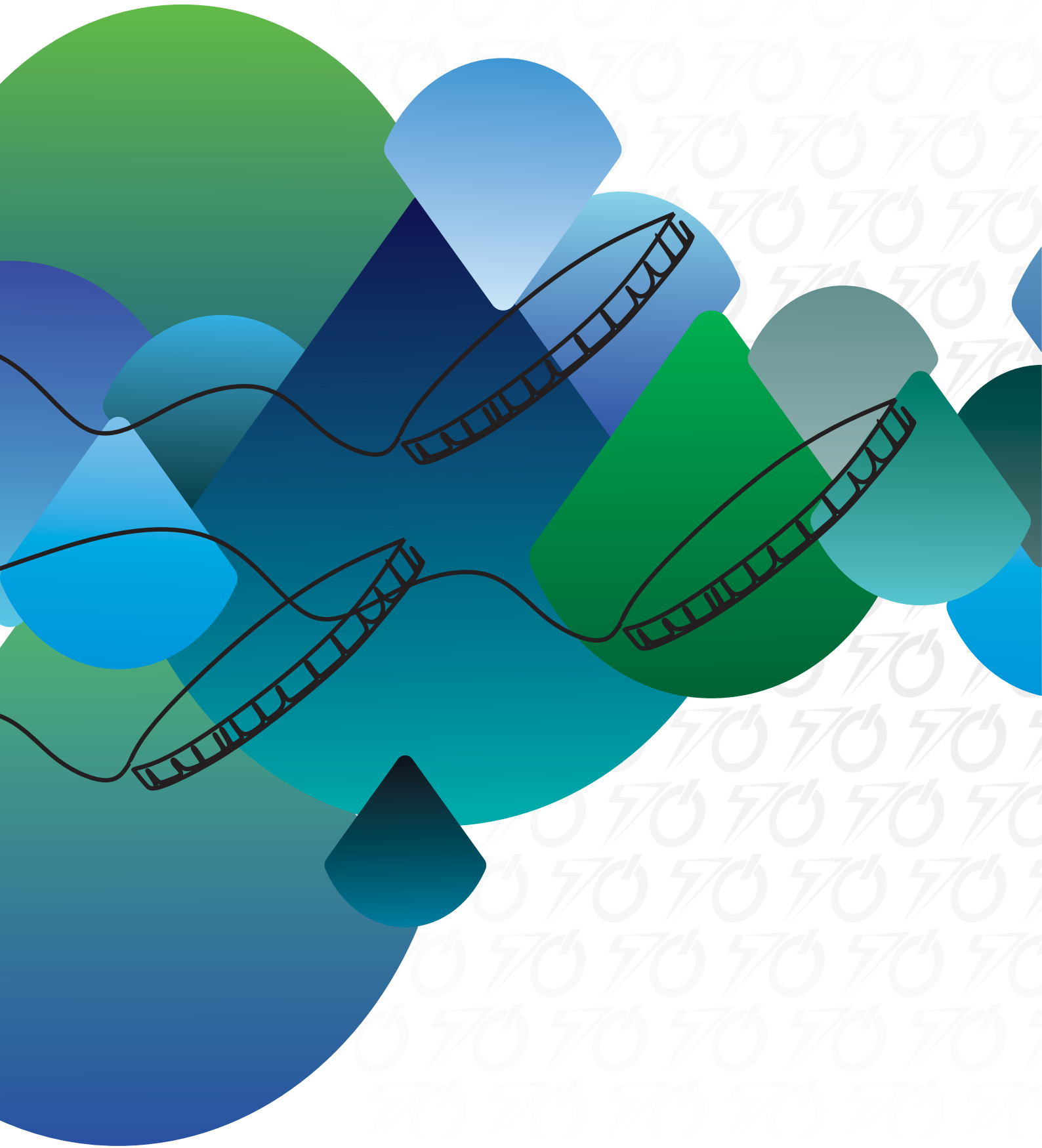
## STELCO Green Life Initiative

Green Life Initiative Campaign launched to be launched in 2020, is a solution-based, work-oriented Campaign, designed to educate and initiate. The campaign is intended to establish STELCO as the main aspirational contributor to the country's environment and set a standard.

Today's ethical consumers have the power to create change. The Green life initiative focuses on doing what we can and when we can. All we need is a little education and inspiration to all our staff and customers. We believe we should be stewards of the natural resources entrusted to us and our responsibility to protect our environment and eco-system for future generations. Hence, we can fulfil this obligation through communicating, educating, and collaborating while diversifying and growing our business. As such, the campaign consists of the three-segmented concepts, which are characterized as the Green Concepts. The segments are Refuse, Reuse, and Reduce, hence each section would be implemented with an initiative that the company can take as a whole. We are to Refuse and Reuse by initiating a plastic-free workspace at STELCO. Further to reduce our carbon footprint, STELCO has taken the fight for renewable energy production head-on. Thus in 2020, we are launching the solar center to provide photovoltaic solutions across the country while deploying solar generation in our network.

The project of Renewable energy (Solar Energy system Installations) is designed to be financially profitable, technically feasible, and good for customers, staff, the community at large, and the environment. Harnessing solar power will be necessary for our energy future, providing energy diversity and reducing our dependence on fossil fuels, which pollute the environment. Opting for solar energy is not only financially rewarding but also enabling us to make a significant contribution to avoiding fossil fuel and making our world a better place for today and generations to come.







07

**AUDITED  
FINANCIAL  
STATEMENTS**



Report No: FIN-2020-34(E)

13 August 2020

# STATE ELECTRIC COMPANY LIMITED

## FINANCIAL YEAR 2019



آڈیٹر جنرل آف پاکستان

AUDITOR GENERAL'S OFFICE

# Contents

Auditor General's Report

Financial Statements

Statement of Comprehensive Income .....	4
Statement of Financial Position .....	5
Statement of Changes in Equity .....	6
Statement of Cash Flows .....	7
Notes to the Financial Statements .....	8-40



## **AUDITOR GENERAL'S REPORT**

### **TO THE SHAREHOLDERS AND BOARD OF DIRECTORS 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 2019, 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 4 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 2019 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 shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value that would be determined at the end of the reporting period. 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 revaluations 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 in line with IAS 16. Furthermore, we were unable to determine whether any adjustment might be required with respect of Property, Plant and Equipment and Revaluation Reserve recognized in the financial statements as at 31st December 2019.
2. As disclosed in Note 21.1 to the Financial Statements, the Company has recorded a loan taken by the Ministry of Finance from Danida on behalf of the Company with respect to 4th generation power project as loans and borrowings. The Company has recorded a total capital outstanding and interest payable balance of MVR. 1,118,589,953/- as at 31st December 2019. An interest expense of MVR. 56,411,645/- has been recognized for the year ended 31st December 2019 and an accumulated interest expense of MVR.380,028,919/- in the previous years. However, due to lack of any legal contract between the parties, we were unable to verify the completeness, existence and accuracy



of loans and borrowings, opening retained earnings and the interest expenses as at and for the year ended 31st December 2019.

3. As disclosed in Note 14 and 22 to the Financial statements, the Company has recognized the Lease liabilities and ROU assets in accordance with IFRS 16 “Leases” as at 31<sup>st</sup> December 2019. However, the leasing arrangements with respect to “Male powerhouse” and “Villingili powerhouse” have not been considered in the 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 to the financial statements as at and for the year ended 31<sup>st</sup> December 2019.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s 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’ Code of Ethics for Professional Accountants (IESBA Code), 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 – Restatement of Comparative Balances**

We draw our attention to Note 35 to the financial statements, which indicates that that the comparative information presented as at and for the year ended 31<sup>st</sup> December 2018 has been restated. Our opinion is not modified in respect of this matter.

### **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.

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.

### **Auditor’s 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.

11<sup>th</sup> August 2020



Hassan Ziyath  
Auditor General

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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER

	Note	2019 MVR	2018 MVR (Restated)*
<b>Revenue</b>	7	1,922,912,331	1,757,355,443
Cost of Sales		(1,460,088,260)	(1,407,760,612)
<b>Gross Profit</b>		462,824,071	349,594,831
Other Income	8	18,953,891	9,917,974
Administrative Costs		(196,378,583)	(195,280,717)
Impairment Loss on Trade Receivables and Amounts due from Related Parties	16.1 & 17.1	(41,158,719)	(10,207,092)
<b>Results from Operations</b>		244,240,661	154,024,996
Finance Income		347,927	155,023
Finance Costs		(107,422,567)	(89,133,135)
Net Finance Costs	9	(107,074,640)	(88,978,112)
<b>Profit Before Tax</b>	10	137,166,021	65,046,884
Tax (Expense) / Reversal	11	(28,163,012)	39,993,514
<b>Profit After Tax</b>		109,003,009	105,040,398
<b>Other Comprehensive Income</b>			
<b>Items that will not be Reclassified to Profit or Loss</b>			
Remeasurement of Defined Benefit Liability	24	(2,140,744)	(2,122,777)
Related tax		321,111	318,417
<b>Total Other Comprehensive Income, Net of Tax</b>		(1,819,633)	(1,804,360)
<b>Profit and Other Comprehensive Income for the Year</b>		107,183,376	103,236,038
<b>Basic and Diluted Earnings Per Share</b>	12	726,687	700,269

\* Refer Note No. 35

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 8 to 40. The Report of the Independent Auditors is given in pages 1 and 2.



