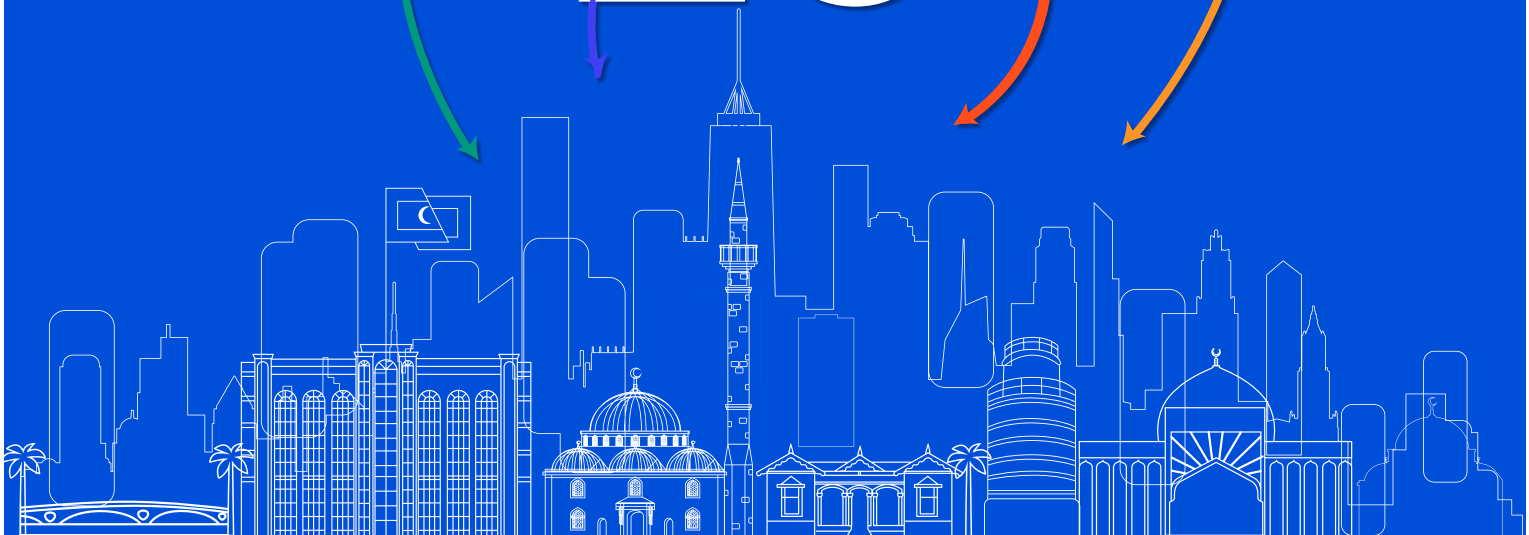


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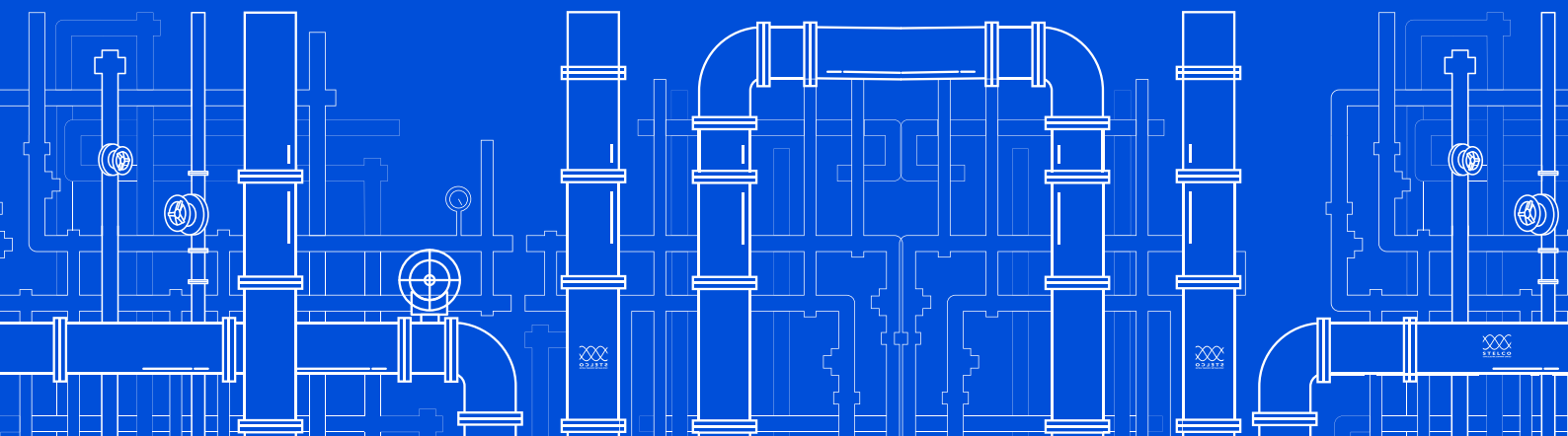
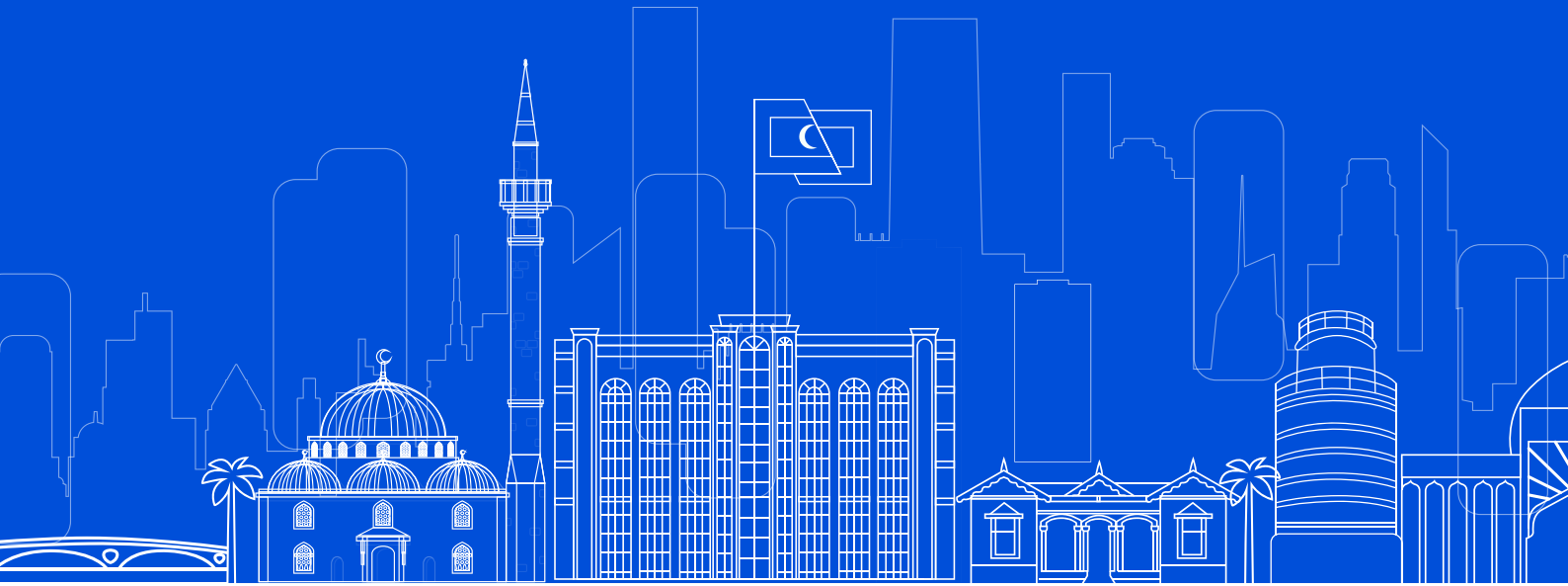


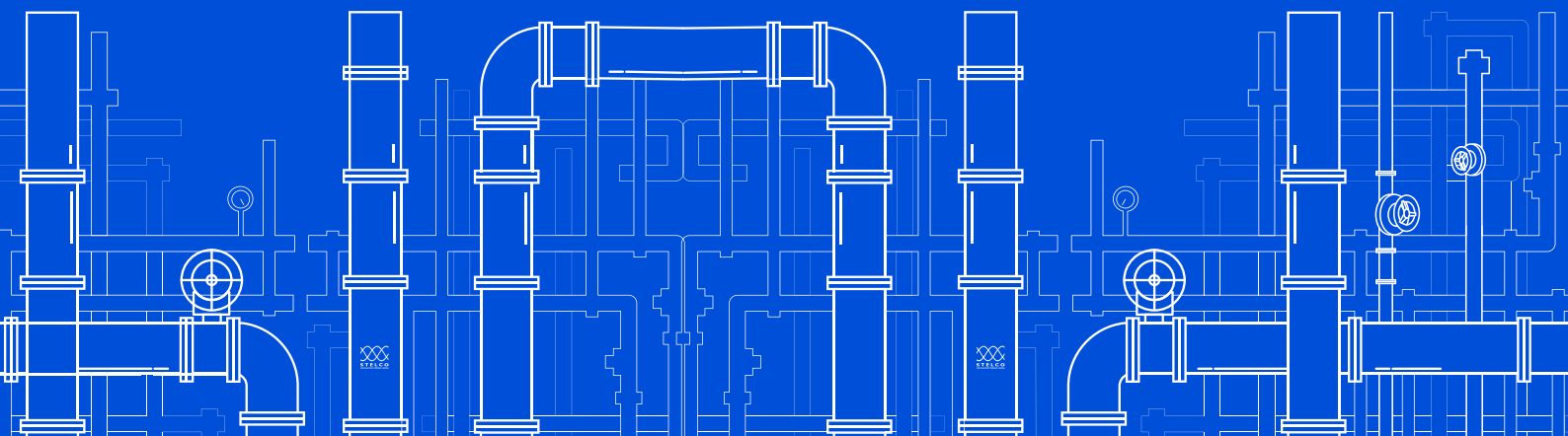
ANNUAL REPORT





ON A MISSION TO POWER THE FUTURE OF OUR NATION





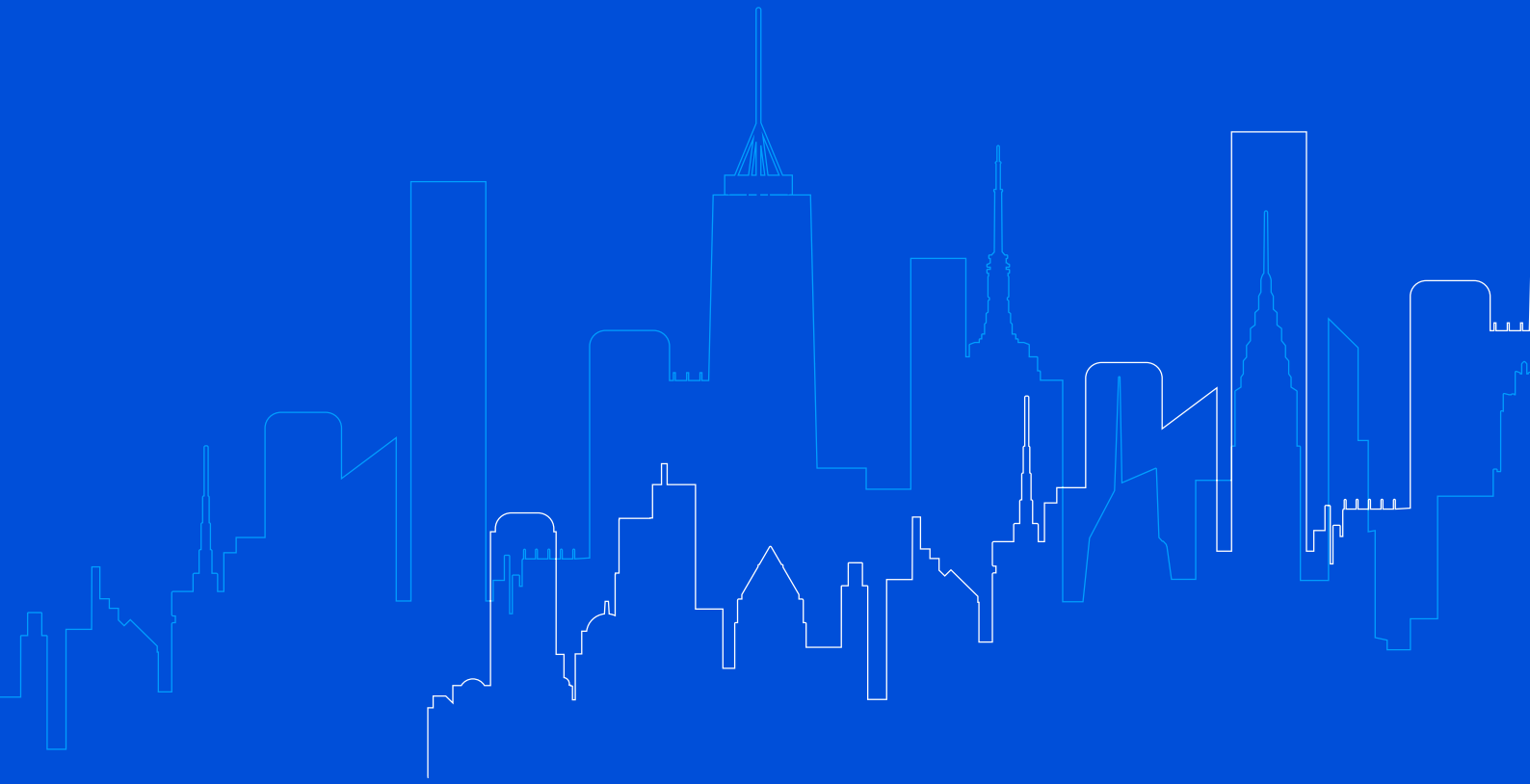
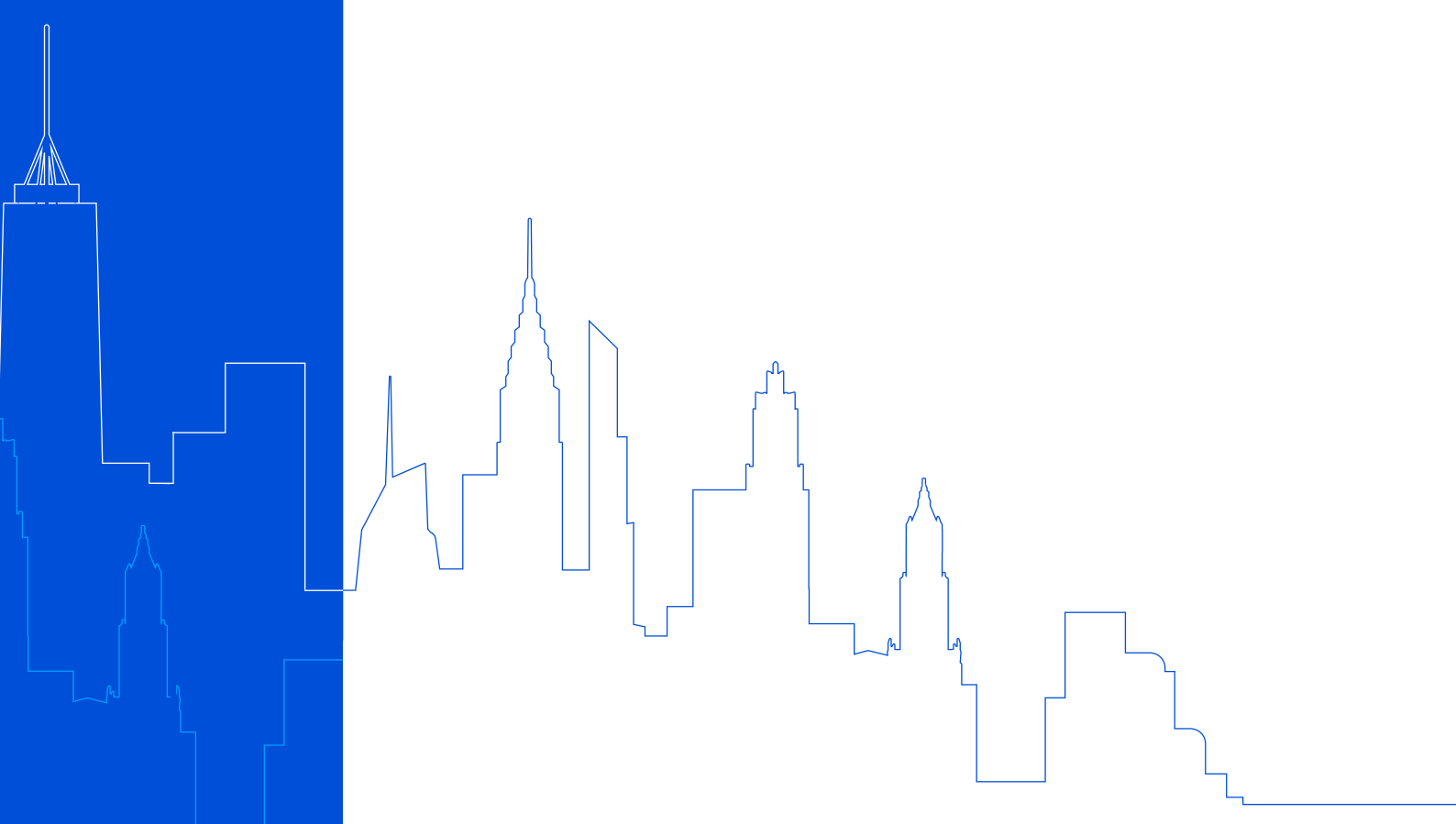


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1.0 Chairman's Statement

Dear Stakeholders,

I would like to express my sincere gratitude to His Excellency President Dr. Mohamed Muizzu for recognizing my years of commitment and service to STELCO and for trusting me to lead the Board of Directors of this esteemed organization. As I was appointed as the Chairman of the Board during December 2023.

As the incumbent Chairman, I believe that the most noteworthy asset I bring to the company is the clarity I have gained from working in the company for the past 34 years. I believe that knowing the history of how our milestones have unfolded, provides me with a unique insight that enables better decision making.

In the coming years, I wish to make significant progress in implementing better corporate governance practices and enhancing the transparency of the company across all levels. We have the opportunity to establish new policies and refine existing ones in order to ensure that our operations are more open and accountable. This will foster trust and confidence among our stakeholders.

Additionally, ethical conduct and sustainability will be at the forefront of our decision making. We are fully committed to embracing clean energy solutions to reduce our environmental impact which has been a key target of the government.

As we move forward, we will remain dedicated to maintaining high standards, driving continuous improvement, and delivering exceptional value to all our stakeholders.

With sincere appreciation,

A stylized, handwritten signature in white ink, consisting of a large, sweeping 'M' and 'L' that merge into a single, fluid stroke.

Mohamed Latheef
Chairman
State Electric Company Limited



2.0

Managing Director's Statement

Dear Stakeholders,

2023 has been a successful year for State Electric Company, marked by significant achievements and strategic changes. Since assuming the role of Managing Director, my primary focus has been on revitalizing STELCO and steering it towards a path of sustainable growth and excellence. Through a series of transformative initiatives aimed at boosting efficiency, enhancing customer service, and improving our overall performance.

Our commitment to operational efficiency has involved a comprehensive review and overhaul of our processes and systems. By integrating advanced technologies and optimizing our workflows, we have not only improved our service delivery but also enhanced our ability to respond swiftly and effectively to our customers' needs. This focus on efficiency has been instrumental in driving our performance.

As we enter a new era for STELCO under the visionary guidance of President Dr. Mohamed Muizzu, we are committed to reducing our carbon footprint and achieving our renewable energy targets. This commitment aligns with our broader vision of sustainability and environmental safekeeping. We are actively investing in renewable energy projects, exploring innovative solutions, and forging partnerships that will help us transition to cleaner energy sources. Our goal is to contribute positively to the government efforts in combating climate change while ensuring a reliable and sustainable energy supply for our customers.

We are also strategically planning for the future to ensure uninterrupted service for our extensive client base. This involves upgrading our infrastructure, enhancing our grid reliability, and implementing advanced monitoring and maintenance systems. By doing so, we aim to minimize disruptions and provide a seamless energy experience to our customers. Additionally, we are focusing on improving organizational efficiency to meet our strategic goals. This includes fostering a culture of continuous improvement, investing in employee development, and promoting innovation across all levels of the organization.

Looking ahead, I am confident that with these strategic changes and a clear vision for the future, STELCO will continue to thrive and make a positive impact on our community. We remain dedicated to our mission of delivering reliable, sustainable, and affordable energy solutions, and we are committed to driving progress and prosperity for our stakeholders, employees, and the communities we serve.

Thank you for your continued support and trust in STELCO. Together, we will achieve great things and build a brighter, more sustainable future.

With sincere appreciation,



Hussain Fahmy
Managing Director
State Electric Company Limited

3.0 Company Profile





3.1 Company Introduction

3.2 Customer Information

3.3 Key Milestones

3.4 Vision & Mission

3.5 Ethics

3.6 Strategic Objectives

3.7 Strategic Goals

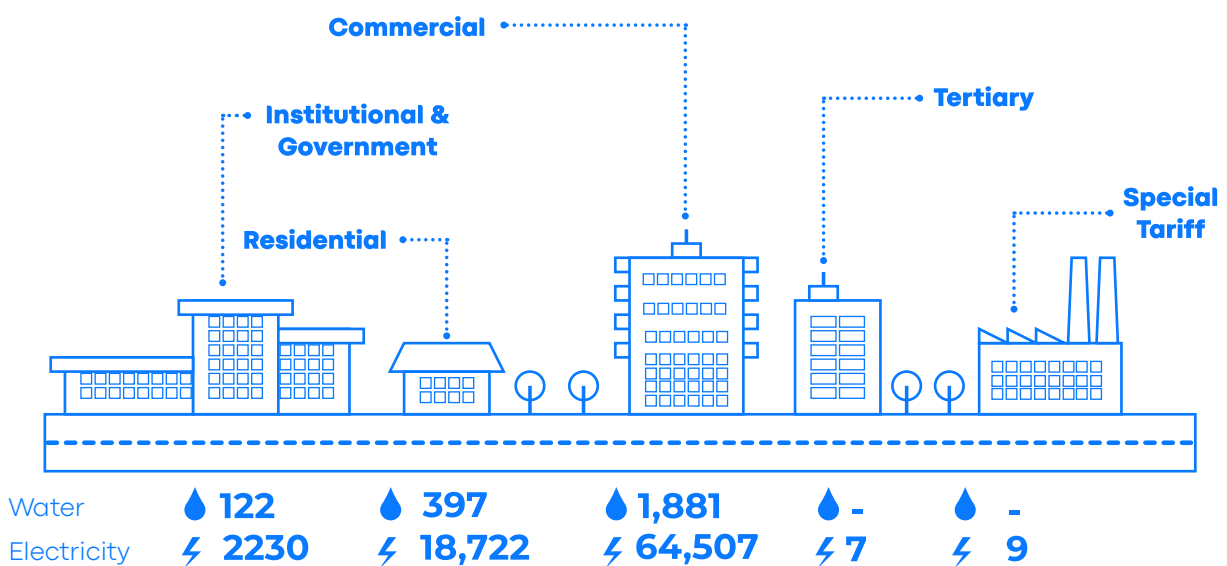
3.8 Senior Management Team

3.1 Company Introduction

STELCO's history dates back to 1949, when electricity services were first introduced to government institutions and public buildings. These services operated under various names until STELCO was incorporated as a State-Owned Enterprise in 1997.

Currently, STELCO is responsible for the generation, transmission, distribution, and retailing of electricity in Kaafu Atoll, Ari Atoll, and Vaavu Atoll. As an integrated utility service provider, STELCO operates power generation facilities, transmission networks, water desalination plants, and sewerage systems, serving over 80,973 customers across 35 power plants, 7 desalination plants, and 5 sewerage networks on different islands.

3.2 Customer information



3.3 Key Milestones

-
- 1949**
 - First powerhouse established at H.Orchidmaage (Installed capacity 14 KW)
 - 1953**
 - Power Generation Capacity Upgrade (2 x 38 KW Generator Sets installed)
 - 1958**
 - "Baa Injeenuge" Established (Power Generation Capacity 2 x 75 KW)
 - 1960**
 - Power Generation Capacity Upgrade (2 x 238 KW Generator Sets installed)
 - 1964**
 - First Substation Installed (Underground cables laid to powerhouse)
 - 1982**
 - Institution Renamed (Renamed to Maldives Electricity Board)
 - 1990 - 1993**
 - New Powerhouse constructed in south east side of Malé' (Power Development Project 3 x 2000 KW installed)
 - 1996 - 1997**
 - Second Power Development Project (5700 KW and 4000 KW installed)
 - 1997**
 - STELCO Incorporated ("State Electric Company Limited" Established as a company)
 - 2000 - 2002**
 - Third Power Development Project (2 x 6500KW Generator Sets installed)
 - 2008 - 2012**
 - Fourth Power Development Project (2 x 8700 KW Generator Sets installed)
 - 2016 - 2019**
 - Fifth Power Development Project (6 x 8924 KW Generator Sets installed)
 - 2017**
 - Fourth Power Development Extension Project (1 x 8700 KW Generator Sets installed)
 - 2019 - 2021**
 - Greater Malé' Grid Connection Phase 1 (Malé' – Hulhumalé ' Inter-Connection)

3.4



OUR VISION

Prosperity through
excellence in utility
services

مُجَسَّدَةٌ

تُجَسَّدُ فِي كُلِّ مَوْجِدٍ
وَتُجَسَّدُ فِي كُلِّ مَوْجِدٍ

مُجَسَّدَةٌ

تُجَسَّدُ فِي كُلِّ مَوْجِدٍ
وَتُجَسَّدُ فِي كُلِّ مَوْجِدٍ
تُجَسَّدُ فِي كُلِّ مَوْجِدٍ
وَتُجَسَّدُ فِي كُلِّ مَوْجِدٍ



OUR MISSION

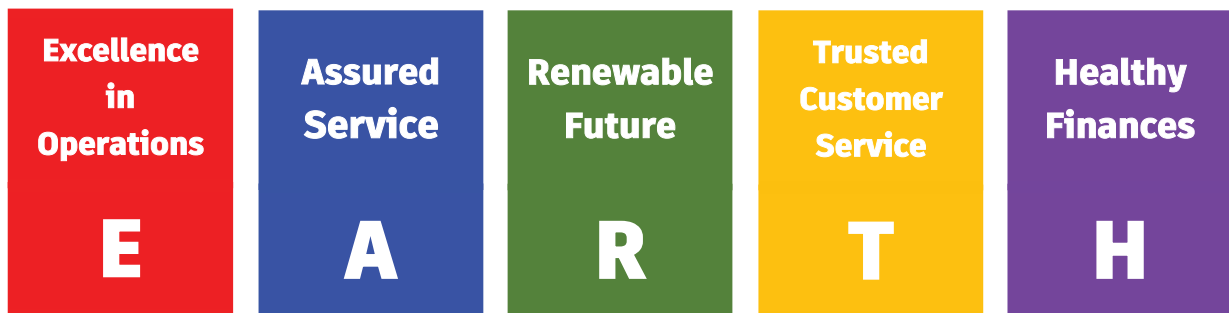
Provide efficient and
reliable utility services
using renewables and
modern technologies

3.5 Core Values

ETHICS

<p>E</p>  <p>EXCELLENCE</p> <p>أشرف وأفضل الخدمات والعمليات</p> <p>Our services and operations are exceptional, reliable and efficient</p>	<p>T</p>  <p>TEAMWORK</p> <p>تعزيز وتطوير الفريق</p> <p>Promote staff development and cultivate an engaging work environment where everyone is valued and respected</p>
<p>H</p>  <p>HEALTH & SAFETY</p> <p>ضمان سلامة وصحة بيئة العمل والعملاء</p> <p>Ensuring a healthy and safe environment for both our staff and customers while guaranteeing the safety of the service we deliver</p>	<p>I</p>  <p>INTEGRITY</p> <p>النزاهة والشفافية والصدق في العمل</p> <p>Trust, transparency and honesty in conducting business and taking responsibility for our actions</p>
<p>C</p>  <p>CUSTOMER CENTRIC</p> <p>التوجه نحو العميل والتركيز على احتياجاته</p> <p>Commitment to focusing on our customers and on building strong relationships with clients</p>	<p>S</p>  <p>SUSTAINABILITY</p> <p>خلق قيمة طويلة الأمد من خلال التكنولوجيا الحديثة والابتكار</p> <p>Creating long term value through innovative and modern technology to enhance service quality focusing on ecological, social and economic environment</p>

3.6 Strategic Objectives



3.7 Strategic Goals

1 INCREASE CAPACITY 	2 INCREASE EFFICIENCY 	3 IMPROVE HEALTH & SAFETY 	4 STRENGTHEN CYBERSECURITY 	5 ENHANCE STAFF SKILLS
6 GENDER EQUALITY 	 STRATEGIC GOALS	7 MINIMISE DOWNTIME 	8 UPGRADE ELECTRICAL NETWORK 	9 UPGRADE WATER SYSTEMS
10 POWER & WATER SECURITY 	11 INCREASE RENEWABLES 	12 ECO-CONSCIOUS OPERATIONS 	13 DIGITAL CUSTOMER EXPERIENCE 	14 IMPLEMENT SMART METERING
15 POSITIVE CORPORATE IMAGE 	16 IMPROVE CASH FLOW 	17 MANAGE DEBT 	18 TRACK PERFORMANCE 	19 DIVERSIFY PORTFOLIO

3.8 Senior Management Team



Hussain Fahmy

Managing Director

Mr. Hussain Fahmy joined STELCO in 1998 and was appointed as the Managing Director on 28th November 2023. Over his tenure, he has held various executive positions, including Head of STELCO Fen, Head of the Customer Services and Billing Department, Head of the Procurement and Inventory Management Department, and Head of the Business Development Department. He holds a Master of Arts in Accountancy from the University of Aberdeen, United Kingdom, and a Master of Business Administration from the University of East London, United Kingdom.



Dr. Ali Azwar

Deputy Managing Director

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



Aishath Muzna

Deputy Managing Director

Aishath Muzna joined STELCO in 2000 and was appointed as the Deputy Managing Director on 28th November 2023. Prior to this, she served as Company Secretary from August 2017 to July 2022 and held executive positions, including Head of the Legal Department, Head of STELCO Bureau, Head of the Business Development Department, Head of the Procurement and Inventory Management Department, Head of the Information Technology Department, Head of Corporate and Legal Affairs Department, and Head of the Customer Services and Billing Department. Ms. Muzna holds a Bachelor of Hons Degree in Accounting and Finance from the University of East London, United Kingdom.



Abdulla Nazir

Deputy Managing Director

Abdulla Nazir joined STELCO in 2001 and was appointed as the Deputy Managing Director of the company on 29th November 2023. He previously served as Company Secretary from 2010 to 2014 and has held executive roles, including Head of the Corporate Affairs Department, Head of the STELCO Bureau and Head of the Human Resource and Training Department. Mr. Nazir also held temporary positions as Head of Public Relations and Media Department. He holds a Bachelor of Arts Degree in Business Administration from University of East London, United Kingdom.



Ahmed Iqbal

Chief Advisor - Technical & Engineering

Ahmed Iqbal joined STELCO in 1991 and currently holds the position of Chief Technical Officer. He has held various executive positions including the Head of the Island Powerhouses, Head of the Engineering and Mechanical Department, Head of the Greater Male' Region Department and Head of the Regional Department. Iqbal Holds a Bachelor of Mechanical Engineering Degree from the University of Leicester, United Kingdom, and an Associate Diploma in Electrical Engineering from South Institute of Vocational Education, South Australia.



Fathimath Leena

Chief Financial Officer

Fathimath Leena joined STELCO in May 2022 and currently serves as the Chief Financial Officer and the Head of Finance and Accounts Department. Previously, she was the Manager and Head of the Accounts Unit. Ms. Leena holds a Master of Science in Accounting and Finance from the University of the West of England and is a Member of the Association of Chartered Certified Accountants.



Ahmed Shafeeu

Head of Water, Sewerage, and Waste Management

Ahmed Shafeeu joined STELCO in 1991 and currently serves as the Head of the Water, Sewerage, and Waste Management Department. He has held various executive positions, including Head of the Transmission and Distribution Department, Head of the Business Development Department, Head of the Billing Services Department, Head of the Greater Male' Region Department, Head of the Regional Department, Head of the Customer Services and Information Technology Department, and Chief Electrical Engineer of the Hulhumale' Powerhouse. Mr. Shafeeu holds a Postgraduate Diploma in Electrical Power Systems from the Norwegian University of Science and Technology, Norway, and a Bachelor of Science Degree in Electrical and Electronic Engineering from the Islamic Institute of Technology, Bangladesh.



Ahmed Sharneez

Head of Hulhumale' Powerhouse

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



Abdul Gafoor

Head of Male' Powerhouse

Abdul Gafoor joined STELCO in 1994 and currently serves as the Head of the Male' Powerhouse. Previously, he worked as the Chief Mechanical Engineer of the Male' Powerhouse and in the Power Generation Department, Greater Male' Region Department, and Mechanical Department. Mr. Gafoor holds a Diploma in Mechanical Engineering from INTI College, Malaysia.



Ibrahim Nizam

Head of Renewable Energy

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



Ibrahim Nashid

Head of Transmission and Distribution

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



Ahmed Saif

Head of Business Center

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



Mohamed Saleem

Head of Customer Services and Billing

Mohamed Saleem joined STELCO in 2002 and currently serves as the Head of the Customer Services and Billing Department. He has held various executive roles, including Head of the Procurement Department, Head of the Finance and Accounts Department, Head of Internal Audit, and In-Charge of Ha. Hoarafushi Powerhouse. Mr. Saleem holds a Master of Business Administration Degree from the University of Wales, United Kingdom.



Abdul Malik Thoufeeg

Head of Projects, Planning and Development

Abdul Malik Thoufeeg joined STELCO in 1999 and currently serves as the Head of the Project, Planning, and Development Department. Prior to this, he served as Head of the Procurement Department and Head of Internal Audit. Mr. Thoufeeg also worked in the Electrical Department and the Customer Service Department. He holds a Master of Business Administration Degree from Ritsumeikan Asia Pacific University, Japan, and a Bachelor of Electrical and Electronic Engineering Degree from the University of Hertfordshire, United Kingdom.