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

AS AT	Note	31/12/2019 MVR	31/12/2018 MVR (Restated)*	1/1/2018 MVR (Restated)*
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	13	3,328,550,443	3,045,354,845	2,237,183,473
Right of Use Asset	14	104,177,557	-	-
<b>Total Non-Current Assets</b>		<u>3,432,728,000</u>	<u>3,045,354,845</u>	<u>2,237,183,473</u>
<b>Current Assets</b>				
Inventories	15	112,619,736	128,608,540	129,814,304
Trade and Other Receivables	16	602,316,163	495,256,570	132,464,413
Amounts Due from Related Parties	17	131,455,599	74,053,401	178,629,244
Current Tax Receivable		9,076,282	9,076,282	9,076,282
Cash and Cash Equivalents	18	168,744,217	69,123,904	135,199,698
<b>Total Current Assets</b>		<u>1,024,211,997</u>	<u>776,118,697</u>	<u>585,183,941</u>
<b>Total Assets</b>		<u>4,456,939,997</u>	<u>3,821,473,542</u>	<u>2,822,367,414</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	19	150,000,000	150,000,000	150,000,000
Revaluation Reserve	20	201,437,881	215,731,150	230,024,580
Retained Earnings		343,592,012	219,592,865	99,541,217
<b>Total Equity</b>		<u>695,029,893</u>	<u>585,324,015</u>	<u>479,565,797</u>
<b>Non-Current Liabilities</b>				
Loans and Borrowings	21	2,893,392,528	2,444,441,213	1,152,473,998
Lease Liability	22	105,294,628	-	-
Deferred Tax Liabilities	11.3	49,360,934	24,041,213	66,875,324
Deferred Income	23	333,004,245	203,171,519	101,126,489
Defined Benefit Obligation	24	68,305,743	58,913,979	50,299,207
<b>Total Non-Current Liabilities</b>		<u>3,449,358,078</u>	<u>2,730,567,924</u>	<u>1,370,775,018</u>
<b>Current Liabilities</b>				
Loans and Borrowings	21	108,962,399	280,690,081	273,757,470
Lease Liability	22	1,301,899	-	-
Trade and Other Payables	25	83,543,497	140,685,690	555,110,569
Amounts Due to Related Parties	26	118,744,231	84,205,832	141,485,501
Bank Overdrafts		-	-	1,673,059
<b>Total Current Liabilities</b>		<u>312,552,026</u>	<u>505,581,603</u>	<u>972,026,599</u>
<b>Total Liabilities</b>		<u>3,761,910,104</u>	<u>3,236,149,527</u>	<u>2,342,801,617</u>
<b>Total Equity and Liabilities</b>		<u>4,456,939,997</u>	<u>3,821,473,542</u>	<u>2,822,367,414</u>

\* Refer Note No. 35

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 8 to 40. The Report of the Independent Auditors is given in pages 1 and 2.

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

Name of the Director

.....

Mr. Mohamed Rasheed  
Board Chairman

.....

Ms. Enas Ahmed  
General Manager, Head of Finance & Accounts

.....

Mr. Hassan Mughnee  
Managing Director

11<sup>th</sup> August 2020



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER

	Share Capital MVR	Revaluation Reserve MVR	Retained Earnings MVR	Total Equity MVR
As at 1 <sup>st</sup> January 2018, as Previously Reported	150,000,000	230,024,580	142,295,543	522,320,123
Impact Due to Restatement -Net of Tax (Note 35.1)	-	-	(42,754,326)	(42,754,326)
Restated Balances as at 1 <sup>st</sup> January 2018	150,000,000	230,024,580	99,541,217	479,565,797
Restated Profit for the Year	-	-	105,040,398	105,040,398
Other Comprehensive Income	-	-	(1,804,360)	(1,804,360)
<b>Total Comprehensive Income for the Year (Restated)</b>	150,000,000	230,024,580	202,777,255	582,801,835
<i>Items Directly Recognized in Equity</i>				
Revaluation Reserve Transferred to Retained Earnings (Note 20)	-	(16,815,610)	16,815,610	-
Deferred Tax impact on Revaluation Transferred to Retained Earnings (Note 11.7)	-	2,522,180	-	2,522,180
As at 31 <sup>st</sup> December 2018	150,000,000	215,731,150	219,592,865	585,324,015
Restated Balances as at 1 <sup>st</sup> January 2019	150,000,000	215,731,150	219,592,865	585,324,015
Profit for the Year	-	-	109,003,009	109,003,009
Other comprehensive income	-	-	(1,819,633)	(1,819,633)
<b>Total Comprehensive Income for the Year</b>	150,000,000	215,731,150	326,776,241	692,507,391
<i>Items Directly Recognized in Equity</i>				
Revaluation Transferred to Retained Earnings (Note 20)	-	(16,815,610)	16,815,771	161
Deferred Tax impact on revaluation Transferred to Retained Earnings (Note 11.7)	-	2,522,341	-	2,522,341
As at 31 <sup>st</sup> December 2019	150,000,000	201,437,881	343,592,012	695,029,893

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 8 to 40. The Report of the Independent Auditors is given in pages 1 and 2.



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

	Note	2019 MVR	2018 MVR (Restated)*
<b>Cash Flows From Operating Activities</b>			
Profit Before Tax		137,166,021	65,046,884
<i>Adjustments for:</i>			
Depreciation on Property, Plant and Equipment	13	116,797,988	105,243,257
Amortization of Right of Use Assets	14	3,632,933	-
Loss on disposal of Property, Plant and Equipment		-	289,848
Gain on disposal of Property, Plant and Equipment	8	(2,019,030)	-
Interest Income	9	(347,927)	(155,023)
Provision for Impairment Loss on Trade Receivables	16.1	7,430,027	6,290,534
Provision for Impairment Loss Related Parties	16.1	33,728,692	3,916,558
Provision for Slow Moving Inventories	15.1	12,706,584	16,254,015
Amortization of Deferred Income	23	(1,370,505)	(1,691,827)
Interest Expense	9	107,422,567	89,133,135
<b>Operating Profit Before Working Capital Changes</b>		<b>415,147,349</b>	<b>284,327,381</b>
<b>Change In:</b>			
Inventories		(15,988,804)	(15,048,251)
Trade and Other Receivables		(107,059,593)	(369,082,691)
Trade and Other Payables		(56,647,720)	132,669,343
Amounts Due From Related Parties		(21,326,357)	100,659,285
Amounts Due to Related Parties		34,538,399	(57,279,669)
Defined Benefit Obligation		9,391,764	8,460,312
<b>Cash Generated From Operating Activities</b>		<b>258,055,038</b>	<b>84,705,710</b>
Interest Received		87,579	140,639
Income Tax Paid		-	(2,840,597)
Interest Paid		(55,453,201)	(22,800,694)
Repayment of Retirement Benefit Obligation	24	(138,040)	(154,460)
<b>Net Cash Generated From Operating Activities</b>		<b>202,551,376</b>	<b>59,050,598</b>
<b>Cash Flows From Investing Activities</b>			
Purchase and Construction of Property, Plant and Equipment	13	(412,544,698)	(913,704,477)
<b>Net Cash Used in Investing Activities</b>		<b>(412,544,698)</b>	<b>(913,704,477)</b>
<b>Cash Flows From Financing Activities</b>			
Loans and Borrowings Obtained	21	198,255,742	695,870,855
Repayments of Borrowings	21	(10,133,160)	(9,356,568)
Capital Grant Received	23	132,895,058	103,736,857
Payment for Lease liabilities	22	(11,404,005)	-
<b>Net Cash Generated From Financing Activities</b>		<b>309,613,635</b>	<b>790,251,144</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>99,620,313</b>	<b>(64,402,735)</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>		<b>69,123,904</b>	<b>133,526,639</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	18	<b>168,744,217</b>	<b>69,123,904</b>

\* Refer Note No. 35

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 8 to 40. The Report of the Independent Auditors is given in pages 1 and 2.



**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 19<sup>th</sup> 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 Ameene 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").

This is the first set of Company's financial statement in which IFRS 16 Leases has been applied. The related changes to significant accounting policies are described in Note 3.

**(b) Basis of Measurement**

The financial statements have been prepared on the historical cost basis.

**(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 respective notes.



**STATE ELECTRIC COMPANY LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
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 31<sup>st</sup> December 2019 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 respective notes.