Enas Ahmed

Head of Internal Audit

Enas Ahmed joined STELCO in 1999 and currently serves as the Head of Internal Audit. Previously, she served as Head of the Finance and Accounts Department and Unit Head of the Finance and Accounts Department. Ms. Enas Ahmed is a Chartered Management Accountant of the Chartered Institute of Management Accountants (CIMA), United Kingdom. She also holds a Master of Business Administration Degree from Anglia Ruskin University, United Kingdom.



Hussain Faruhad

Head of Human Resources and Training

Hussain Faruhad joined STELCO in 2021 and currently serves as the Head of the Human Resources and Training Department. He has brought his expertise to the company and has been a valuable addition to the Executive Team. Mr. Faruhad holds a Master of Business Administration in Strategic Management from Avid College, Maldives.



Hussain Zahid

Head of Information Technology and Software Engineering

Hussain Zahid, who joined STELCO in 2022, is the Head of Information Technology and Software Engineering Department. He holds a Bachelor of Science and has made significant contributions to the company through his innovation and creativity.



Asfa Hussain

Head of STELCO Managing Director's Bureau

Asfa Hussain joined STELCO in 2011 and currently serves as the Head of the Managing Director's Bureau. Previously, she served as Head of the Procurement Department and Senior Manager and Unit Head of the Tendering and Sourcing Unit within the Procurement Department, as well as Secretary of the Tender Evaluation Committee. Ms. Asfa Hussain worked in STELCO's Finance and Accounts Department from 2011 to 2017. She holds a Bachelor of Commerce from the University of Mysore and a Master of Business Administration from Open University Malaysia.



Hussain Waheed

Head of Transport, Logistics and Infrastructure Development Department

Hussain Waheed joined STELCO in 2023 as a General Manager and currently serves as the Head of the Transport, Logistics, and Construction Department. He holds a Bachelor's Degree in Business Management. Mr. Hussain has been a valuable addition to the team.



Mohamed Yasir

Head of Regional Administration

Mohamed Yasir joined STELCO in 2011 and is currently the Head of the Regional Administration Department. Previously he has worked in Hulhumale Powerhouse, and in the Regional Department. His wide range of experience in the field gives him insight into the operations of the all STELCO powerhouses, as well as strategic decision making in future development policies. Mr. Yasir holds a Bachelors of Mechanical Engineering (Hons) from University of Sunderland.



Uza. Aminath Mazuha

Head of Corporate Affairs

Uza. Aminath Mazuha joined STELCO in December 2013 and currently serves as the Head of the Corporate Affairs Department. Previously, she held the position of Legal Officer and Head of the Legal Drafting and Counseling Unit of the Legal Department. Uza. Aminath Mazuha holds a Master's Degree in Law and a Bachelor's Degree in Sharia and Law from Maldives National University. During her tenure, she has contributed to various departments, including the Human Resources and Training Department, the Legal Department, and the Corporate Affairs Department.



Uz. Mohamed Haleem

Head of Legal

Uz. Mohamed Haleem joined STELCO in 2022 as a legal officer and currently serves as the Head of the Legal Department. He has previously served as Head of the Investigation and Compliance Unit and Head of the Litigation Unit. Mr. Haleem has completed his master's degree and has served as a judge of the Civil Court. He has also contributed to various fields in public service.



Azhadh Rameez

Head of Procurement

Azhadh Rameez has been with STELCO since December 2015 and currently serves as the Head of the Procurement Department. He has held multiple leadership roles, including Senior Manager and Head of Recruitment and Selection in the Human Resources Department, and Unit Head of Waste System Operations in the Water, Sewerage, and Waste Management Department. Additionally, he led various units in the Procurement Department, such as Tendering and Sourcing, Contract Management, and Vendor Relations, and served as Secretary of the Tender Evaluation Committee. He holds an MBA and a BA in Business and Management from the University of the West of England, UK.



4.0

Our Footprint & Powerhouses



4.1 Male' Powerhouse

4.2 Hulhumale' Powerhouse

4.3 Island Powerhouse

4.4 Our Footprint

4.1 Male` Powerhouse

Since mid-2021 Male` Powerhouse has been operating as a fixed peaking station in the Greater Male` Grid Network consisting of Male`, Hulhumale` and Hulhule`. This interconnected operation had lifted the burden of Male` Powerhouse having to meet the full demand of Male` by allowing excess generation capacity to be imported to Male` from Hulhumale` Powerhouse. The interconnection had also brought the added benefit of increased grid inertia and spinning reserve, greatly reducing the number of generation loss related power interruptions in Male`. As the demand from both Male` and Hulhumale` continues to grow, it is imperative that high availability of generation is maintained to meet this demand. Furthermore, with the installation of Distribution

Currently Male` Powerhouse meets ~60% of Male` City demand with the remainder imported.

SCADA equipment in Male` Powerhouse along with a new load shedding scheme, 400V distribution load shedding option is enabled in the event of generation loss ultimately reducing the restoration time and greater power availability to critical customers.

Key Projects & Activities

DISTRIBUTION SCADA SYSTEM

Distribution SCADA equipment installation and commissioning in Wartsila and MAN powerhouse for distribution load shedding

L4 MAINTENANCE OF DG06 & DG07

L4 Maintenance executions were based on the OEM Preventive Maintenance Instruction. OEM recommended components / parts were replaced to ensure the alternator availability and reliable operation

Overhaul Works

DG03 major overhaul COMPLETED

DG08 major overhaul COMPLETED





Future Focus

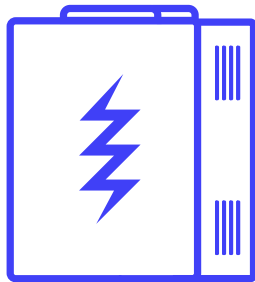
- **Conduct preventive maintenance and major overhauls to maintain generator sets** at peak operational efficiency, utilizing the latest manufacturer-recommended practices.
- **Modernize aging infrastructure** to enhance power generation efficiency.
- **Implement regular maintenance on auxiliary systems** to ensure optimal performance.
- **Upgrade outdated and implement new systems** like fuel consumption monitoring for accurate operational efficiency data.
- **Provide comprehensive training to staff**, covering engine maintenance and other essential skills vital for powerhouse operations.
- **Implement state-of-the-art tools and maintenance protocols** to optimize manpower efficiency.



Key Statistics

Male Powerhouse

POWER GENERATION



61.8 MW

Total Installed Capacity

550

Hours Monthly

Average running hours of generators

7,200,000

Litres Monthly

Fuel Consumption

10 Medium Speed Generators

4 High Speed Generators

WATER PRODUCTION



800,000 Litre

25 Tons Per Day
Capacity

AlfaLaval Multi Effect Desalination Plant

4.2

Hulhumale' Powerhouse

Hulhumale Powerhouse is dedicated to ensuring the efficient operation and maintenance of critical power systems, upholding high performance and reliability standards to ensure uninterrupted power supply to the Greater Male Region and support peak handling demands.

Key Projects & Activities

1 **INSTALLATION OF HIGH-SPEED GENSETS AT POWERHOUSE ANNEX**

- Installation of 5 standalone and 3 containerized generator sets
- Increased grid capacity with the installation of high-speed generator sets
- Optimized power distribution and management during peak load periods

2 **MAJOR OVERHAUL OF DG03, DG04, AND DG06**

- Major overhaul of DG03, DG04 and DG06
- Maintained operational integrity and extended the service life engines
- Enhanced engine efficiency for improved performance and ensured reliability during critical operational periods

3 **DESILTING OF SEAWATER INTAKE**

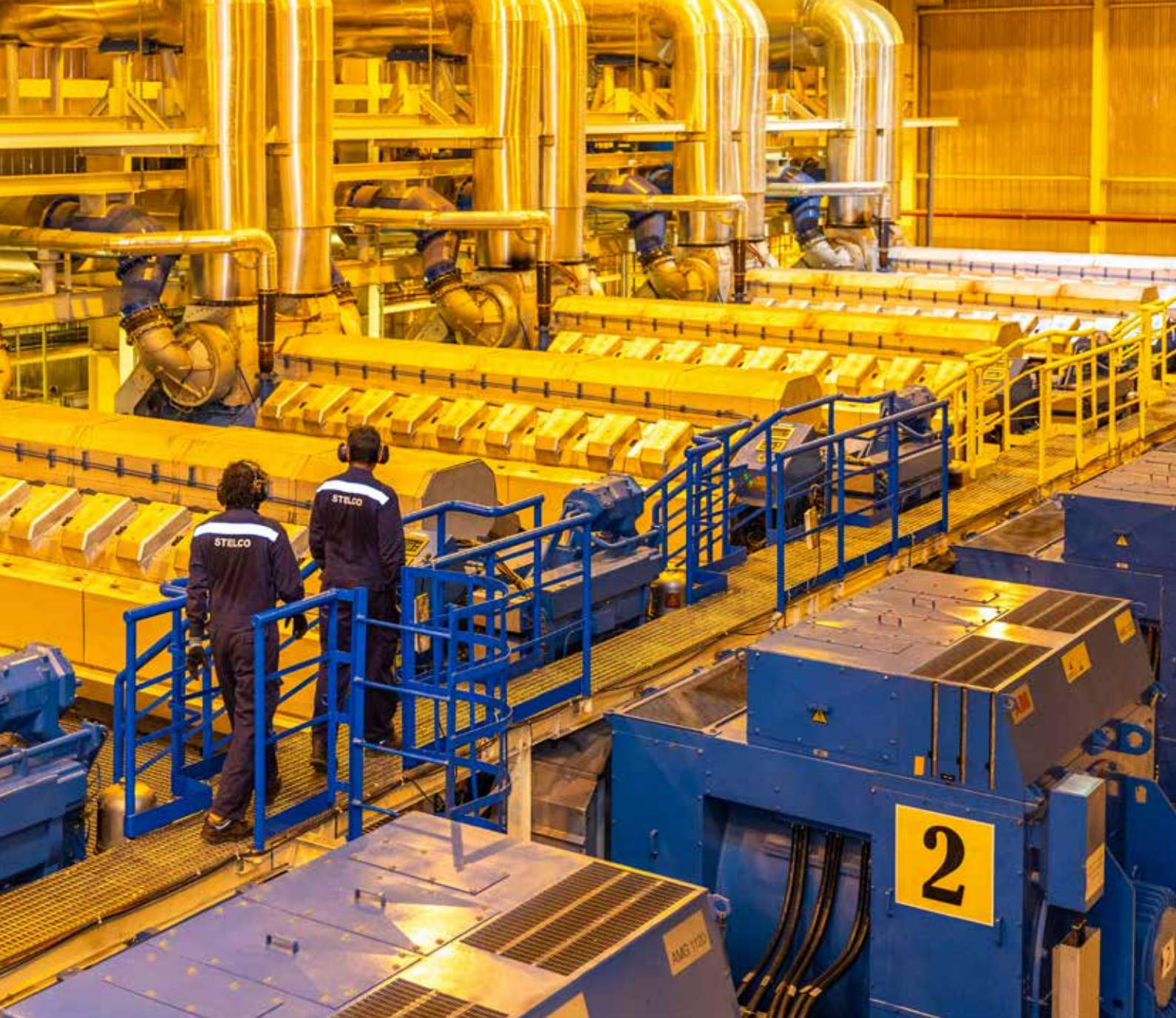
- Executed desilting operations on both the seawater intake and catch basin to uphold the reliability and efficiency of the power plant's cooling system

Future Focus

- **Continuously enhancing operational efficiency and reliability** through proactive maintenance and system enhancements
- **Strengthening emergency response procedures** to minimize downtime and mitigate risks
- **Enhancing generation capacity** through the strategic installation of new medium-speed generator sets to address future demand growth and decrease dependence on high-speed engines

Hulhumale Powerhouse is committed to maintaining the highest standards of operational excellence to meet the evolving needs of the Greater Male Region's power grid. Through strategic planning and meticulous execution, STELCO aims to ensure uninterrupted power supply and effectively support the organization's objectives.





Key Statistics

Hulhumale Powerhouse

80 MW

Total Installed Capacity

28.4 MW
(20th April 2023)

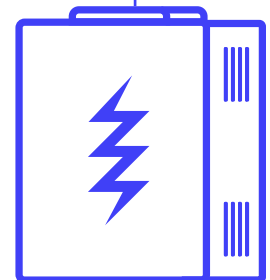
Peak in 2023

2 x 960 Tons
Per Day

Capacity

6 Medium Speed Generators
8.9MW Generator sets

2 TVC Multi Effects Desalination Plans



4.3

Island Powerhouses

Aside from Malé and Hulhumalé, STELCO also oversees utilities on 33 other islands. Kaafu, Vaavu, Adh, and Alif Alif Atolls are under STELCO's scope.

STELCO is committed to providing 24-hour electrical power coverage on all islands within its mandate. Under this mandate, local networks have been improved to reduce voltage drops, prevent unplanned disconnections and network interruptions, and provide the required power for the expanding load from economic growth.

As of 2023, STELCO has become a greater scope utility provider, taking control of water and sewerage utilities at over a dozen island powerhouses, with plans to expand water and sewerage services to the majority of islands under its jurisdiction.

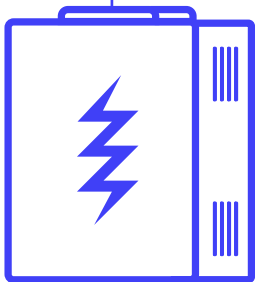
Future Focus

- With a focus on **network grid upgrades to the latest standards**, as well as **battery storage systems and solar capacity expansion**, STELCO is poised to **embrace the latest innovations in green energy systems and improve emissions standards** across the region
- In 2024, **new powerhouses** are planned to come into operation, along with **major renewable initiatives**

Key Statistics

Island Powerhouses





33

Total Island Powerhouses

135

Total installed Gensets

14

Total installed Gensets in 2023

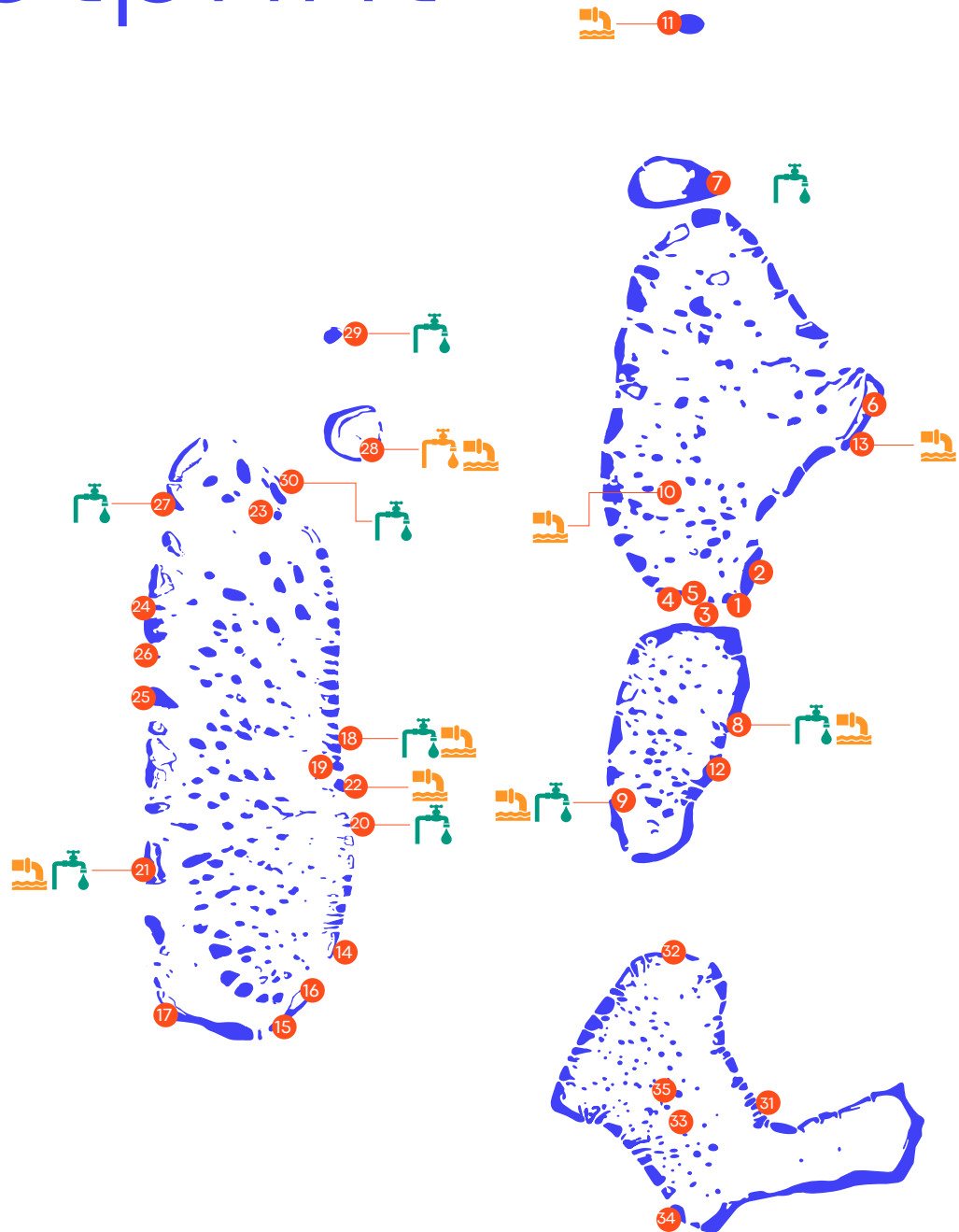
52,250 KW

Total installed Capacity

6,956 kW

Installed Capacity in 2023

4.4 Our Footprint



● Powerhouses

Water Systems

Sewerage Systems

- | | | |
|-------------------|-------------------------|-------------------|
| 1. Male' | 13. K. Thulusdhoo | 25. AA. Himandhoo |
| 2. Hulhumale | 14. ADh. Dhangethi | 26. AA. Maalhos |
| 3. K.Viligili | 15. ADh. Dhidhdhoo | 27. AA. Mathiveri |
| 4. K.Thilafushi | 16. ADh. Dhigurah | 28. AA. Rasdhoo |
| 5. K.Gulhifalhu | 17. ADh. Fenfushi | 29. AA. Thoddoo |
| 6. K. Dhiffushi | 18. ADh. Hangnaameedhoo | 30. AA. Ukulhas |
| 7. K. Gaafaru | 19. ADh. Kunburudhoo | 31. V. Felidhoo |
| 8. K. Gulhi | 20. ADh. Mahibadhoo | 32. V. Fulidhoo |
| 9. K. Guraidhoo | 21. ADh. Mandhoo | 33. V. Keyodhoo |
| 10. K. Hinmafushi | 22. ADh. Omadhoo | 34. V. Rakeedhoo |
| 11. K. Kaashidhoo | 23. AA. Bodufolhudhoo | 35. V. Thinadhoo |
| 12. K. Maafushi | 24. AA. Feridhoo | |

* As of 31st December 2023

MALE

Business	Domestic	Government	Tertiary Hospital
11,569	1,074	1,050	7

 61.8 MW

K.GULHIFALHU

Business	Domestic	Government
107	0	0

 1996 kW

HULHUMALE

Business	Domestic	Government	Tertiary Hospital
3,119	18,012	333	2

 80 MW

K. DHIFFUSHI

Business	Domestic	Government
195	344	35

 2140 kW

K.VILLINGILI

Business	Domestic	Government
347	2,098	103

 3800 kW

K. GAAFARU

Business	Domestic	Government
79	327	18

 1300 kW

K.THILAFUSHI

Business	Domestic	Government
367	0	3

 2960 kW

K. GULHI

Business	Domestic	Government
67	169	18
26	128	6

 1184 kW  105  400



Number of Customers



Electricity Users



Water Users



Installed Capacity

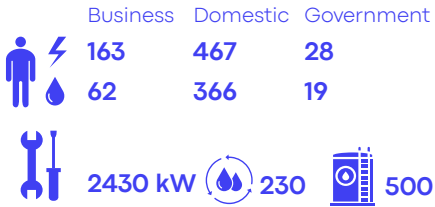


RO Capacity (m3/day)

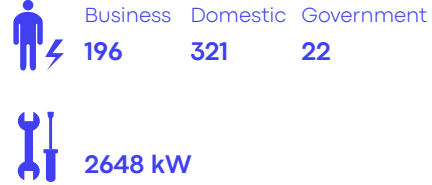


RO Storage (m3/day)

K. GURAIIDHOO



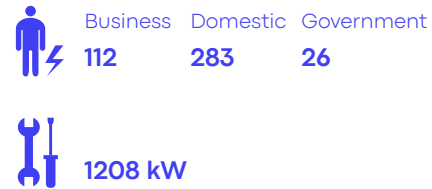
K. THULUSDHOO



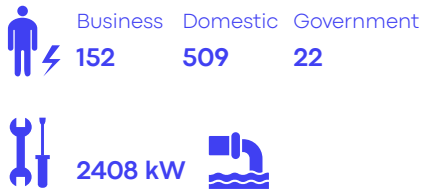
K. HINMAFUSHI



ADH. DHANGETHI



K. KAASHIDHOO



ADH. DHIHDHOO



K. MAAFUSHI



ADH. DHIGURAH



Number of Customers



Electricity Users



Water Users



Installed Capacity

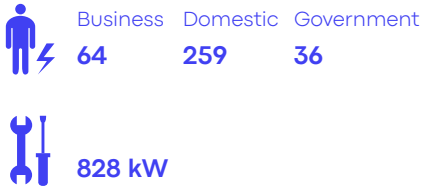


RO Capacity (m3/day)

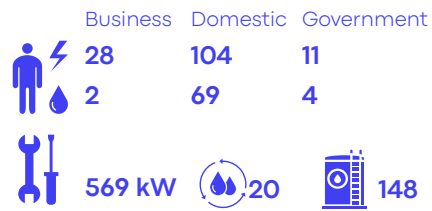


RO Storage (m3/day)

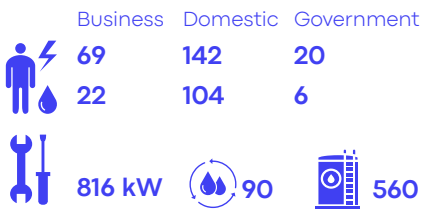
ADH. FENFUSHI



ADH. MANDHOO



ADH. HANGNAAMEEDHOO



ADH. OMADHOO



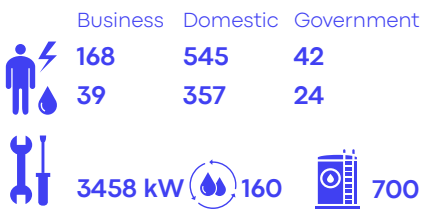
ADH. KUNBURUDHOO



AA. BODUFOLHUDHOO



ADH. MAHIBADHOO



AA. FERIDHOO



Number of Customers



Electricity Users



Water Users



Installed Capacity

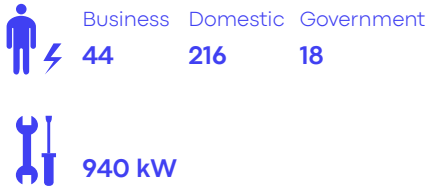


RO Capacity (m3/day)

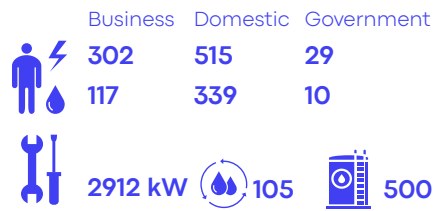


RO Storage (m3/day)

AA. HIMANDHOO



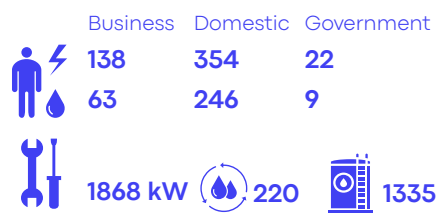
AA. THODDOO



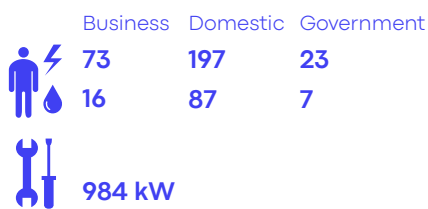
AA. MAALHOS



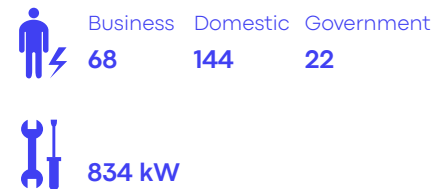
AA. UKULHAS



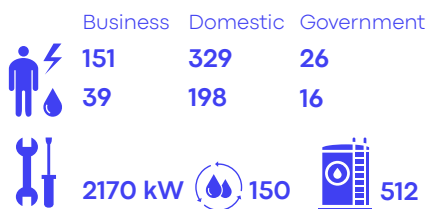
AA. MATHIVERI



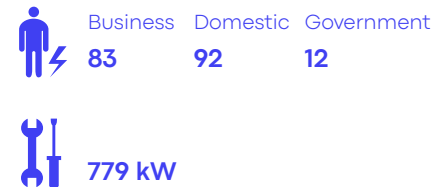
V. FELIDHOO



AA. RASDHOO



V. FULIDHOO



Number of Customers



Electricity Users



Water Users



Installed Capacity



RO Capacity (m3/day)



RO Storage (m3/day)

V. KEYODHOO



Business	Domestic	Government
85	157	24



884 kW

V. RAKEEDHOO



Business	Domestic	Government
14	47	8



218 kW

V. THINADHOO



Business	Domestic	Government
63	33	9



144 kW



Number of
Customers

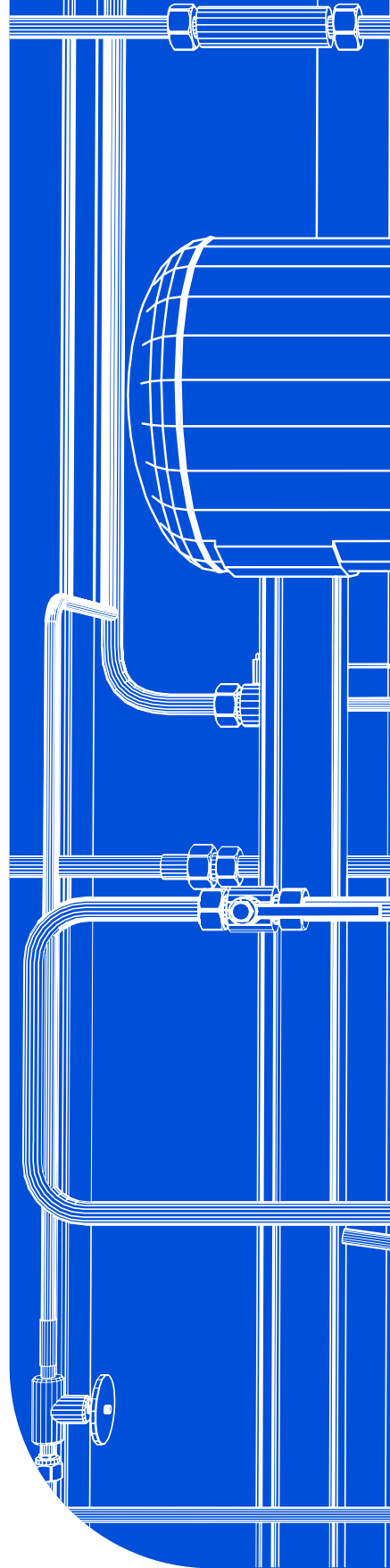


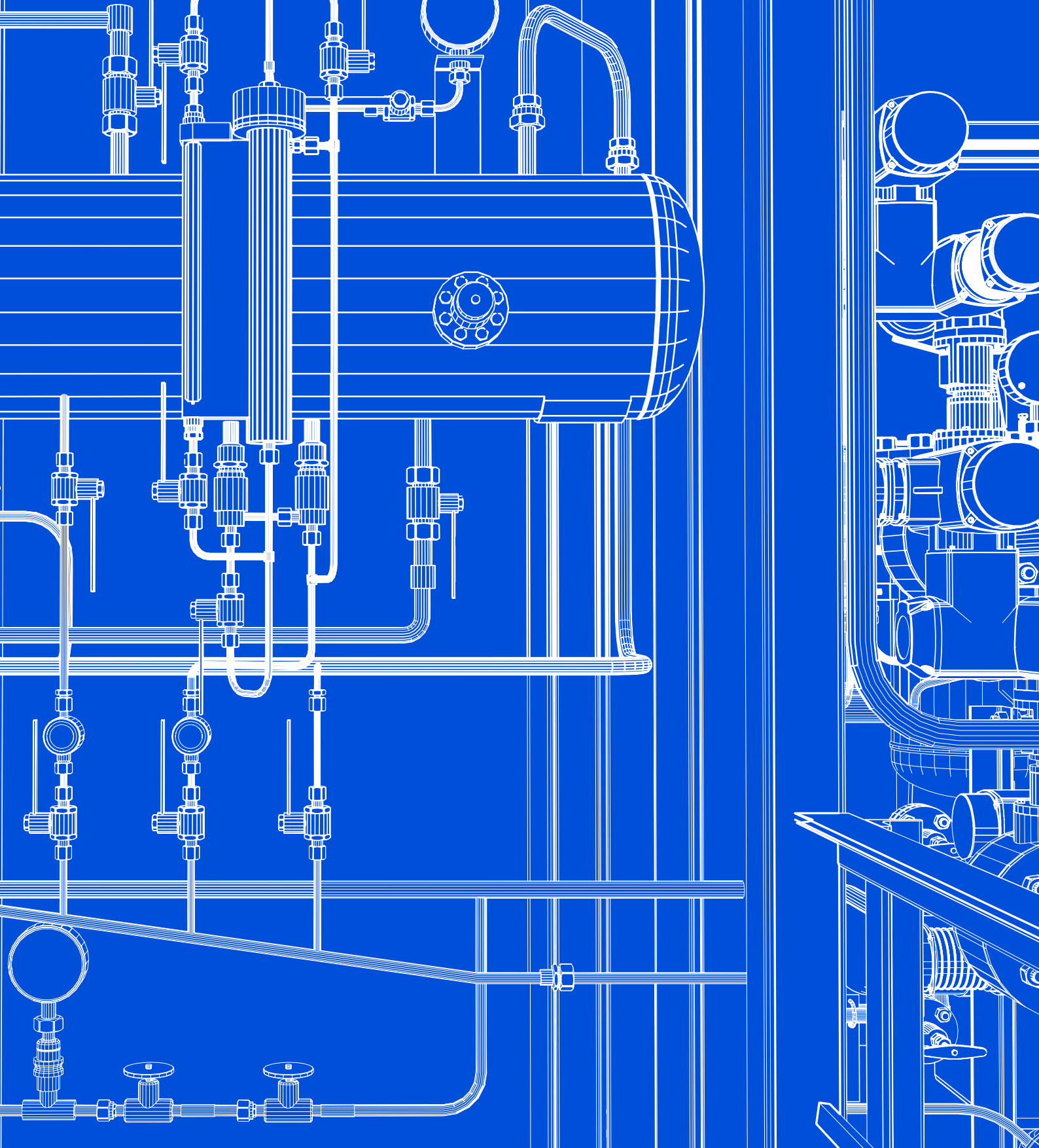
Electricity
Users



Installed
Capacity

5.0 Performance Review





5.1 Customer Service & Billing

5.2 Contact Center

5.3 Water, Sewerage & Waste Management

5.4 Transmission & Distribution

5.5 Business Development & Marketing

5.6 Renewable Energy

5.7 Sales Center

5.8 Service Center

5.9 Information Technology

5.10 Our Team

5.1 Customer Service & Billing



Customer Service & Customer Care

The Customer Care & Support Unit holds a critical role within the organization, serving as a cornerstone of the company's operations. Responsible for ensuring the collection of payments from a diverse range of individual, domestic, and corporate clients, the dedicated team within the Customer Care & Support division undertakes various essential functions. These include conducting credit evaluations, formulating payment agreements, meticulously managing financial documentation, and addressing customer inquiries and issues with a respectful, expedient, and forward-thinking approach. Furthermore, the team is entrusted with tasks involving the disconnection and reconnection of electricity services for premises with outstanding balances.

OBJECTIVES

- To ensure the company recovers its debt
- Create line of contact with government offices and SOEs to communicate regarding collection of outstanding
- Oversee debt recovery works of powerhouses
- Create payment plans for customers unable to clear outstanding
- Ensure customers are provided electricity within stipulated time after payment is received / payment plan is finalized

Ongoing / Upcoming Projects

FLEXIBLE OPTIONS FOR CUSTOMERS TO CLEAR THEIR DEBT

Work is underway to update existing policies and SOPs to allow easier and more flexible options for customers who are facing difficulty in clearing the outstanding.

As such, bill extension criteria were loosened in 2023. Other supporting features such as fine waiver, extended part pay agreements and other similar features were included in the draft policy. These are expected to be approved and published in 2024.

Key Statistics

Bill Extensions and Payment Agreements made in 2023

Islands	Bill Extension / Payment Agreement
MALE'	12416
HULHUMALE'	1,612
VILLINGILI	239
THILAFUSHI	60
A.DH. FENFUSHI	41
A.A. FERIDHOO	1
A.DH. DHIGURAH	4
A.A.UKULHAS	48
A.A. MATHIVERI	27
A.DH.HANGNAAMEEDHOO	6
K.DHIFFUSHI	73
A.DH. OMADHOO	1

Islands	Bill Extension / Payment Agreement
GULHI	1
GAAFARU	21
A.D. MANDHOO	25
A.A. RASDHOO	237
KAASHIDHOO	66
V.RAKEEDHOO	34
MAAFUSHI	149
A.DH.MAHIBADHOO	229
GURADHOO	19
V.THINADHOO	66
TOTAL	15,276

Billing Unit

Billing Unit is one of the most important functions of the company. Billing Team is responsible in taking monthly meter reading, communicating monthly bill with customers via Mobile SMS, monitoring all island powerhouse billing related works and attending customer enquiries and concerns in courteous, efficient, and proactive manner.