**i. 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.

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

The Company initially applied IFRS 16 Leases from 1<sup>st</sup> January 2019. A number of other new standards are also effective from 1<sup>st</sup> January 2019 but they do not have a material effect on the Company financial statements.

The Company applied IFRS 16 using the modified retrospective approach under which the cumulative effect of initial application is recognized in retained earnings at 1<sup>st</sup> January 2019. Accordingly comparative information presented for 2018 is not restated.

**(a) As a lessee**

As a lessee, the Company leases include a land. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16 the Company recognizes right-of-use assets and lease liabilities for the leases.



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

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) As a lessee (Continued)**

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 price. However, for the leases of property the Company has selected not to separate non-lease components and account for the lease and associated non-lease components as single lease component.

**(i) Leases classified as operating leases under IAS 17**

Previously, the Company has classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company incremental borrowing rate as at 1<sup>st</sup> January 2019 (see Note 3(b)). Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company incremental borrowing rate at the date of initial application.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- Did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application.
- Did not recognize right-of-use assets and liabilities for leases of low value assets.
- Excluded initial direct costs from measurement of the right-of-use asset at the date of initial application

**(b) Impact on transition**

On transition to IFRS 16, the Company recognized additional right-of-use assets, including investment property, and additional lease liabilities, recognizing the difference in retained earnings. The impact of transition is summarized below.

Description	Impact as at 1 <sup>st</sup> January 2019 MVR
Right-of-use assets (Note 14)	107,810,490
Lease liabilities (Note 22)	107,810,490



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

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Impact on transition (continued)**

When measuring lease liabilities for the leases that were classified as operating leases, the Company discounted the lease payments using its incremental borrowing rate at 1<sup>st</sup> January 2019. The weighted average rate applied is 9.5%.

Description	1 <sup>st</sup> January 2019 MVR
Operating lease commitments at 31 <sup>st</sup> December 2018 as disclosed under IAS 17 in the Company's financial statements	443,259,823
Discounted using the incremental borrowing rate at 1 <sup>st</sup> January 2019	107,810,490
Finance lease liabilities recognized as at 31 <sup>st</sup> December 2018	-
- Recognition exemption for leases of low value assets	-
- Recognition exemption for leases with less than 12 months of Lease term at transition	-
Lease liabilities recognized at 1 <sup>st</sup> January 2019	107,810,490

Amounts recognised in profit or loss in relating to Leases under IFRS 16 (in 2019) and under IAS 17 (in 2018) are given in the following table.

Description	2019 MVR	2018 MVR
Lease rental expense	-	22,185,125
Interest on lease liabilities	10,190,042	-
Amortization on right of use assets	3,632,933	-
Total	<b>13,822,975</b>	<b>22,185,125</b>

Amounts recognised in statement of cash flows are given in the following table.

Description	2019 MVR
Cash flows from financing activities – lease payments made during the year	11,404,005

**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  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
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  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
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.

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  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
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:

Buildings and oil storage	10 to 50 years
Generation equipment	2 to 25 years
Distribution equipment	3 to 15 years
Transformers	5 to 30 years
Vehicles and launches	10 years
Cable	3 to 25 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



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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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.



**STATE ELECTRIC COMPANY LIMITED  
(INCORPORATED IN THE REPUBLIC OF MALDIVES)  
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 expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

The Company's non-derivative financial liabilities consist of amount due to related parties, loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

**(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.

**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.



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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4.7 Financial Instruments (Continued)**

**(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 realise 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.

**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.



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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4.8 Impairment (Continued)**

**(i) Non –derivative financial assets (Continued)**

**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.

**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.



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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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. The Company contributes 10% of members' salary into the scheme with an additional, minimum, 4% of salary being contributed by the members.

**(b) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting that amount to determine its present value. The calculation is performed by the Company internally using the projected unit credit method.

**(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.

**4.12 Leases**

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

**Policy applicable from 1 January 2019**

At inception of a contract, the Company assesses whether a 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.



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

**4.SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4.12 Leases (Continued)**

**Policy applicable from 1<sup>st</sup> January 2019 (Continued)**

**(i) 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 and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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. 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.

**Policy applicable before 1<sup>st</sup> January 2019**

For contracts entered into before 1<sup>st</sup> January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and



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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4.12 Leases (Continued)**

**Policy applicable before 1<sup>st</sup> January 2019 (Continued)**

- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met;

The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

**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.



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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4.14 Fair Value Measurement (Continued)**

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.

**5. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards are effective for annual periods beginning after 1<sup>st</sup> January 2019 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.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

7 REVENUE	2019 MVR	2018 MVR
Electricity Revenue	1,856,677,804	1,676,964,591
Non-electricity Revenue	66,234,527	80,390,852
	<u>1,922,912,331</u>	<u>1,757,355,443</u>
8 OTHER INCOME	2019 MVR	2018 MVR
Operational Income	6,346,303	5,473,885
Amortization of Deferred Income (Note 23)	3,062,332	1,691,827
Rental Income	1,075,584	598,634
Gain on Disposal of Property Plant and Equipment	2,019,030	-
Miscellaneous Income	6,450,642	2,153,628
	<u>18,953,891</u>	<u>9,917,974</u>
9 NET FINANCE COSTS	2019 MVR	2018 MVR
<b>Finance Income</b>		
Interest Income	87,579	140,639
Foreign Exchange Gain	260,348	14,384
	<u>347,927</u>	<u>155,023</u>
<b>Finance Costs</b>		
Interest on Borrowings - Foreign	(95,286,146)	(85,323,862)
Interest on Borrowings - Local	(1,946,379)	(2,722,967)
Foreign Exchange Loss	-	(1,086,306)
Interest on Leases	(10,190,042)	-
	<u>(107,422,567)</u>	<u>(89,133,135)</u>
<b>Net Finance Costs</b>	<u>(107,074,640)</u>	<u>(88,978,112)</u>
10 PROFIT BEFORE TAX	2019 MVR	2018 MVR
<i>Profit before tax is stated after charging all the expenses including the following:</i>		
Repair and Maintenance	49,491,386	83,100,551
Cost of Lubricant oil	23,439,880	22,949,936
Cost of Diesel	1,082,136,119	1,025,974,568
Bank of Charges	13,150,251	11,301,652
Directors' Remuneration	768,808	726,968
Rent Expenses	4,785	22,185,125
Amortization of Right of Use Asset (Note 14)	3,632,933	-
Depreciation of Property, Plant and Equipment (Note 13)	116,797,988	105,243,257
Provision for Slow and Non-Moving Inventories (Note 15.1)	12,706,584	16,254,015
Personnel Costs (Note 10.1)	247,945,916	206,521,184



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

**10 PROFIT BEFORE TAX (CONTINUED)**

<b>10.1 Personnel Costs</b>	<b>2019 MVR</b>	<b>2018 MVR</b>
Staff Salaries and Wages	99,485,112	81,474,648
Staff Allowances	81,446,150	75,479,894
Overtime Expenses	48,345,408	39,515,413
Employer's Contribution to Government Pension Fund	7,047,038	5,661,135
Staff Medical Expenses	1,374,962	2,313,880
Employee Retirement Benefits (Note 24)	7,389,060	350,000
Other Staff Expenses	2,858,186	1,726,214
	<u>247,945,916</u>	<u>206,521,184</u>

**11 TAX EXPENSE / (REVERSAL)**

	<b>2019 MVR</b>	<b>2018 MVR (Restated)</b>
<b>Current Tax Expense</b>		
Current Tax Expense (Note 11.1)	-	-
<b>Deferred Tax Reversal</b>		
Deferred Tax Asset Reversed / (Recognized) (Note 11.4)	(2,561,984)	(24,668,351)
Deferred Tax Liability (Reversed) / Recognized (Note 11.7)	30,724,996	(15,325,163)
	<u>28,163,012</u>	<u>(39,993,514)</u>
<b>Total Tax Expense / (Reversal)</b>	<u>28,163,012</u>	<u>(39,993,514)</u>

**11.1 Reconciliation Between Accounting Profit and Taxable Income :**

Profit Before Tax	137,166,021	65,046,884
Aggregate Disallowable Items	303,238,561	236,109,223
Aggregate Allowable Items	(327,268,553)	(289,057,378)
Tax Loss Utilized during the Year	(113,136,029)	(12,098,729)
Taxable Income for the Year	<u>-</u>	<u>-</u>
Business Profit Tax @ 15%	<u>-</u>	<u>-</u>

In accordance with the provisions of the Business Profit Tax act No. 5 of 2011, relevant regulations and subsequent amendments thereto, the Company is liable for Business Profit Tax on its taxable profit at the rate of 15%.

**11.2 Accumulated Tax Losses**

As at 1 <sup>st</sup> January	175,268,638	187,367,367
Adjustment Due to Finalization of Previous Years Tax Losses	(936,598)	-
Tax Loss Utilized During the Year	(113,136,029)	(12,098,729)
As at 31 <sup>st</sup> December	<u>61,196,011</u>	<u>175,268,638</u>



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

11 TAX EXPENSE (CONTINUED)

11.3 Net Deferred tax Liability	31/12/2019 MVR	31/12/2018 MVR (Restated)	1/1/2018 MVR (Restated)
Deferred Tax Asset (Note 11.5)	(35,414,744)	(32,531,649)	(7,544,881)
Deferred Tax Liability (Note 11.8)	84,775,678	56,572,862	74,420,205
	<u>49,360,934</u>	<u>24,041,213</u>	<u>66,875,324</u>

11.4 Deferred Tax Asset :

As at 1 <sup>st</sup> January	32,531,649	7,544,881	-
<i>Items Recognized Directly in Equity</i>			
Recognized During the Year	321,111	318,417	7,544,881
<i>Items Recognized in profit or loss</i>			
Recognized During the Year	2,561,984	24,668,351	-
As at 31 <sup>st</sup> December	<u>35,414,744</u>	<u>32,531,649</u>	<u>7,544,881</u>

11.5 The Recognized Deferred Tax Assets are Attributable to the Following:

	31/12/2019		31/12/2018		1/1/2018	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR (Restated)	Temporary Difference MVR	Tax Effect MVR (Restated)
Defined Benefit Obligation	68,305,743	10,245,862	58,913,979	8,837,097	50,299,207	7,544,881
Accumulated Tax Losses	61,196,011	9,179,402	157,963,676	23,694,552	-	-
Lease Liability	106,596,527	15,989,480	-	-	-	-
	<u>236,098,281</u>	<u>35,414,744</u>	<u>216,877,655</u>	<u>32,531,649</u>	<u>50,299,207</u>	<u>7,544,881</u>

11.6 The un-recognized Deferred Tax Assets are Attributable to the Following:

	31/12/2019		31/12/2018		1/1/2018	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Accumulated Tax Losses	-	-	17,304,962	2,595,745	187,367,367	28,105,106

11.7 Deferred Tax Liability:

	31/12/2019 MVR	31/12/2018 MVR	1/1/2018 MVR
As at 1 <sup>st</sup> January	56,572,862	74,420,205	70,104,262
<i>Items Recognized Directly in Equity</i>			
Reversed During the Year	(2,522,180)	(2,522,180)	(2,522,180)
<i>Items Recognized in profit or loss</i>			
Recognized / (Reversed) During the Year	30,724,996	(15,325,163)	6,838,123
As at 31 <sup>st</sup> December	<u>84,775,678</u>	<u>56,572,862</u>	<u>74,420,205</u>

11.8 The Recognized Deferred Tax Liability of the Company is attributable to the following:

	31/12/2019		31/12/2018		1/1/2018	
	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR	Temporary Difference MVR	Tax Effect MVR
Property Plant and Equipment	460,993,629	69,149,044	377,152,413	56,572,862	496,134,700	74,420,205
Right of Use Asset	104,177,557	15,626,634	-	-	-	-
	<u>565,171,186</u>	<u>84,775,678</u>	<u>377,152,413</u>	<u>56,572,862</u>	<u>496,134,700</u>	<u>74,420,205</u>

12 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;

	2019	2018 (Restated)
Profit for the Year Attributable to the Ordinary Shareholders - MVR	109,003,009	105,040,398
Weighted Average Number of Ordinary Shares	150	150
Basic and Diluted Earnings Per Share - MVR	<u>726,687</u>	<u>700,269</u>





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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

14 RIGHT OF USE ASSETS	31/12/2019 MVR	31/12/2018 MVR
<b>Cost</b>		
As at 1 <sup>st</sup> January	-	-
Adjustment Due to initial Application of IFRS 16 (Note 3(b))	107,810,490	-
As at 31 <sup>st</sup> December	<u>107,810,490</u>	<u>-</u>
<b>Accumulated Amortization</b>		
As at 1 <sup>st</sup> January	-	-
Charge for the Period	3,632,933	-
As at 31 <sup>st</sup> December	<u>104,177,557</u>	<u>-</u>
<b>Net Carrying Value</b>	<u>104,177,557</u>	<u>-</u>
<b>15 INVENTORIES</b>		
	<b>31/12/2019 MVR</b>	<b>31/12/2018 MVR</b>
Fuel	49,941,634	26,643,118
Spares, cables and consumables	199,226,821	225,688,562
Stationary	144,090	157,115
Lubricating oil	2,409,858	2,515,829
	<u>251,722,403</u>	<u>255,004,624</u>
Less: Provision for slow moving Inventories (Note 15.1)	<u>(139,102,668)</u>	<u>(126,396,084)</u>
	<u>112,619,736</u>	<u>128,608,540</u>
<b>15.1 Provision for Slow Moving Inventories</b>		
As at 1 <sup>st</sup> January	126,396,084	110,142,069
Add: Provision for the Year	12,706,584	16,254,015
As at 31 <sup>st</sup> December	<u>139,102,668</u>	<u>126,396,084</u>
<b>16 TRADE AND OTHER RECEIVABLES</b>		
	<b>31/12/2019 MVR</b>	<b>31/12/2018 MVR</b>
Trade Receivables	238,981,161	276,629,873
Less : Provision for Impairment Loss (Note 16.1)	<u>(32,405,204)</u>	<u>(24,975,177)</u>
	<u>206,575,957</u>	<u>251,654,696</u>
Prepayments	473,637	511,424
Advance payment (Note 16.2)	322,421,626	123,189,476
Other Receivables	72,844,943	119,900,974
	<u>602,316,163</u>	<u>495,256,570</u>
<b>16.1 Provision for Impairment of Trade Receivables</b>		
As at 1 <sup>st</sup> January	24,975,177	27,383,871
Adjustment Due to Initial Application of IFRS 9	-	(8,699,228)
Provision for the Year	7,430,027	6,290,534
As at 31 <sup>st</sup> December	<u>32,405,204</u>	<u>24,975,177</u>
<b>16.2</b> This amount represent the advance paid by the Company to the contractors on the "Hiyaa" house project.		



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

<b>17 AMOUNTS DUE FROM RELATED PARTIES</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>MVR</b>	<b>MVR</b>
Indira Gandhi Memorial Hospital	7,463,365	4,084,654
Dhivehi Raajjege Gulhun PLC	3,808,011	5,233,779
Male' Water & Sewerage Company (Private) Limited	1,803,810	3,217,265
State Trading Organisation PLC	1,533,371	1,509,584
Maldives Transport and Contracting Company PLC	827,259	804,499
Maldives Customs Services	362,097	303,835
Maldives Industrial Fisheries Company Limited	127,660	268,921
Bank of Maldives PLC	105,745	55,109
Public Service Media	31,607,773	17,286,896
Maldives Road Development Corporation Limited	2,512,186	2,733,567
National Center For the Arts	1,163,462	1,362,351
Housing Development Corporation Limited	2,197,711	730,459
National Social Protection Agency	10,007,904	9,964,007
Maldives Port Limited	1,777,386	-
Other Government Owned Organizations	141,096,583	67,708,507
	<u>206,394,323</u>	<u>115,263,433</u>
Less : Provision for Impairment Loss (Note 17.1)	<u>(74,938,724)</u>	<u>(41,210,032)</u>
	<u>131,455,599</u>	<u>74,053,401</u>

**17.1 Provision for Impairment Loss**

As at 1 <sup>st</sup> January	41,210,032	12,776,342
Adjustment Due to Initial Application of IFRS 9	-	24,517,132
Provision for the Year	33,728,692	3,916,558
As at 31 <sup>st</sup> December	<u>74,938,724</u>	<u>41,210,032</u>

**18 CASH AND CASH EQUIVALENTS**

	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>MVR</b>	<b>MVR</b>
<b>Favorable Balances</b>		
Cash in Hand	10,555,107	11,023,280
Balances with Banks	158,189,110	58,100,624
	<u>168,744,217</u>	<u>69,123,904</u>

**19 SHARE CAPITAL**

**19.1 Authorized Share Capital**

The authorized share capital comprises of 150 (2018 : 150) 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 (2018 : 150) ordinary shares of MVR.1,000,000/- each.