Objectives

- Provide consistent and accurate bills to customer
- Ensure billing period is maintained within duration stipulated in URA regulation (28 – 31 Days)
- Provide support to other departments in relation to invoicing for various supplementary services provided by the company
- Oversee and manage STELCOBILL software

Completed Projects

A.DH. DHAGETHI WAS FULLY COMPUTERIZED

A.Dh. Dhagethi was fully computerized this year, streamlining operations at the powerhouse. Previously, while web tools were used for accessing billing software and processing payments, tasks such as customer registration, bill creation, and other services had to be managed by the Head Office. With this update, all these functions are now efficiently handled directly by the powerhouse staff.

WAMCO BILL TIE

In April 2023, an agreement was made between STELCO and WAMCO to include waste collection fee in electricity invoices. This was initiated in Male and Hulhumale. The process was implemented in such a way that WAMCO is allowed to include their charges directly onto electricity invoices through an API. This allows WAMCO to ensure their customers are properly billed. Collection of the fees will be done by STELCO on behalf of WAMCO. These funds will be transferred to WAMCO on the agreed basis. STELCO charges an administrative fee for provision of this service.

Ongoing & Upcoming Project

SMART METER PROJECT

Due to unresolved issues with previous business partner, the smart meter contract was terminated and work began to find another supplier

NEW MOBILE APP

Since the previous mobile app developer was unable to deliver the product on time as per specification, the contract was terminated and work on upgrading or producing a new mobile app was handed over to IT Department

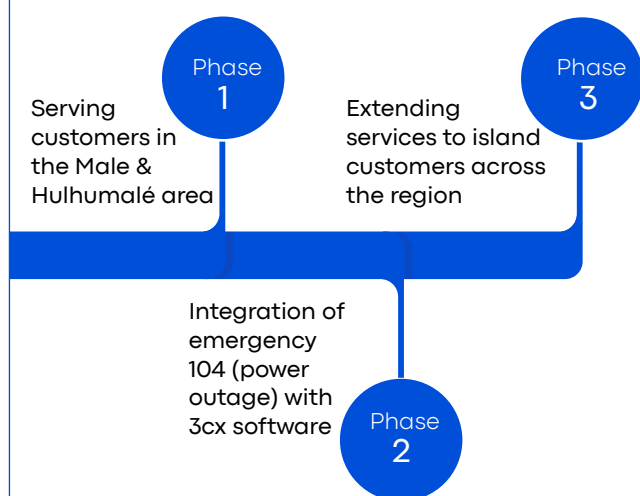
Service Delivery

Service	% Improved in Service Delivery (2023 VS 2022)
CABLE SERVICE COST	0%
DAMAGED SERVICE - MAIN	-2%
DISCONNECTION (PERMANENT)	-11%
DISCONNECTION (TEMPORARY)	123%
NEW CONNECTION (BTS/POLE)	5%
NEW CONNECTION (CONSTRUCTION)	5%
NEW CONNECTION (EXISTING CT METER)	115%
NEW CONNECTION (METERING DB)	-7%
NEW CONNECTION (PANEL)	15%
NEW CONNECTION (SDB/MDB)	2%
PANEL MODIFICATION	67%
RECONNECTION	7%
RELOCATING METER	5%
RELOCATING METER (PANEL/METERING DB)	2%
REPLACING CABLE	30%

Overall Improvement of 9%

5.2 Contact Center

STELCO Contact Center was established in 2023 to provide a one-stop service for all customer needs and ensure efficient customer service. The center utilizes 3CX software to manage calls. In August 2023, customer care via respond.io was introduced on the website, enabling customers to reach STELCO through multiple channels. The contact center's implementation is being carried out in three strategic phases. Currently, customer service and billing assistance are offered exclusively to customers in the Malé and Hulhumalé areas.



At the core of STELCO's operations is a commitment to resolving every customer query efficiently. Calls received on [3314949](#), [3350019](#), and [7788438](#) are handled with the primary goal of ensuring that each caller's issue or question is resolved before the call ends. If necessary, queries are assigned to the relevant department or unit for further attention.

The call center handles a wide range of common inquiries, including:

- [Power outages](#)
- [Billing concerns](#)
- [Meter readings](#)
- [Disconnections and extensions](#)
- [Clarifications on account or meter numbers](#)

Objectives

TICKET BILL: All inquiries are handled meticulously through a ticketing system. If a department fails to assign the ticket to a staff member within 24 hours, an agent or a supervisor from call center attends to it and would ensure that a prompt response is given.

STELCO CARE (RESPOND .IO): STELCO utilizes RESPOND I.O, a software platform that centralizes customer inquiries from multiple channels such as Viber, WhatsApp, Telegram, and Webchat into one interface. The contact center is responsible for assigning these inquiries to area supervisors and ensuring timely follow-ups.

REPORTS: STELCO's commitment to providing high-quality service is reflected in its reporting practices. Daily, weekly, and monthly reports are offered through the 3CX Application, Ticket-Bill Application, and RESPOND.IO Application to continuously monitor and improve performance.

TRAINING: STELCO's internal staff receives continuous training to provide exceptional service. As the primary point of contact for customers, the STELCO Contact Center is committed to providing the highest standard of service through ongoing improvement

Ongoing Projects

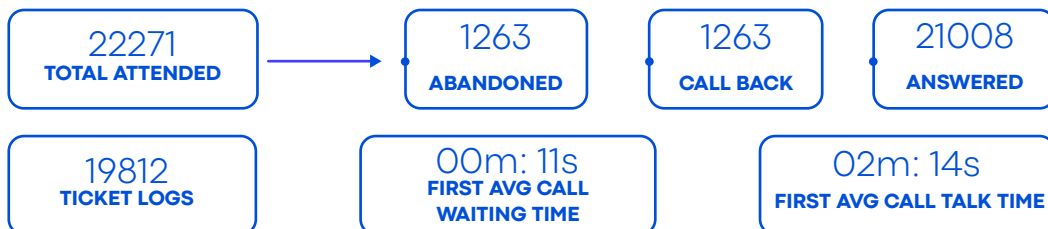
In preparation for the upcoming transition to 24/7 operations, we shall assume responsibility for all calls previously managed by the 104 units in STELCO. This encompasses oversight of power outages, reconnections, and disconnection calls. Additionally, STELCO intend to implement 4-digit numbers to enhance customer accessibility. These four-digit numbers will also be utilized for various other inquiries, including but not limited to billing concerns, service applications, and service extensions.



Key Statistics

Call Statistics

1ST JAN TO 31ST DEC 2023



Statistics

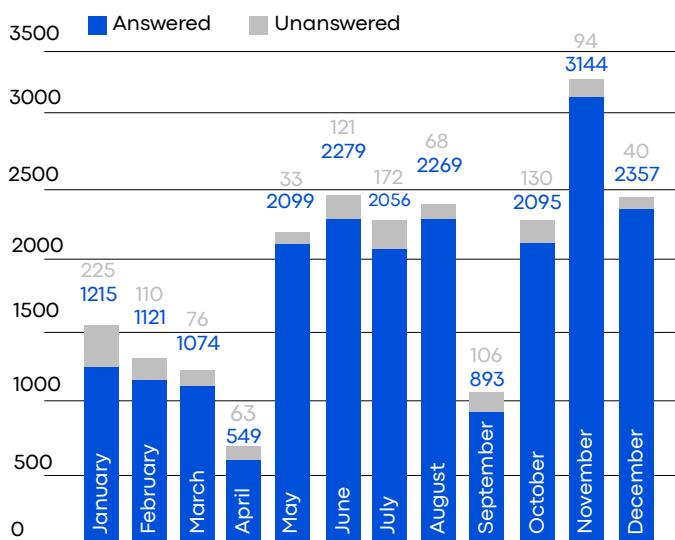
1ST AUG TO 31ST DEC 2022



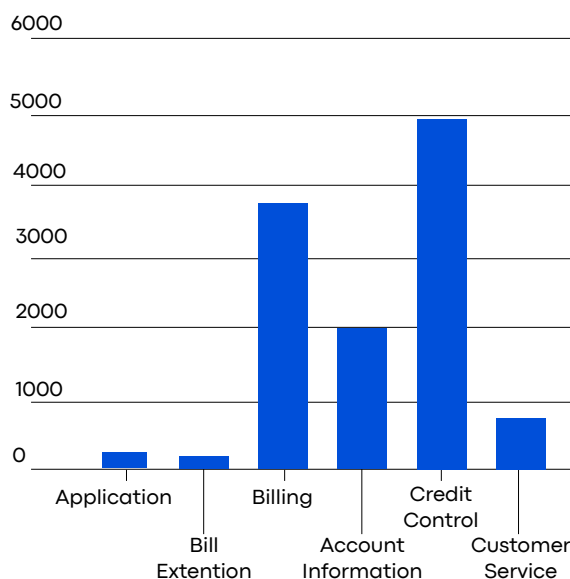
RESPOND



CALLS BY TIME



CATEGORY



5.3 Water, Sewerage & Waste Management

Water Systems

In 2023, STELCO's water facilities operated across nine islands. With the majority of the infrastructure built by the government, the primary objective is to operate and maintain these systems efficiently and reliably.

In addition to excellence in electrical services, STELCO is committed to improving and delivering the highest quality water and sewerage services in the locations where it operates.

- Maintaining total system availability is paramount, and STELCO has achieved 100% availability in six islands:
K. Gulhi
K. Guraidhoo
ADh. Mahibadhoo
AA. Ukulhas
AA. Thoddoo
AA. Rasdhoo
- In 2023, STELCO initiated water services in **ADh. Hangnaameedhoo, ADh. Mandhoo, AA. Mathiveri**, further expanding STELCO's reach and commitment to delivering essential services across the region.

Sewerage Systems

STELCO ensures that the sewerage system is maintained to operate efficiently and effectively, with proactive measures in place to prevent any potential future issues. In addition to this, STELCO has been managing the sewer facilities in V. Felidhoo upon completion of the facility rehabilitation project until the final handover can proceed. Towards the end of the year 2023, STELCO started sewer services in ADh. Mandhoo.



5.4 Transmission & Distribution

Transmission and Distribution department is mandated to design, build and maintain all the infrastructures required to transmit and distribute the generated power from all STELCO owned power houses to customers. In order to provide the best service to customers, this department is structured into five units that carries out the following tasks;

Transmission Unit

- Grid Planning and Analysis
- Grid Inspection and Maintenance
- Load Dispatch Center

Power Distribution Unit

- MV Distribution
- LV distribution
- Instrumentation and Control
- Emergency Response Center (Male')

Hulhumale' Distribution Unit

- Distribution and Maintenance
- Electrical services
- Emergency Response Center (Hulhumale')

Electrical Services Unit

- Survey and Drafting
- Excavation
- Customer connection

Inspection and Testing Unit

- Installation testing
- On-Site testing
- In-house testing
- Smart metering

Key Statistics

Key Performance Indicators

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)

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

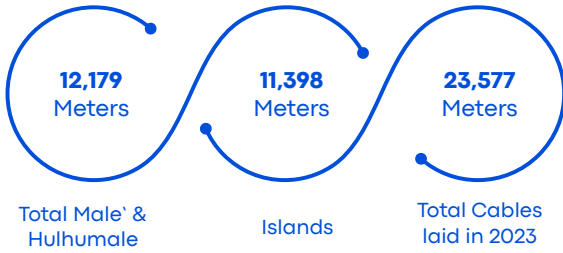
SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)

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

	SAIDI For Male'	ASAI For Male'
January	3.09	100
February	11.24	99.9756
March	3.70	99.9919
April	3.70	99.9981
May	10.95	99.9755
June	7.78	99.9826
July	1.36	99.9969
August	3.16	99.9929
September	5.60	99.9875
October	7.76	99.9827
November	5.13	99.9885
December	30.25	99.9322



Cables laid



SUBSTATIONS AND TRANSFORMERS

○ 132/11kV Transmission Substations and Transformers

● 11/400kV Distribution substations and Transformers

S Substations

T Transformers

	Hulhumale	Male	Villingili	Gulhifalhu	Thilafushi
S	○ 1 ● 97	○ 1 ● 117	○ 1 ● 5	○ 1 ● 1	○ 1 ● 9
T	○ 2 ● 101	○ 2 ● 161	○ 2 ● 5	○ 1 ● 1	○ 1 ● 9

	Maafushi	Dhiffushi	Thulusdhoo	Kaashidhoo	Thoddoo
S	○ 6 ● 6	○ 2 ● 2	○ 3 ● 3	○ 6 ● 6	○ 4 ● 4
T	○ 7 ● 7	○ 2 ● 2	○ 3 ● 3	○ 6 ● 6	○ 4 ● 4

3 132/11kV Substations

250 11/0.415kV Substations

6 132/11kV Transformers

299 11/0.415kV Transformers



5.5 Business Development & Marketing

The inception of the Business Development and Marketing division was driven by the goal to venture into new business horizons and fortify revenue streams. The department is divided into three units:

1. MARKETING AND PROMOTION UNIT

organizes and implements marketing and promotional events/activities such as EXPO's as required by the company internally and externally. The unit assists in corporate events and other department marketing material preparations such as digital and non-digital content/materials.

2. COMMERCIAL AND BUSINESS RELATIONS UNIT

This unit handles ongoing commercial projects and initiating feasibility studies, overseeing and contributing to any task related to the BDM requested by other departments (tender, price approvals, budgeting, new projects and asset renting) including administrative works.

3. RESEARCH AND DEVELOPMENT UNIT

monitors LED screens operationally and technically, attending to any repair works as required, and proceeding with handling ISO recertification-related works.

Department Highlights

STELCO VIEW PROJECT

To earn additional income by diversifying into the advertising sector, STELCO launched MaaTV LED screens in 2014, enabling customers to purchase advertising slots to advertise through the MaaTV scheme. In 2023, as part of the expansion of this service, STELCO installed additional LED screens in 9 substation locations in Male City, along with one additional LED screen for Indoor usage. At the moment, 9 LED screen installation works have been completed, with plans underway for commercial advertising on LED screens to begin shortly.

ISO 9001:2015 (QUALITY MANAGEMENT SYSTEMS) AND 14001:2015 (ENVIRONMENTAL MANAGEMENT SYSTEMS) CERTIFICATION

In 2021, STELCO successfully achieved ISO 9001:2015 certification, affirming its dedication to excellence, professionalism, and superior service delivery standards for customers. Since 2022, the attainment of ISO 14001:2015 certification underscores STELCO's firm commitment to sustainability and proactive environmental management systems that impact daily operations. ISO 9001:2015 facilitates performance improvement while ensuring that customer expectations are consistently met. Meanwhile, ISO 14001:2015 requirements served as a framework, ensuring the establishment of an environmental management system, thus preventing oversight of crucial elements necessary for environmental sustainability.





WALL BILLBOARDS ADVERTISING

In 2022, the Business Development Department took charge of managing wall billboard advertising within the company. This transition aimed to streamline operations and potentially enhance revenue streams.

PARTICIPATION IN EVENTS AND FAIRS

At the International Maldives Travel Market (IMTM) Fair 2023, the company actively participated by setting up a dedicated stall to showcase STELCO products and services. This event provided an excellent platform to engage with potential customers and industry stakeholders, offering them insights into the range and quality of products offered by STELCO.



5.6

Renewable Energy

towards a greener
future



In line with the government's policy to increase the penetration of renewable energy and to reduce diesel dependency of the nation, STELCO has been working on diversifying the company's energy mix over the past few years. Diesel, despite being one of the most expensive sources of electricity remains the most convenient due to resource constraints and supply chain challenges in the Maldives. The government allocates a significant portion of the national budget to import fuel, and STELCO similarly spends a substantial share of its finances on diesel to ensure uninterrupted electricity service nationwide.

To mitigate the financial burden of fuel purchases and lessen the environmental impact, STELCO is

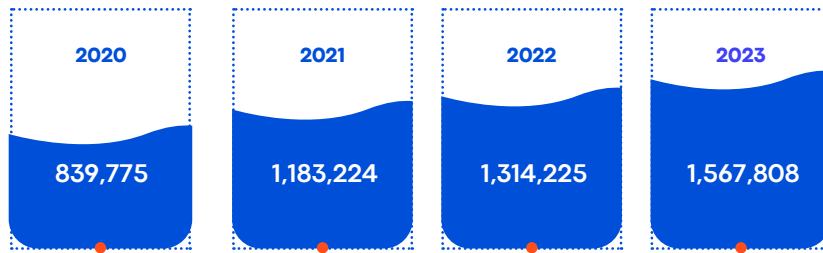
committed to integrating greener energy sources to meet the power demand of four atolls under its service. Advances in technology have made renewable energy solutions more affordable, creating opportunities to gradually transition away from fossil fuels and potentially lower electricity costs for all.

In 2022, to accelerate the adoption of renewable energy, STELCO established the Renewable Energy Department, dedicated to achieving the government's renewable energy targets.