**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.



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

20 REVALUATION RESERVE	31/12/2019 MVR	31/12/2018 MVR
As at 1 <sup>st</sup> January	215,731,150	230,024,580
Transfer of Revaluation Surplus to Retained Earnings (Note 20.2)	(16,815,610)	(16,815,610)
Deferred Tax on Revaluation Surplus Transfer to Retained Earnings (Note 11.7)	2,522,341	2,522,180
As at 31 <sup>st</sup> December	<u>201,437,881</u>	<u>215,731,150</u>

20.1 The Company's property, plant and equipment was revalued on 31<sup>st</sup> December 2011 by the professional values, Kanti Karamsey & Co. of No.412, Marker Chambers, Nariman point, Mumbai, India based on the open Market Value of the properties. The firm is 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 LOANS AND BORROWINGS	31/12/2019 MVR	31/12/2018 MVR
As at 1 <sup>st</sup> January	2,112,745,755	1,426,231,468
Loans Obtained During the Year	198,255,742	695,870,855
Repayments During the Year	(10,133,160)	(9,356,568)
As at 31 <sup>st</sup> December	<u>2,300,868,337</u>	<u>2,112,745,755</u>
Accrued Interest	701,486,590	612,385,539
	<u>3,002,354,927</u>	<u>2,725,131,294</u>
<b>Non - Current Liabilities</b>		
Loans and Borrowings	<u>2,893,392,528</u>	<u>2,444,441,213</u>
<b>Current Liabilities</b>		
Loans and Borrowings	<u>108,962,399</u>	<u>280,690,081</u>

21.1 Terms and Repayment Schedule

Source of finance	Purpose	Nominal interest rate	Maturity Date	Carrying Amount	
				31/12/2019 MVR	31/12/2018 MVR
Asian Development Bank	Third Power System	8%	1-Aug-2021	117,380,884	113,160,186
UNI Bank	Third Power System	8%	1-May-2024	112,181,004	107,993,487
Nordic Development Fund	Third Power System	8%	1-Sep-2024	118,935,295	114,554,546
Finnish Export Credit and Den Danske Bank	5.4 V Generator Set	8%	15-Feb-2016	54,328,888	52,361,286
Asian Development Bank	Second Power System	8%	31-Jul-2025	76,359,624	73,667,270
Asian Development Bank	Power System	8%	1-Sep-2018	19,101,422	18,270,467
Danida (Note 21.3)	Fourth Power System	8.5%	30-Sep-2035	1,118,589,953	1,062,178,308
Maldives Islamic Bank	MGAF Project	8%	9-Dec-2021	18,781,014	28,914,170
Asian Development Bank	POISED Project	6%	15-May-2033	177,842,263	167,165,862
Exim Bank of China	Fifth Power Project	3% + 6 Months LIBOR	31-Jul-2031	1,188,854,580	986,865,711
				<u>3,002,354,927</u>	<u>2,725,131,294</u>

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

21.3 The Ministry of Finance and Treasury ("MOFT") through its letter dated 4<sup>th</sup> 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 31<sup>st</sup> December 2019.



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

<b>22 LEASE LIABILITY</b>	<b>31/12/2019 MVR</b>
As at 1 <sup>st</sup> January	-
Adjustment Due to Initial Application of IFRS 16 (Note 3(b))	107,810,490
Additions During the Year	-
Add : Interest Expense for the Year	10,190,042
Less : Repayment During the Year	<u>(11,404,005)</u>
As at 31 <sup>st</sup> December	<u><u>106,596,527</u></u>

The lease liability is recognised on the lands which has an unexpired lease period from 1.7 to 48 years as at 1<sup>st</sup> January 2019. Previously, this lease was classified as operating lease under IAS 17 and lease expense (rentals) amounted to MVR.11,404,005/- recognised in the profit or loss for the year ended 31<sup>st</sup> December 2018.

<b>22.1 Maturity Analysis</b>	<b>31/12/2019 MVR</b>
Non - Current Liabilities	105,294,628
Current Liabilities	<u>1,301,899</u>
	<u><u>106,596,527</u></u>

**22.2 Maturity Analysis of Undiscounted Future Lease Payments are as follows;**

	<b>31/12/2019 MVR</b>
Less than one Year	11,367,988
Between two and five Years	67,509,324
More than five Years	<u>364,382,512</u>
	<u><u>443,259,823</u></u>

<b>23 DEFERRED INCOME</b>	<b>31/12/2019 MVR</b>	<b>31/12/2018 MVR</b>
As at 1 <sup>st</sup> January	203,171,519	101,126,489
Grants Received During the year	132,895,058	103,736,857
Less: Accumulated Amortization	<u>(3,062,332)</u>	<u>(1,691,827)</u>
As at 31 <sup>st</sup> December	<u><u>333,004,245</u></u>	<u><u>203,171,519</u></u>

**23.1** 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 1250k Diesel Generators and these grants are amortized over the useful life of the assets. Further grants amounting to MVR.95,369,248/- and MVR.96,627,670/- were received in 2017 and 2018 respectively, for the construction and installation of Hulumale Power Plant (5th Power Project) and MVR.7,109,191/- was received in 2018 for the installation of greater Male' Grid connection. However, construction and installation of Hulumale Power Plant (5th Power Project) was completed on 28<sup>th</sup> October 2019.



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

24 DEFINED BENEFIT OBLIGATION	31/12/2019 MVR	31/12/2018 MVR (Restated)	1/1/2018 MVR (Restated)
As at 1 <sup>st</sup> January	58,913,979	50,299,207	-
Impact Due to Restatement (Note 35.1.1)	-	-	50,299,207
Current Service Cost	4,679,017	2,313,764	-
Interest Cost	2,710,043	4,332,691	-
Deficit for the Year	2,140,744	2,122,777	-
	<u>68,443,783</u>	<u>59,068,439</u>	<u>50,299,207</u>
Less: Payments During the Year	(138,040)	(154,460)	-
As at 31 <sup>st</sup> December	<u>68,305,743</u>	<u>58,913,979</u>	<u>50,299,207</u>

24.1 Following amounts are recognized in profit or loss and Other comprehensive income during the year in respect of retirement benefit obligation

<i>Amount Recognized in Profit or Loss</i>	31/12/2019 MVR	31/12/2018 MVR (Restated)
Current Service Cost	4,679,017	2,313,764
Interest Cost	2,710,043	4,332,691
	<u>7,389,060</u>	<u>6,646,455</u>
<i>Amount Recognized in Other Comprehensive Income</i>		
Deficit for the Year	<u>2,140,744</u>	<u>2,122,777</u>
	<u>2,140,744</u>	<u>2,122,777</u>

24.2 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,

	31/12/2019	31/12/2018	1/1/2018
Expected Salary Increment	1%	1%	1%
Discount Rate	4.60%	4.60%	4.60%
Staff Turnover Factor	2.50%	2.50%	2.50%

25 TRADE AND OTHER PAYABLES	31/12/2019 MVR	31/12/2018 MVR
Trade Payables	39,011,365	78,388,959
Accrued expenses	18,316,286	18,840,500
Other Payables	26,215,846	43,456,231
	<u>83,543,497</u>	<u>140,685,690</u>



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

<b>26 AMOUNTS DUE TO RELATED PARTIES</b>	<b>31/12/2019 MVR</b>	<b>31/12/2018 MVR</b>
State Trading Organisation PLC	111,423,549	77,859,420
Maldives Transport and Contracting Company PLC	1,796,515	2,494,731
Maldives Road Development Corporation Limited	663,612	663,612
Male' Water & Sewerage Company Limited	85,939	56,857
Dhivehi Raajjege Gulhun PLC	101,127	76,026
Maldives Port Limited	-	83,939
Other Government owned Organizations	4,673,489	2,971,247
	<u>118,744,231</u>	<u>84,205,832</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.

**27 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.

	<b>31/12/2019 MVR</b>	<b>31/12/2018 MVR (Restated)</b>
Total Liabilities	3,761,910,104	3,236,149,527
Less: Cash and Cash Equivalents	<u>(168,744,217)</u>	<u>(69,123,904)</u>
Net Debt	<u>3,593,165,887</u>	<u>3,167,025,623</u>
Total Equity	695,029,893	585,324,015
Net Debt to Equity Ratio	<u>5.17</u>	<u>5.41</u>

**28 COMMITMENTS**

**28.1 Capital Commitments**

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

	<b>31/12/2019 MVR</b>	<b>31/12/2018 MVR</b>
Property Plant and equipment	<u>20,677,819</u>	<u>7,653,277</u>

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



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

**29 CONTINGENT LIABILITIES**

There are no other contingent liabilities outstanding as at the reporting date, which require disclosure in the financial statement.

**30 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.



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(iii) Credit Risk (Continued)

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

	Gross Carrying amount	
	31/12/2019	31/12/2018
	MVR	MVR
Trade Receivables (Gross)	238,981,161	276,629,873
Other Receivables	29,465,405	95,119,109
Amounts Due From Related Parties (Gross)	206,394,323	216,196,466
Balances with Banks	158,189,110	58,100,624
	<u>633,029,999</u>	<u>646,046,072</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.