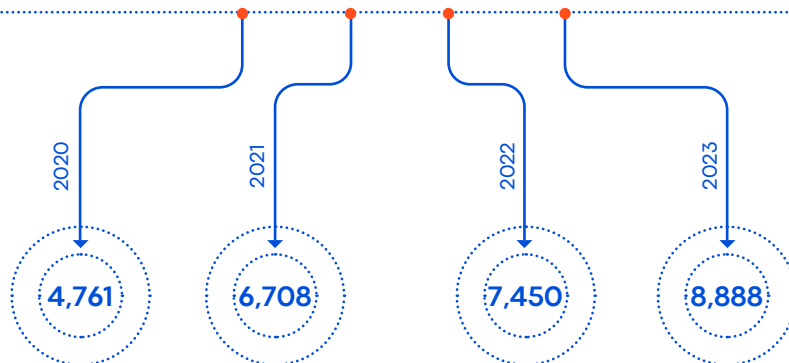
Installed Capacity





Total Fuel Saved
(Liters)
Using 0.28 Liter/kWh

CO₂ Emission reduction
(Tonnes/year)
Using 0.63kg/kWh



5.7 Sales Center

The STELCO Sales Centre is a leading provider of affordable, high-quality electrical goods to the public. The range includes kWh meters, electrical cables, tools, circuit breakers, and more.

Sales Centre Revenue Growth Plan

SHORT AND MEDIUM-TERM REVENUE INCREASE PLAN

- **Customer Base Expansion:** Implement diverse marketing strategies, targeted promotional events, and enhance the customer experience to foster loyalty.
- **Online Presence Enhancement:** Launch a robust website to strengthen online presence.
- **New Product Introductions:** Add in-demand items aligned with market trends.
- **Partnerships and Collaborations:** Forge strategic partnerships to expand product offerings.
- **Regional Sales Agents:** Appoint sales agents in key areas to broaden geographical reach.
- **Operational Efficiency:** Streamline internal operations to reduce costs and enhance profitability.

LONG-TERM REVENUE DIVERSIFICATION STRATEGIES

- **Product Diversification and Specialization:** Explore new opportunities while focusing on core areas.
- **Brand Building and Advertising:** Allocate resources to establish the Sales Centre as a trusted brand.
- **Expansion to New Outlets:** Establish outlets in high-demand locations.
- **Sustainability Initiatives:** Introduce eco-friendly product lines and promote responsible business practices.

* Each plan contributes to a strategy focused on increasing revenue, addressing short-term goals, and laying the foundation for sustainable growth. Regular evaluations and adjustments will be essential for ensuring continued success.

Proposed New Products



PANEL BOARDS



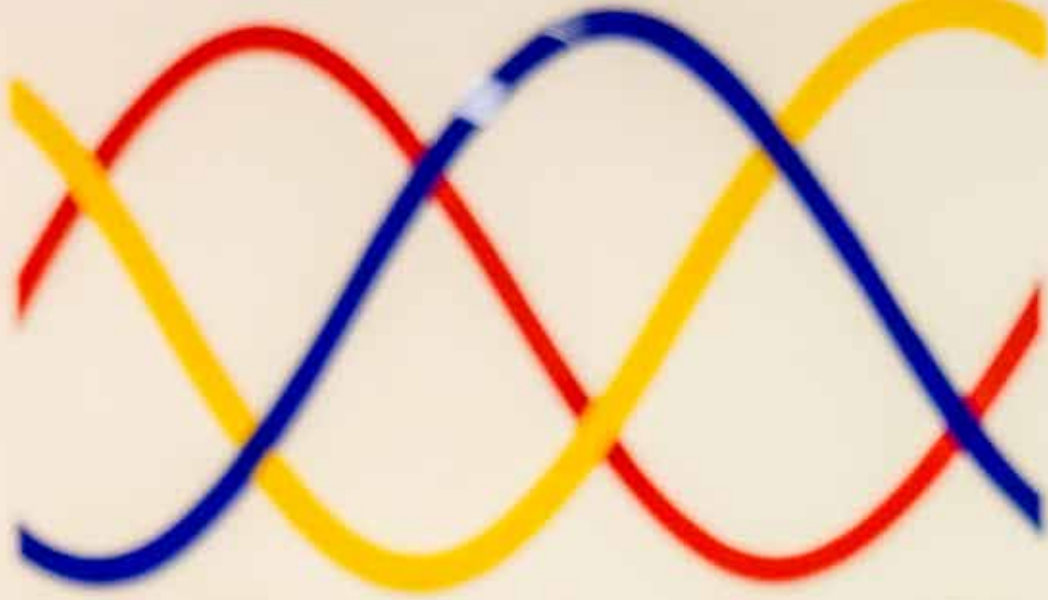
GENERATOR SETS



MAIN CABLES



TRANSFORMERS



STELCO
STATE ELECTRIC COMPANY LIMITED



5.8 Service Center

Service Center is one of the revenue centers of STELCO tasked with carrying out projects and providing services ranging from electrical and mechanical troubleshooting to supply and installation of panels, transformers and gensets. With decades of combined experience in the industry, Service Center aims to be one of the leading MEP contractors in the Maldives providing reliable and cost efficient solutions to the clients.

Services Currently provided by Service Center

- Design, Supply & Installation of Control Panels
- Design, Supply & Installation of Distribution/ Metering Panels
- Supply & Installation of substations
- Domestic Wiring
- Troubleshooting of control panels, metering panels and electrical wiring
- Genset mechanical and electrical troubleshooting

Completed projects for the year 2023

#	Client	Details	Quotation No
1	Maldives Correctional Services	Supply and installation of 250A Metering panel at Himmafushi Asseyri Jail	RSC-QOT/3149/2022
2	HDC	MCCB Replacement on Hiyaa 7000 housing units	RSC-QOT/1831/2022
3	MACL	Ultra Sonic Cleaning of Charge Air Cooler	RSC-QOT/5677/2023
4	MTCC	Vilingili Ferry Terminal Panel Installation	RSC-QOT/300/2023
5	ADK	1000kVA Transformer Connection	RSC-QOT/900/2023
6	BUCG	Transformer testing at Hulhule Sea Plane Facility	RSC-QOT/901/2023
7	M.Fresco	M.Fresco Fabrication of 63A metering panel	RSC-QOT/1605/2023
8	Ministry of Gender	Fiyavathi DP Repair	RSC-QOT/1486/2023
9	BUCG	11KV Switchgear test in MACL Fuel farm	RSC-QOT/2069/2023
10	Naadhee Building	Building Electrical works	RSC-QOT/289/2023
11	Majeedhiyya School	Sub DB Relocation	RSC-QOT/176/2023
12	Ghaazee School	Electrical wiring and fault fixing	RSC-QOT/1247/2023
13	MPL	Hulhumale Flat connection	RSC-QOT-1417-2023
14	Ministry of Education	G. Edhuruhiya Switch gear replacement	RRSC-QOT/1787/2023
15	H. Fiyamaage Aage	Supply & Installation of 160A Panel	RSC-QOT/3538/2023
16	HDC	HDC Rashu Market Panel Modification	RSC-QOT/1474/2023
17	Ministry of Education	Iskandhar School DB replacement	RSC-QOT/1227/2023
18	HDC	Kamil Didi Preschool electrical issues troubleshooting	RSC-QOT/2508/2023
19	MACL	Cable testing at new cargo terminal	RSC-QOT/1765/2023
20	Maldives Correctional Services	MCCB Replacement on Hiyaa 7000 housing units	RSC-QOT/1831/2022
21	Ministry of Fisheries, Marine Resources & Agriculture	MCCB Replacement on Hiyaa 7000 housing units	RSC-QOT/1831/2022
22	Ministry of National Planning, Housing & Infrastructure	Ultra Sonic Cleaning of Charge Air Cooler	RSC-QOT/5677/2023
23	Maldives National University	Vilingili Ferry Terminal Panel Installation	RSC-QOT/300/2023
24	MPL	1000kVA Transformer Connection	RSC-QOT/900/2023
25	MTCC	Transformer testing at Hulhule Sea Plane Facility	RSC-QOT/901/2023
26	Ministry of National Planning, Housing & Infrastructure	M.Fresco Fabrication of 63A metering panel	RSC-QOT/1605/2023
27	Public Service Media	Fiyavathi DP Repair	RSC-QOT/1486/2023
28	Ministry of Education	11KV Switchgear test in MACL Fuel farm	RSC-QOT/2069/2023
29	Ministry of National Planning, Housing & Infrastructure	Building Electrical works	RSC-QOT/289/2023
30	TMA	Sub DB Relocation	RSC-QOT/176/2023
31	HDC	Electrical wiring and fault fixing	RSC-QOT/1247/2023
32	HDC	Hulhumale Flat connection	RSC-QOT-1417-2023

5.9 Information Technology

The Information Technology and Software Engineering team plays a pivotal role in enhancing and maintaining the technological infrastructure of the organization throughout 2023. The year was marked by significant achievements across various domains, reflecting STELCO's commitment to operational excellence, security, and innovation. Key activities undertaken by the Information Technology and Software Engineering team include:

1. NETWORK INFRASTRUCTURE EXPANSION

- Actively expanded and strengthened network infrastructure to support increasing operations.
- Installed and configured enterprise firewalls at critical access points.
- Upgraded network connectivity to ensure robust and reliable service across all operating islands.

2. SECURITY AND SURVEILLANCE ENHANCEMENTS

- Bolstered security measures by expanding access control and surveillance systems.
- Installed equipment to ensure the safety and security of premises and assets.
- Maintained a secure environment for employees and operations as part of ongoing commitment.

3. TECHNICAL SUPPORT AND MAINTENANCE

- Provided exhaustive technical support, swiftly addressing hardware and software issues.
- Minimized downtime through proactive maintenance and support efforts.
- Ensured continuous, efficient operations.

4. SYSTEM UPGRADES AND CONFIGURATIONS

- Spearheaded critical software and system upgrades to enhance functionality and user experience.
- Updated server configurations, security systems, and enterprise applications.
- Ensured technology infrastructure remains at the forefront of efficiency and innovation.

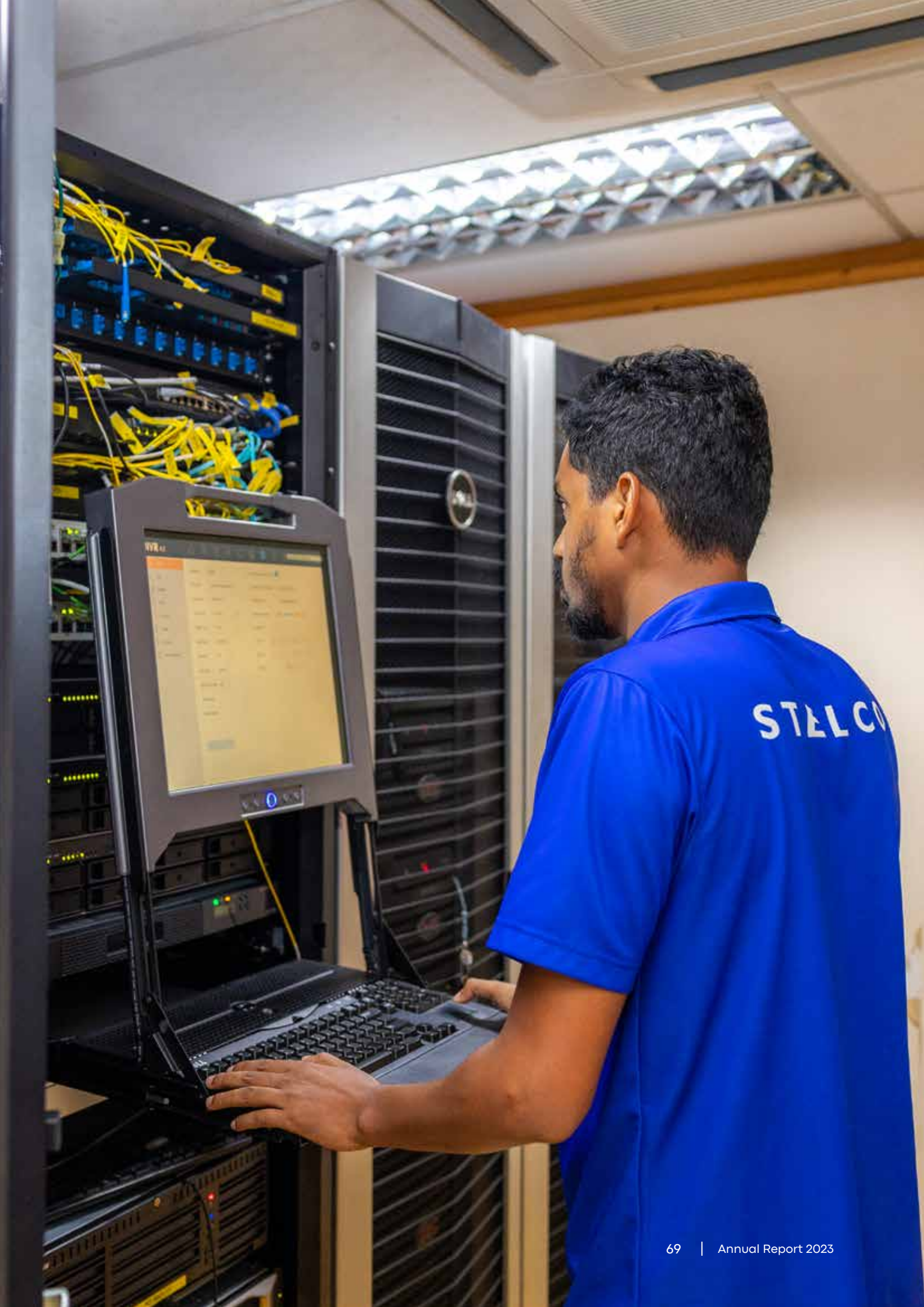
5. ERP IMPLEMENTATION AND TRAINING

- Successfully implemented and rolled out an Enterprise Resource Planning (ERP) system.
- Conducted comprehensive training sessions for seamless adoption and maximization of ERP benefits across departments.
- Marked a milestone in the digital transformation journey.

6. STANDARDIZATION AND COMPLIANCE INITIATIVES

- Engaged in efforts to standardize IT practices and work towards achieving ISO 27001 compliance.
- Demonstrated commitment to operational integrity, data security, and regulatory compliance.
- Actively adopted best practices to meet and maintain the highest standards of information security.

The ITSE Department's contributions in 2023 were instrumental in enhancing STELCO's technological capabilities, securing operations, and supporting the organization's strategic objectives. Through dedication, innovation, and a forward-looking approach, the IT team has laid a strong foundation for future growth and continued excellence.



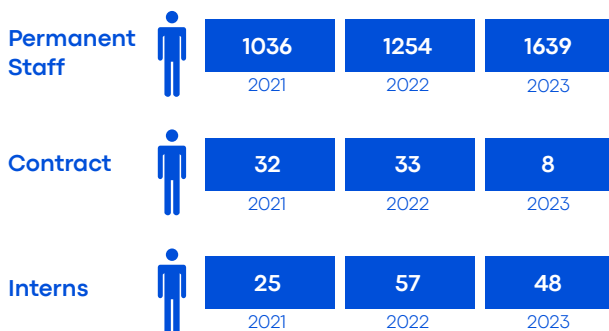
5.10 Our Team

In 2023, STELCO maintained its focus on the development and wellbeing of staff, acknowledging their growth and satisfaction as essential to the organization's success. Building on previous efforts, new initiatives were implemented to improve professional development opportunities and promote a healthy work-life balance.

STELCO's commitment to staff development saw marked progress in 2023. Targeted training programs were introduced to improve employee skills in areas such as digital transformation, leadership, and project management. The success of these programs is reflected in an increased participation rate, with over 85% of staff attending at least one professional development session during the year.

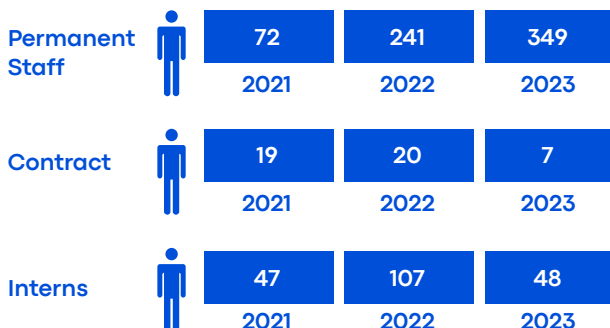
Additionally, STELCO expanded its mentorship program by pairing junior staff with experienced mentors to facilitate knowledge transfer and career growth. The outcomes of this initiative are evident in the higher internal promotion rates and the improved job satisfaction reported in the annual staff survey.

Manpower



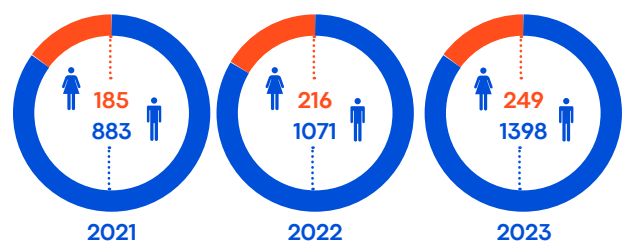
Over the past three years, STELCO's workforce has grown, particularly in permanent staff. This increase aligns with the organization's commitment to expanding operations and ensuring the necessary personnel are in place to meet strategic goals. The number of contract staff and interns has remained stable, providing flexibility and fresh talent.

Recruitment



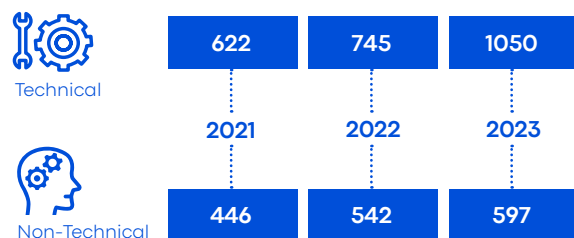
In 2023, STELCO's recruitment efforts resulted in a notable increase in the hiring of permanent staff, emphasizing its focus on building a committed workforce. The consistent recruitment of interns and contract staff continues to support operations effectively.

Gender Statistics

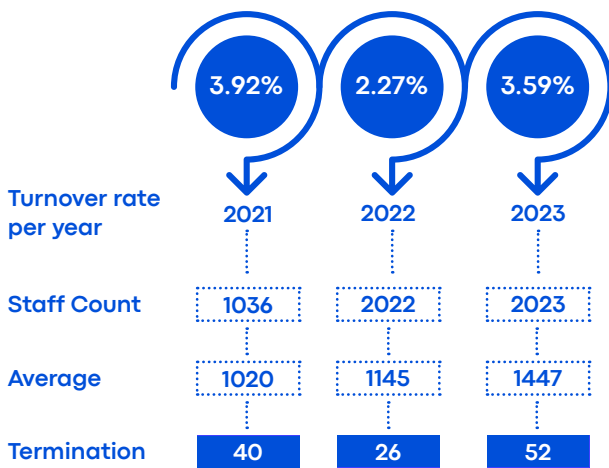


Diversity remains a priority for STELCO, as reflected in the gender statistics from 2021 to 2023, showing balanced growth in both male and female employees. STELCO continues to strive for an inclusive workplace that values the contributions of all employees, regardless of gender.

Field Statistics



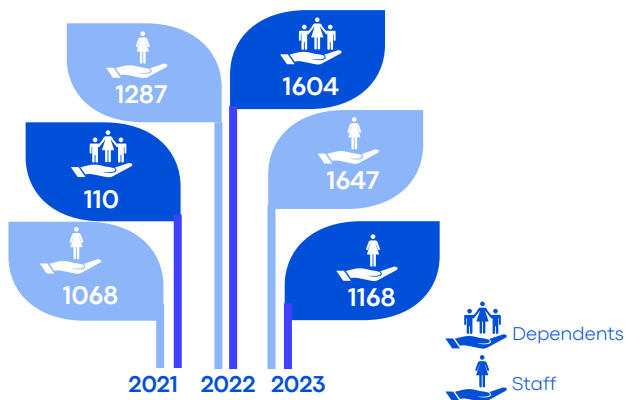
Employee Turnover



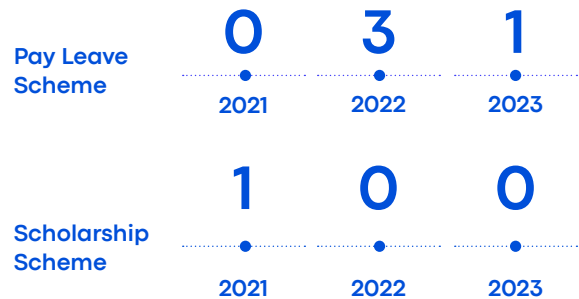
Training Opportunities Provided for Staff



Staff Health Insurance Scheme Enrollment



Higher Education Scheme Opportunities



Trainings Conducted



Industrial Internship Opportunities



Staff Development & Wellbeing

At STELCO, the wellbeing of employees is considered crucial to the success of the company. Recognizing that a healthy workforce is a productive one, the staff health insurance scheme saw increased enrollment, covering both employees and their dependents. STELCO continued to offer wellness programs and mental health support, ensuring comprehensive care for employees' physical and mental wellbeing.

124 Trainings

1223 Staff Trained

OVERSEAS TRAININGS

45 Sessions

130 Staff Trained

VIRTUAL TRAININGS

5 Sessions

20 Staff Trained

LOCAL TRAININGS

45 Sessions

768 Staff Trained

IN-HOUSE TRAININGS

11 Sessions

305 Staff Trained

AMANA THAKAFUL HEALTH INSURANCE 2023/2024

1645
Staff

1168
Dependent

Training & Development Highlights of Year 2023

Below are the key highlights of the staff training and development initiatives implemented at STELCO in 2023:

1. SUPERVISORY DEVELOPMENT PROGRAM:

- **Target Audience:** Batch 1- Island powerhouse Technical In-charges and Batch 2 - Supervisory-level staff of Head Office
- **Training Location:** Batch 1 at AA.Ukulhas and Batch 2 at Head Office
- **Objective:** To improve the leadership skills of Island powerhouse Technical Incharges and supervisory-level staff, emphasizing development in leadership, team management, and strategic decision-making. Through equipping participants with these competencies, the training sought to cultivate a culture of ongoing enhancement and promote operational excellence across STELCO, thereby bolstering the company's overall growth and success.

2. LEADERSHIP MANAGEMENT & CAPACITY BUILDING:

- **Target Audience:** Island Powerhouse Managers
- **Training location:** AA. Ukulhas
- **Objective:** to enhance leadership competencies crucial for effective oversight of entire operations. This training focuses on improving skills in strategic planning, decision-making, team management, and cultivating a culture of continuous improvement.

3. BASIC FIRE AWARENESS PROGRAM:

- **Target Audience:** Trained 442 staff from Island Powerhouses in collaboration with Sifainge Welfare Company Pvt Ltd (SIWEC).
- **Location:** All Islands consisting STELCO Island Powerhouses (30 islands)
- **Objective:** to inform individuals about fire risks, methods to prevent them, and how to react efficiently during a fire. Additionally, it aims to lower the chances of fires occurring, decrease potential harm and injuries, and establish a safer environment for everyone involved.

4. CERTIFICATE 3 IN ELECTRICIAN:

- **Target audience:** 20 staff from various Island Powerhouses. Conducted in collaboration with Maldives Polytechnic.
- **Location:** Maldives Polytechnic.
- **Objective:** To educate staff in electrical installation, maintenance, and repair by equipping them with a thorough grasp of electrical systems and hands-on experience in the field.



5. FIRE BRIGADE COURSE:

- **Target Audience:** Trained 13 staff from various departments specifically from Safety and Security unit. Conducted in collaboration with Sifainge Welfare Company Pvt Ltd (SIWEC).
- **Location:** Fire and Rescue Training School
- **Objective:** To equip staff with critical firefighting skills and procedures, ensuring they can respond effectively to fire emergencies and maintain a backup fire brigade for enhanced safety preparedness.



6. WÄRTSILÄ TRAININGS:

- **Target Audience:** 12 staff from various department such as Male` Powerhouse, Hulhumale` Powerhouse and Service Center in 3 different trainings related to operations of WÄRTSILÄ engines.
- **Location:** Finland and Indonesia
- **Objective:** To provide staff with comprehensive knowledge and practical skills related to the operation, maintenance, and troubleshooting of Wärtsilä engines, ensuring optimal performance and reliability in marine and power generation applications



7. MOU SIGNED BETWEEN STELCO AND POLYTECHNIC:

- To certify STELCO staff with above 5 years of work experience in technical fields such as Electrical, Engine operations, Water and Sewerage operations & Maintenance, Welding etc. by Trade testing.
- To certify staff by giving them opportunities to enroll in certificate level 3 tailored technical training courses of Maldives Polytechnic.
- To provide industrial training opportunities for students of Maldives Polytechnic.





Island Powerhouse Training Programs

- 1** **VAAVU ATOLL ADMINISTRATIVE PROTOCOLS AND DOCUMENTATION TRAINING TRIP**
7th January 2023 to 9th January 2023

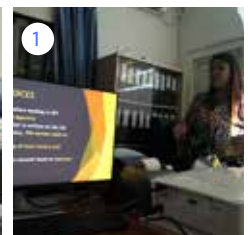
Vaavu Atoll powerhouse administrative staff and powerhouse in-charges were provided a refresher on existing administrative protocols and documentation best practices, as well as new requirements for 2023. Training was carried out by Regional Administration administrative staff.
- 2** **DEEP SEA TRAINING**
27th to 28th February 2023

Regional Administration Department electrical staff were given a briefing on newer products and systems of the Deep Sea control module product line.
- 3** **"TRAINING PROGRAM ON SERVICING CUMMINS QST30-G4 ENGINE"**
5th March 2023 to 16th March 2023

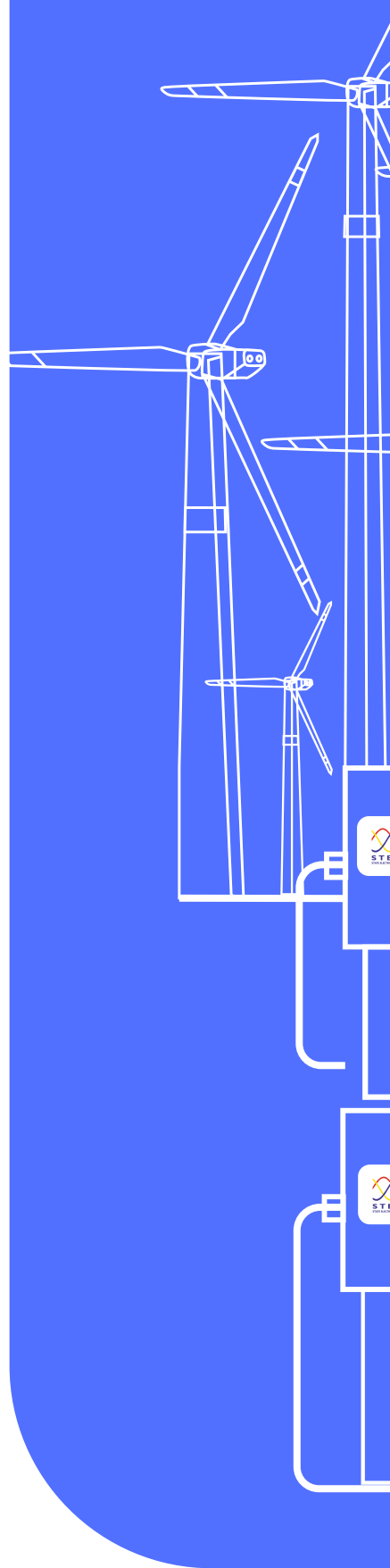
Participants from all island powerhouses were trained in Cummins Q-series engine specifics by technicians from local Cummins distributor.
- 4** **ONLINE TRAINING PROGRAMS ON ERP SYSTEMS**
8th June 2023, 21st June 2023 and 22nd June 2023

Participants from all island powerhouses were trained in Cummins Q-series engine specifics by technicians from local Cummins distributor.
- 5** **VOLVO ENGINE SERVICE TRAINING PROGRAM**
14th October 2023 – 24th October 2023

Volvo Engine Service Training Program was held with powerhouse engine operators and in-charges, to train staff in Volvo engine general repair and maintenance, as well as to practice specific maintenance procedures. Training was carried out by Regional Administration technical staff.



6.0 Major Highlights of 2023





6.1 Major Projects

6.2 CSR

6.3 Achievements & Awards

6.1 Major Projects

Completed Projects

Power Generation

I. MAJOR PROJECTS COMPLETED IN 2023

1

Peak handling 2023

relocation of standby gensets and procurement of 4 new generators sets to Hulhumale' Annex powerhouse for the peak handling of 2023

2

AA. Thoddo new powerhouse construction

Construction of new powerhouse and office building in AA. Thoddo

3

AA. Rasdhoo new powerhouse construction

Construction of new powerhouse in AA. Rasdhoo

4

ADh. Mahibadhoo new powerhouse construction

Construction of new powerhouse and office building in ADh. Mahibadhoo

5

V. Felidhoo New powerhouse construction

Construction of new powerhouse and office building in V. Felidhoo

6

ADh. Mahibadhoo Stack foundation

Construction of stack foundation in ADh. Mahibadhoo



II. COMPLETED & ONGOING OVERHAULS

1

**K. Thulusdhoo
Powerhouse
Genset #1**

Cummins KTA38-G2 (600 kW)

Scheduled top overhaul completed; all performance parts changed

2

**K. Maafushi
Powerhouse
Genset #1**

Cummins QST30-G4 (800 kW)

Scheduled major overhaul completed; all performance parts, pistons, and liners changed

3

**K. Maafushi
Powerhouse
Genset #5**

Cummins KTA50-G3 (1000 kW)

Overhaul completed, all performance parts changed

4

**Adh. Dhigurah
Powerhouse
Genset #4**

Volvo TAD 1345 GE (264 kW)

Scheduled major overhaul completed. All performance parts and pistons and liners changed

5

**Adh. Dhidhdhoo
Powerhouse
Genset #2**

Volvo TAD 731 GE (128 kW)

Scheduled major overhaul. All performance parts and pistons and liners changed

6

**Adh. Mahibadhoo
Powerhouse
Genset #2**

Cummins KTAA-19-G5

Overhaul completed, all performance parts changed

7

**V. Keyodhoo
Powerhouse
Genset #1**

Volvo TAD 731 GE (140 kW)

Scheduled major overhaul completed. All performance parts and pistons and liners changed

8

**V. Thinadhoo
Powerhouse
Genset #3**

Volvo TAD1341 GE (280 kW)

Scheduled major overhaul completed. First overhaul. All performance parts and pistons and liners changed. Engine wire harness replaced

9

**V. Rakeedhoo
Powerhouse
Genset #3**

Volvo TAD 531 GE (72.6 kW)

Scheduled major overhaul completed; all performance parts changed, liners, pistons, and injectors changed.

10

**AA. Feridhoo
Powerhouse
Genset #3**

Cummins 6CTA8.3-G2 (160 kW)

Scheduled top overhaul completed; all performance parts changed.

11

**AA. Feridhoo
Powerhouse
Genset #1**

Volvo TAD 731 GE (140 kW)

Scheduled major overhaul completed. All performance parts and pistons and liners changed

12

**AA. Maalhos
Powerhouse
Genset #3**

Volvo TAD 733 GE (176 kW)

Major overhaul completed to resolve RPM hunting. All performance parts and pistons and liners changed. Con-rod bushing replaced to resolve camshaft jamming

13

**AA. Mathiveri
Powerhouse
Genset #1**

Volvo TAD 733 GE (176 kW)

Scheduled major overhaul completed. All performance parts and pistons and liners changed

14

**V. Keyodhoo
Powerhouse
Genset #2**

Volvo TAD 732 GE (160 kW)

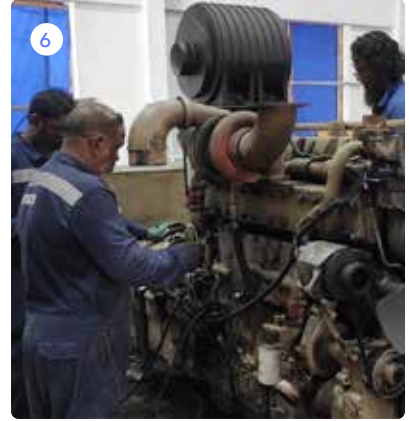
Scheduled major overhaul completed. All performance parts and pistons and liners changed

15

**V. Fulidhoo
Powerhouse
Genset #1**

Cummins 6CTA-8.3-G2 (163 kW)

Scheduled major overhaul completed. Camshaft changed. New radiator installed. All performance parts and pistons and liners changed.