*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 <sup>st</sup> December 2019	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance
		MVR	MVR
1-30 days past due	0.3%	223,026,194	716,999
31-60 days past due	0.8%	41,871,877	330,722
61-90 days past due	1.3%	18,421,961	237,965
91-180 days past due	2.3%	33,005,858	770,120
181-360 days past due	40.4%	39,841,123	16,079,652
More than 360 days past due	100.0%	89,208,470	89,208,470
		<u>445,375,484</u>	<u>107,343,928</u>

31 <sup>st</sup> December 2018	Weighted	Gross	Loss
		MVR	MVR
1-30 days past due	1.0%	327,975,262	1,130,985
31-60 days past due	2.7%	28,400,058	758,768
61-90 days past due	9.2%	8,301,667	767,644
91-180 days past due	32.8%	6,028,978	1,980,151
181-360 days past due	79.5%	4,137,463	3,287,750
More than 360 days past due	100.0%	17,049,878	17,049,878
		<u>391,893,306</u>	<u>24,975,177</u>



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

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

**30 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.158,189,110/- as at 31<sup>st</sup> December 2019 in banks. (2018-MVR.58,100,624/-). The Company has no significant impact on the bank balances as 31<sup>st</sup> December 2019.

**(iv) Liquidity Risk (Continued)**

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.

<b>31<sup>st</sup> December 2019</b>	<b>Carrying Amount</b>	<b>Contractual Cashflows</b>	<b>0-12 Months</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>
<b>Financial Liabilities</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>	<b>MVR</b>
<b>(Non- derivative)</b>					
Trade and Other Payabl	83,543,497	83,543,497	83,543,497	-	-
Loans and Borrowings	3,002,354,927	3,002,354,927	108,962,399	387,531,454	2,505,861,074
Amounts Due to Related Parties	118,744,231	118,744,231	118,744,231	-	-
Lease Liabilities	106,596,527	443,259,823	11,367,988	67,509,324	364,382,512
<b>Total</b>	<b>3,311,239,182</b>	<b>3,647,902,478</b>	<b>322,618,115</b>	<b>455,040,778</b>	<b>2,870,243,586</b>



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iv) Liquidity Risk (Continued)

31 <sup>st</sup> December 2018	Carrying Amount MVR	0-12 Months MVR	1-2 Years MVR	2-5 Years MVR	More than 5 Years MVR
<b>Financial Liabilities (Non- derivative)</b>					
Trade and Other Payables	140,685,690	140,685,690	-	-	-
Loans and Borrowings	2,725,131,294	280,690,081	280,690,081	561,380,162	1,602,370,970
Amounts Due to Related Parties	84,205,832	84,205,832	-	-	-
<b>Total</b>	<b>2,950,022,816</b>	<b>505,581,603</b>	<b>280,690,081</b>	<b>561,380,162</b>	<b>1,602,370,970</b>

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 interest payable.

(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	
	31/12/2019 MVR	31/12/2018 MVR
<b>Fixed Rate Instruments</b>		
Financial Liabilities	1,813,500,347	1,146,821,406
<b>Variable Rate Instruments</b>		
Financial liabilities	1,188,854,580	965,924,346

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.

31 <sup>st</sup> December 2019	Sensitivity Analysis	
	100 bp increase MVR	100 bp decrease MVR
Variable rate instruments	(11,888,546)	11,888,546
31 <sup>st</sup> December 2018		
Variable rate instruments	(9,659,243)	9,659,243

(b) Currency Risk

Exposure to currency risk

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

	31/12/2019 US\$	31/12/2018 US\$
Loans and borrowings	193,487,284	61,986,623
Net currency exposure	193,487,284	61,986,623

The following significant exchange rate

	Average Rate		Reporting date spot rate	
	2019	2018	31/12/2019	31/12/2018
1 US\$ : MVR	15.42	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.



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

30 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

31 EVENTS AFTER THE REPORTING DATE

There have been no material events occurred after the reporting date except for the following that would require adjustments to or disclosure in the Financial Statements

**Impact of Covid 19**

On 11<sup>th</sup> March 2020, The World Health Organization declared that the COVID-19 outbreak as a pandemic. The Government of Maldives has taken some actions such as travel restrictions and quarantine measures which have direct impact on the tourism industry and the Company's operating results subsequent to the financial year end. As the outbreak is ongoing, the potential impact of Covid 19 is subject to significant levels of uncertainties which are often outside of the Company's control with the full range of possible effects are unknown.

**Dividend Declaration**

The Board of Directors of the Company has approved a dividend of MVR 20 Mn on 11<sup>th</sup> August 2020 for the year ended 31<sup>st</sup> December 2019.

32 DIRECTOR'S RESPONSIBILITY

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

33 RELATED PARTY TRANSACTIONS

Name of the related party	Relationship	Nature of the transaction	Amount		Balance outstanding due from / (to)	
			2019 MVR	2018 MVR	31/12/2019 MVR	31/12/2018 MVR
State Trading Organisation PLC	Affiliate	Sales of Services	16,776,244	(14,289,199)	(109,890,178)	(76,349,836)
		Payments made	(16,752,457)	(953,027,744)		
		Purchases	(1,107,831,988)	-		
		Payments Made	1,074,267,859	1,025,702,786		
Maldives Transport and Contracting Company PLC	Affiliate	Sales of Services	8,432,050	(3,693,731)	(969,257)	(1,690,232)
		Payments made	(8,409,290)	(21,840,559)		
		Purchases	(25,322,348)	-		
		Payments Made	26,020,563	24,604,116		
Maldives Road Development Corporation Limited	Affiliate	Sales of Services	-	(51,709)	1,848,575	1,848,575
		Payment made	-	-		
Male' Water & Sewerage Company Limited	Affiliate	Sales of Services	20,274,003	30,487,815	1,717,871	3,160,408
		Payments	(21,687,458)	(22,924,462)		
		Purchases	(1,813,949)	(7,874,372)		
		Payments Made	1,784,867	-		
Dhivehi Raajjige Gulhun PLC	Affiliate	Sales of Services	57,704,020	43,955,441	3,706,885	5,157,753
		Payments	(59,129,788)	(45,868,919)		
		Purchases	(2,093,203)	2,344,132		
		Payments Made	2,068,102	-		
Maldives Port Limited	Affiliate	Sales of Services	19,616,974	-	1,777,386	(83,939)
		Payment made	(17,839,588)	(432,698)		
		Purchases	(656,304)	516,637		
		Payments Made	740,243	-		
Other Government owned Organizations	Affiliate	Sales of Services	380,928,193	187,249,572	136,423,094	64,737,260
		Payment made	(307,711,314)	(177,506,111)		
		Purchases	(8,977,589)	(368,663)		
		Payments Made	7,446,543	-		
Indira Gandhi Memorial Hospital	Affiliate	Sales of Services	39,714,952	24,213,653	7,463,365	4,084,654
		Payment made	(36,336,241)	(25,613,618)		
Maldives Customs Services	Affiliate	Sales of Services	3,737,075	3,401,935	362,097	303,835
		Payment made	(3,678,813)	(3,410,655)		
Maldives Industrial Fisheries Company Limited	Affiliate	Sales of Services	1,720,977	1,686,668	127,660	268,921
		Payment made	(1,862,238)	(1,653,568)		
Bank of Maldives PLC	Affiliate	Sales of Services	3,772,001	8,307,891	105,745	55,109
		Payment made	(3,721,366)	(8,297,708)		
Public Service Media	Affiliate	Sales of Services	16,509,296	15,248,539	31,607,773	17,286,896
		Payment made	(2,188,419)	(21,582,402)		
National Center For the Arts	Affiliate	Sales of Services	174,423	394,449	1,163,462	1,362,351
		Payment made	(373,311)	(593,000)		
Housing Development Corporation Limited	Affiliate	Sales of Services	9,198,309	7,293,306	2,197,711	730,459
		Payment made	(7,731,057)	(7,868,808)		
National Social Protection Agency	Affiliate	Sales of Services	452,357	394,449	10,007,904	9,964,007
		Payment made	(408,460)	(593,000)		



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

33 RELATED PARTY TRANSACTIONS (CONTINUED)

33 Transactions with Key Management Personnel

The Board of Directors and Managing Director of the Company are the members of the key management

	2019 MVR	2018 MVR
Directors' Remuneration	768,808	726,968

34 FAIR VALUE MEASUREMENT

Accounting Classifications and Fair Values

31<sup>st</sup> December 2019

Financial assets not measured at fair value	Financial Assets at Amortised Cost US\$	Fair Value			
		Level 1	Level 2	Level 3	Total
		US\$	US\$	US\$	US\$
Cash and Cash Equivalents	158,189,110	-	-	-	-
Trade and Other Receivables (Note A)	311,826,104	-	-	-	-
Amounts Due from Related Parties	206,394,323	-	-	-	-
	470,015,214	-	-	-	-

Financial liabilities not measured at fair value	Other Financial Liabilities US\$	Fair Value			
		Level 1	Level 2	Level 3	Total
		US\$	US\$	US\$	US\$
Lease Liability	106,596,527	-	-	106,596,527	106,596,527
Loans and Borrowings	2,300,868,337	-	2,300,868,337	-	2,300,868,337
Trade and Other Payables	65,227,211	-	-	-	-
	2,472,692,075	-	2,300,868,337	106,596,527	2,407,464,864

31<sup>st</sup> December 2018

Financial assets not measured at fair value	Loans and Receivables US\$	Fair Value			
		Level 1	Level 2	Level 3	Total
		US\$	US\$	US\$	US\$
Cash and Cash Equivalents	58,100,624	-	-	-	-
Trade and Other Receivables (Note A)	396,530,847	-	-	-	-
Amounts Due from Related Parties	115,263,433	-	-	-	-
	454,631,471	-	-	-	-

Financial liabilities not measured at fair value	Other Financial Liabilities US\$	Fair Value			
		Level 1	Level 2	Level 3	Total
		US\$	US\$	US\$	US\$
Loans and Borrowings	2,112,745,755	-	2,112,745,755	-	2,112,745,755
Trade and Other Payables	121,845,190	-	-	-	-
	2,234,590,945	-	2,112,745,755	-	2,112,745,755

Note A - Other receivables excludes advance payments, prepayments.



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

35 RESTATEMENT OF COMPARATIVE BALANCES

35.1 The Company had not accounted the Retirement Benefit Obligation in accordance with IAS 19 "Employee Benefits" up to 31<sup>st</sup> December 2018. During the year, this error was corrected restating the comparative balances in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The following note summarizes the impacts on the Company's financial statements.

35.1.1 As at 1<sup>st</sup> January 2018

a. Statement of Financial Position	As Previously Reported MVR	Adjustments MVR	Restated Balance MVR
Impact on Retained Earnings (Note A)	142,295,543	(42,754,326)	99,541,217
<b>Impact on Total Equity</b>	<b>522,320,123</b>	<b>(42,754,326)</b>	<b>479,565,797</b>
Impact on Defined Benefit Obligation (Note A)	-	50,299,207	50,299,207
Impact on Deferred Tax Liability	74,420,205	(7,544,881)	66,875,324
<b>Impact on Total Non Current Liabilities</b>	<b>1,328,020,692</b>	<b>42,754,326</b>	<b>1,370,775,018</b>
<b>Impact on Total Non Current Assets</b>	<b>2,237,183,473</b>	<b>-</b>	<b>2,237,183,473</b>

35.1.2 As at 31<sup>st</sup> December 2018

a. Statement of Financial Position	As Previously Reported MVR	Adjustments MVR	Restated Balance MVR
Impact on Retained Earnings (Note A)	269,669,747	(50,076,882)	219,592,865
<b>Impact on Total Equity</b>	<b>635,400,897</b>	<b>(50,076,882)</b>	<b>585,324,015</b>
Defined Benefit Obligation (Note A)	-	58,913,979	58,913,979
Impact on Deferred Tax Liability	32,878,310	(8,837,097)	24,041,213
<b>Impact on Total Non Current Liabilities</b>	<b>2,068,105,500</b>	<b>662,462,424</b>	<b>2,730,567,924</b>
<b>Impact on Total Non Current Assets</b>	<b>3,045,354,845</b>	<b>-</b>	<b>3,045,354,845</b>
<b>Note A</b>	<b>1/1/2018 MVR</b>	<b>31/12/2018 MVR</b>	<b>Total MVR</b>
Recognition of Defined Benefit Obligation	50,299,207	8,614,772	58,913,979
Recognition of Deferred Tax Asset	(7,544,881)	(1,292,216)	(8,837,097)
	42,754,326	7,322,556	50,076,882



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

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

35 RESTATEMENT OF COMPARATIVE BALANCES (CONTINUED)

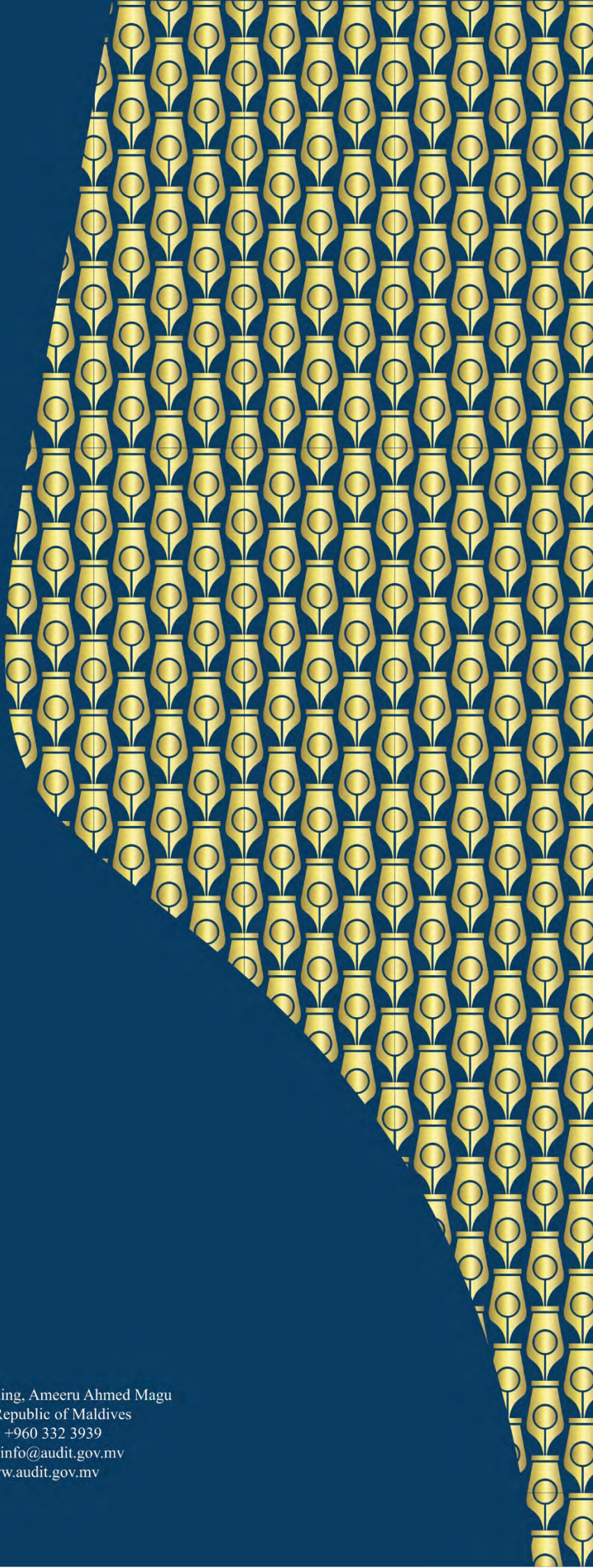
b. Statement of Comprehensive Income	As Previously Reported	Adjustments	Restated Balance
	MVR	MVR	MVR
<i>Profit or Loss for the Year</i>			
Administrative Expenses	(188,788,722)	(6,491,995)	(195,280,717)
Tax Expense for the Year	(39,019,715)	973,799	(39,993,514)
Impact on Profit for the Year	110,558,594	(5,518,196)	105,040,398
<i>Other Comprehensive Income</i>			
Deficit for the Year	-	(2,122,777)	(2,122,777)
Recognition of Deferred Tax Asset	-	318,417	318,417
<b>Impact on Other Comprehensive Income</b>	<b>-</b>	<b>(1,804,360)</b>	<b>(1,804,360)</b>
<b>Impact on Total Comprehensive Income</b>	<b>110,558,594</b>	<b>(7,322,556)</b>	<b>103,236,038</b>
<b>Earnings Per Share</b>	<b>737,057</b>	<b>(36,788)</b>	<b>700,269</b>
c. Statement of Cash Flows			
	As Previously Reported	Adjustments	Restated Balance
	MVR	MVR	MVR
<b>Operating Profit Before Working Capital Changes</b>	<b>290,819,376</b>	<b>(6,491,995)</b>	<b>284,327,381</b>

36 COMPARATIVE INFORMATION

Certain reclassifications have been made to the comparative figures to enhance comparability and fair presentation of financial statements. As a result, following balances have been amended in the statement of financial position, statement of cash flows and the related notes as shown below. These reclassifications has not resulted in changes to the profit for the year, total assets, total liabilities or total net assets previously reported and as at 31<sup>st</sup> December 2018.

	As Previously Reported	Reclassified Amount
	MVR	MVR
<b>Assets</b>		
Trade & Other Receivables	394,323,537	495,256,570
Amount Due from Related Parties	174,986,434	74,053,401
<b>Liabilities</b>		
Trade & Other Payables	753,071,232	140,685,690
Loans and Borrowings	2,112,745,752	2,725,131,294





Ghaazee Building, Ameeru Ahmed Magu  
Male', Republic of Maldives  
Tel: +960 332 3939  
Email: [info@audit.gov.mv](mailto:info@audit.gov.mv)  
[www.audit.gov.mv](http://www.audit.gov.mv)

# Corporate Information

## General Inquiries

Phone: 332 0982  
Fax: 332 0736  
Email Address: admin@stelco.com.mv  
Website: www.stelco.com.mv

## Billing Inquires

Phone: 331 4949  
Email Address: billing@stelco.com.mv

## Electricity Faults

Phone: 104

## Sales Centre

Phone: 3337515  
Email Address: sales@stelco.com.mv

## K. Villingili Powerhouse

Contact: 3390688  
E-mail Address: k.villingili@stelco.com.mv

## K. Gulhifalhu Powerhouse

Contact: 7993042  
E-mail Address: k.gulhifalhu@stelco.com.mv

## K. Thilafushi Powerhouse

Contact: 790 0178  
E-mail Address: k.thilafushi@stelco.com.mv

## K. Dhiffushi Powerhouse

Contact: 790 6641  
E-mail Address: k.dhiffushi@stelco.com.mv

## K. Gaafaru Powerhouse

Contact: 7799150  
E-mail Address: k.gaafaru@stelco.com.mv

## K. Gulhi Powerhouse

Contact: 779-9154  
E-mail Address: k.gulhi@stelco.com.mv

## K. Guraidhoo Powerhouse

Contact: 664-4235  
E-mail Address: k.guraidhoo@stelco.com.mv

## K. Himmafushi Powerhouse

Contact: 6640311  
E-mail Address: k.hinmafushi@stelco.com.mv

## K. Kaashidhoo Powerhouse

Contact: 6640141  
E-mail Address: k.kaashidhoo@stelco.com.mv

## K. Maafushi Powerhouse

Contact: 6640002 / 6640002  
E-mail Address: k.maafushi@stelco.com.mv

## K. Thulusdhoo Powerhouse

Contact: 664-0029  
E-mail Address: k.thulusdhoo@stelco.com.mv

## AA. Ukulhas Powerhouse

Contact: 7993048  
E-mail Address: aa.ukulhas@stelco.com.mv

## AA. Bodufolhadhoo Powerhouse

Contact: 7986749  
E-mail Address: aa.bodufolhadhoo@stelco.com.mv

## AA. Mathiveri Powerhouse

Contact: 7950236  
E-mail Address: aa.mathiveri@stelco.com.mv

## AA. Himandhoo Powerhouse

Contact: 7952348  
E-mail Address: aa.himandhoo@stelco.com.mv

## AA. Thoddoo Powerhouse

Contact: 911-8490  
E-mail Address: aa.thoddoo@stelco.com.mv

## AA. Feridhoo Powerhouse

Contact: 7978046  
E-mail Address: aa.feridhoo@stelco.com.mv

## AA. Maalhos Powerhouse

Contact: 7799145  
E-mail Address: aa.maalhos@stelco.com.mv

## AA. Rasdhoo Powerhouse

Contact: 9790405  
E-mail Address: aa.rasdhoo@stelco.com.mv

## ADH. Omadhoo Powerhouse

Contact: 7960280  
E-mail Address: ad.omadhoo@stelco.com.mv

**ADH. Kumburudhoo Powerhouse**

Contact: 790-6643

E-mail Address: [ad.kumburudhoo@stelco.com.mv](mailto:ad.kumburudhoo@stelco.com.mv)

**ADH. Dhigurah Powerhouse**

Contact: 7906640

E-mail Address: [ad.dhigurah@stelco.com.mv](mailto:ad.dhigurah@stelco.com.mv)

**ADH. Dhidhdhoo Powerhouse**

Contact: 7960433 E-mail Address:

[ad.dhidhdhoo@stelco.com.mv](mailto:ad.dhidhdhoo@stelco.com.mv)

**ADH. Fenfushi Powerhouse**

Contact: 7930127

E-mail Address: [adh.fenfushi@stelco.com.mv](mailto:adh.fenfushi@stelco.com.mv)

**ADH. Hangnameedhoo Powerhouse**

Contact: 966-8660

E-mail Address:

[ad.hangnaameedhoo@stelco.com.mv](mailto:ad.hangnaameedhoo@stelco.com.mv)

**ADH. Mahibadhoo Powerhouse**

Contact: 9667796 E-mail Address:

[ad.mahibadhoo@stelco.com.mv](mailto:ad.mahibadhoo@stelco.com.mv)

**ADH, Dhangethi Powerhouse**

Contact: 797 1141 797 1142

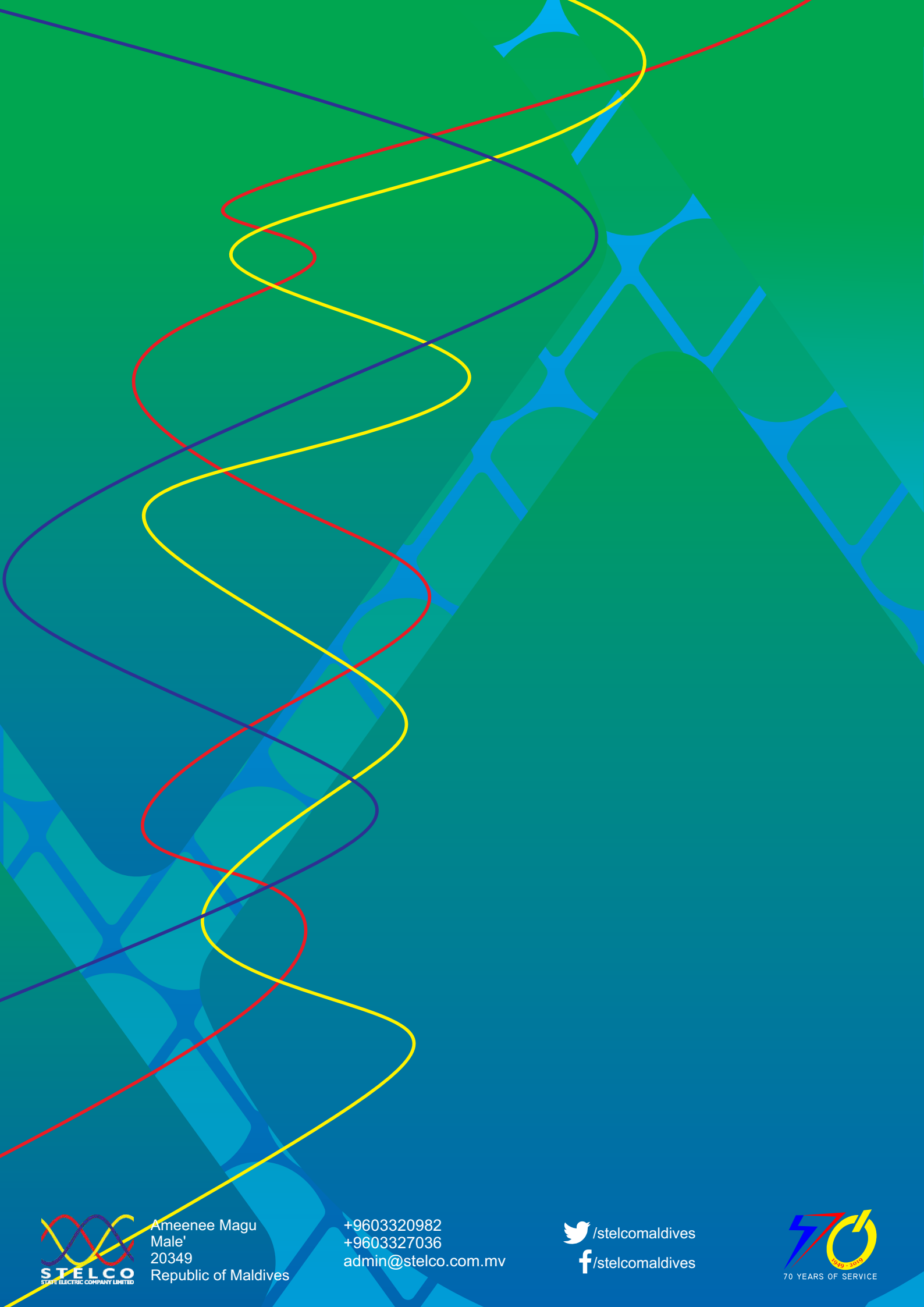
E-mail Address: [ad.dhangethi@stelco.com.mv](mailto:ad.dhangethi@stelco.com.mv)

**ADH. Mandhoo Powerhouse** Contact: 7920407

E-mail Address: [ad.mandhoo@stelco.com.mv](mailto:ad.mandhoo@stelco.com.mv)



 [/stelcomaldives](https://www.facebook.com/stelcomaldives)

 [/stelcomaldives](https://twitter.com/stelcomaldives)



Ameenee Magu  
Male'  
20349  
Republic of Maldives

+9603320982  
+9603327036  
admin@stelco.com.mv

 /stelcomaldives  
 /stelcomaldives