Water and Sewerage

AA Thoddo

- Increasing Degasifier capacity
- Supply of Water Quality Laboratory testing equipment

AA. Ukulhas

- Fabrication of 140TPD RO plant
- Supply of Water Quality Laboratory testing equipment

AA. Rasdhoo

- Installation of sand filter for feedwater
- Construction of Additional Borehole drilling
- Flushing and rehabilitation of borewells
- Supply of Water Quality Laboratory testing equipment

K. Gulhi

- Flushing and rehabilitation of borewells
- Construction of Additional Borehole drilling and Training
- Supply of Water Quality Laboratory testing equipment

K. Thulusdhoo

- Upgrading works for the Control system of all Pumping Stations
- Design and Build of Water Supply facility at the island

K. Guraidhoo

- Construction of RO plant new building Balance works
- Supply and Installation of 100TPD RO Plant
- Supply of Water Quality Laboratory testing equipment
- Flushing and rehabilitation of borewell

K. Himmafushi

- Upgrading works for the Control system of all Pumping Stations

K. Kaashidhoo

- Upgrading works for the Control system of all Pumping Stations

ADh. Mandhoo

- Fabrication of 30TPD RO plant
- Upgrading works for the Control system of all Pumping Stations
- Supply of Product water storage Tank

ADh. Dhangethi

- Signed agreement with Ministry of Construction and Infrastructure for the rectification of water supply system

ADh. Hangnameedhoo

- Supply of Water Quality Laboratory testing equipment

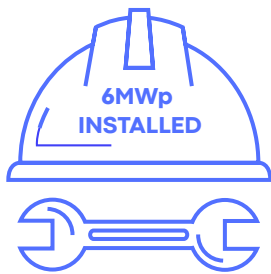
ADh. Mahibadhoo

- Supply of Water Quality Laboratory testing equipment
- Supply and Upgrade works for the Water production system

Renewable Energy

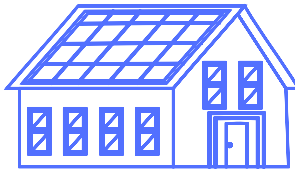
Below are key achievements of STELCO in renewable energy for 2023:

HIGHLIGHTS OF 2023



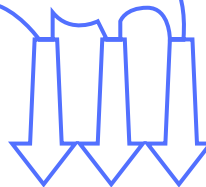
Newly installed renewable energy capacity

5,599.32 MWh
ENERGY GENERATED



Total units generated from solar

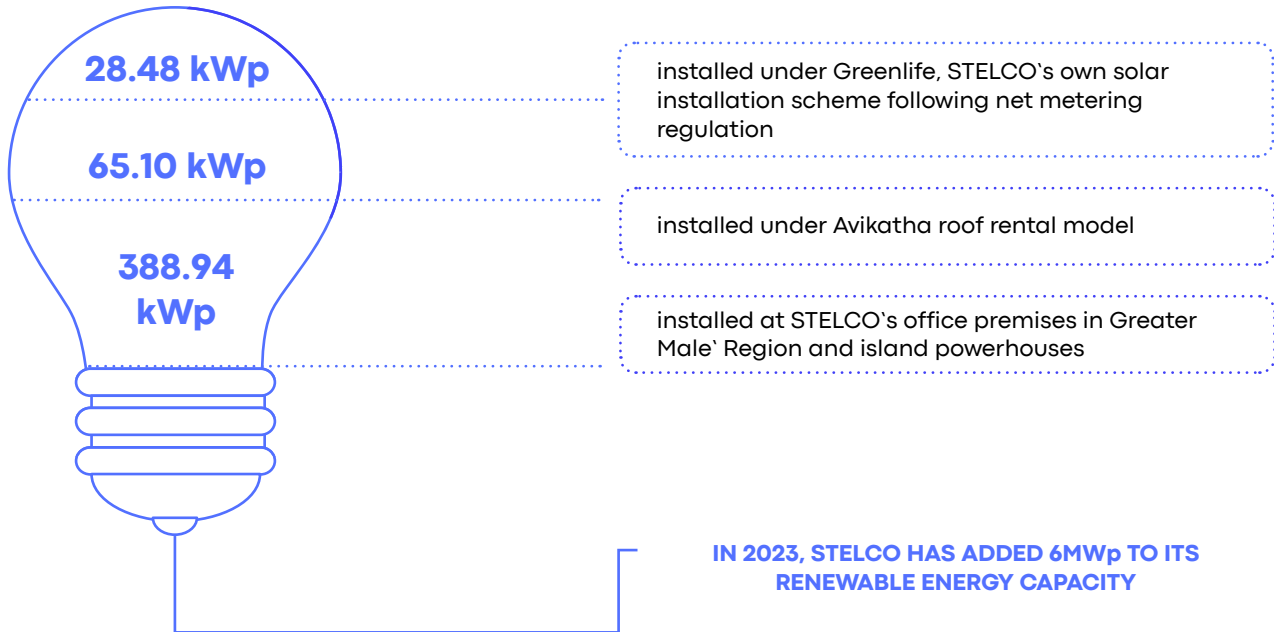
8,888
TONNES CO₂



Emission Reduction Per Year



Total Fuel Savings

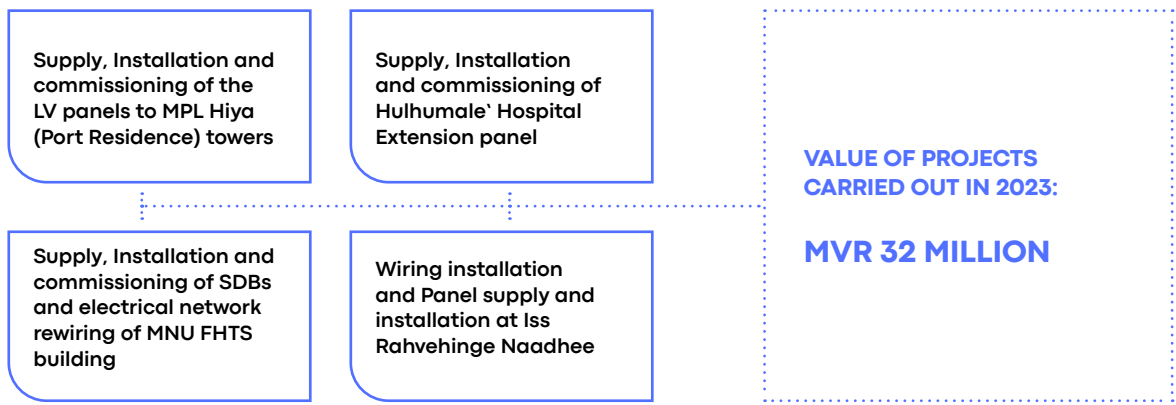


PURCHASING GREEN ENERGY

STELCO is also one of the largest purchasers of renewable energy in the country with more than 3,183,184 kWh of renewable energy bought through power purchase agreements (PPAs) in 2023. These PPAs, initiated by the government as part of its energy strategy and environmental compliance efforts, contribute significantly to the economy.

Service Center

MAJOR WORKS IN 2023



Ongoing Projects

Power Generation

- 1**

5th Power Development project - Phase 2

Construction of 50MW powerplant in Hulhumale' to cater for the increasing power demands of Greater Male' region
- 2**

Hulhumale' phase 2, 132kV/11kV consultancy service to HDC

Providing consultancy services to HDC for the development of electrical network in Hulhumale' phase 2
- 3**

AA. Himandhoo new powerhouse construction

Construction of new powerhouse and office building in AA. Himandhoo
- 4**

Seawater intake extension of Hulhumale' powerhouse

Extension of seawater intake channel 50-meter outwards into the harbor. This will protect the area around the pipes and provide a clean channel for the seawater intake pipes.
- 5**

Thilamale' bridge interconnection

Establishment of interconnection network via Thila-Male' bridge
- 6**

Peak handling 2024

procurement of new generators, transformers, cables for the peak handling of 2024
- 7**

Construction of office building in AA. Ukulhas

Construction of office building in AA. Ukulhas
- 8**

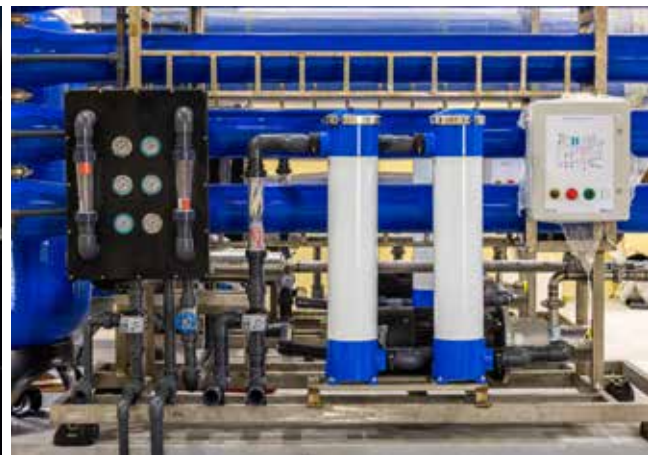
Document storage godown

Construction of document storage godown to archive company documents

Water and Sewerage

DESIGN AND BUILD OF WATER SUPPLY FACILITIES AT K. THULUSDHOO

Tank Erection and RO



RECTIFICATION OF ADH. DHANGETHI WATER SUPPLY SYSTEM

Distribution network pipe laying works



Service Center

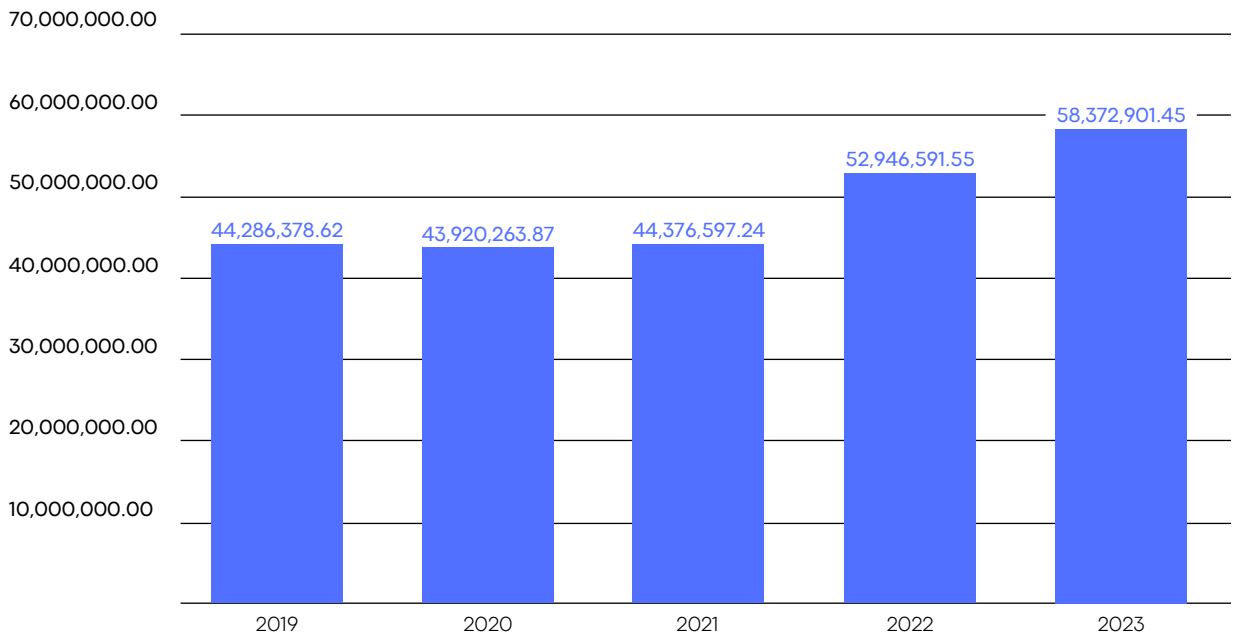
MAJOR PROJECTS TO BE CARRIED OUT IN 2024

- Supply and installation of LV distribution panel at HMH koveli building
- Extension of the Main distribution panel at HulhuMale' Hospital
- Supply and installation of MV RMU, Transformer and ATS panel for STO medical warehouse
- Supply and installation of ATS panel for HPA vaccine storage center

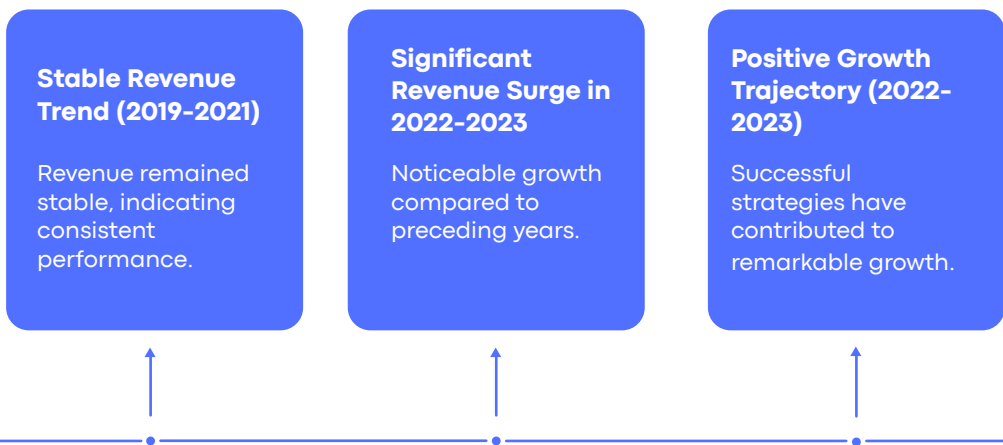
EXPECTED VALUE OF PROJECTS IN 2024
MVR 45 MILLION

Sales Center

LAST FIVE YEARS SALES CENTER REVENUE



FINANCIAL HIGHLIGHTS





6.2 CSR



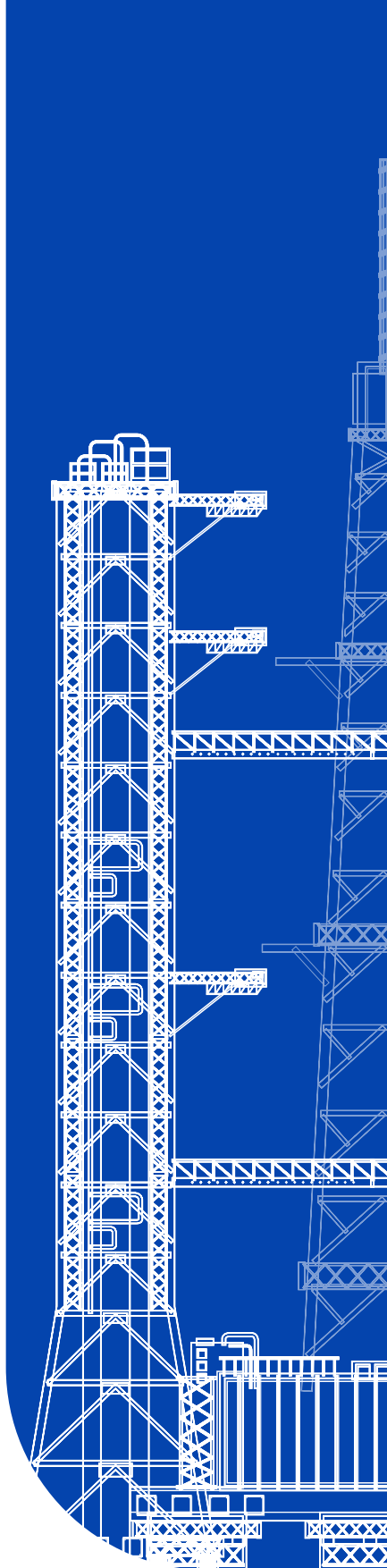


6.3 Achievements & Awards





7.0 Future Outlook





7.1 Ongoing Projects

7.1 Ongoing Projects

Power Generation and Transmission

FUTURE POWERHOUSES PROJECTS

1. Hulhumale powerhouse staff building extension
2. Construction of office building in AA. Rasdhoo new powerhouse
3. Construction of accommodation building in V. Thinadhoo
4. Construction of stack foundation in V. Felidhoo
5. Construction of stack foundation in AA. Rasdhoo
6. Construction of fuel storage tank in Hulhumale' annex powerhouse
7. Construction of powerhouse in V. Keyodhoo

Water and Sewerage

- Distribution pump system upgrade for AA. Ukulhas, AA. Thoddoo, ADh. Mahibadhoo, K. Guraidhoo
- Installation of the 500cbm RTP tank at K. Guraidhoo
- Supply and Installation of RTP Water Storage Tanks at ADh. Dhangethi
- RO storage tank (approx. 500m³) with civil works for ADh. Mahibadhoo
- Supply APP 10.2 or equivalent for K. Gulhi & Aa. Ukulhas
- New RO plant with energy recovery 160 tons for K. Guraidhoo
- Establishment of new Borehole with civil works for AA. Ukulhas and AA. Thoddoo
- Upgrading 2pump stations to 3kW is planned for AA. Ukulhas
- Relocation of outfall station at K. Guraidhoo
- Takeover of water facilities at V. Keyodhoo, V. Rakeedhoo, AA. Himandhoo, AA. Feridhoo, ADh. Kunburudhoo, K. Kaashidhoo and K. Himmafushi
- Takeover of sewer facilities at V. Keyodhoo, V. Rakeedhoo, V. Felidhoo, AA. Feridhoo and ADh. Kunburudhoo
- Sewer control panel modifications or new control panels for all pump stations in K. Thulusdhoo and K. Himmafushi





Renewable Energy

100% Renewable Energy Island Project

The government has set a target of generating 33% of energy from renewable sources by 2030. To support this target, STELCO has initiated several projects in the islands to achieve 100% power generation from renewable sources. The initial focus is on V. Rakeedhoo, V. Fulidhoo, V. Felidhoo, ADh. Dhidhdhoo, ADh. Hangnameedhoo, AA. Maalhos, and K. Guraidhoo. Under this project, STELCO plans to install solar PV systems with on-grid battery systems.

RESEARCH & DEVELOPMENT PROJECTS

The government's energy policies focus on exploring new sources of renewable energy. As such, STELCO is keen to research the potential of new sources of renewable energy such as generating electricity from wind and waves.

WIND ENERGY PILOT STUDY

Micro-wind turbines will be installed for a pilot study in one of the islands where STELCO provides electricity service. Data will be collected for one year to evaluate the feasibility and scalability of wind energy projects in the Maldives.

WAVE DATA STUDY

A wave data buoy will be deployed at K. Gulhi to collect wave data, including maximum wave height, average wave height, dominant wave direction, and other related metrics. This information will help determine the feasibility of generating power from waves.

Solar Energy Projects

AVIKATHA ROOF RENTAL FOR SOLAR INSTALLATION

Launched in 2022, Avikatha aims to enhance STELCO's renewable energy portfolio by utilizing idle rooftop spaces for solar panel installation. Applicants can rent their rooftops to STELCO, feeding generated power into the STELCO grid. In return, they can opt for a fixed monthly income or a deduction from their electricity bill. STELCO offers GreenLife Solar installations and

GREENLIFE AND NET METERING OPTIONS

Net Metering services to facilitate easy access to solar power. These initiatives emphasize STELCO's commitment to increasing renewable energy sources, reducing carbon emissions, and promoting sustainability.

Upcoming Solar PV

#	Atoll	Island	2024 KWp
1	K	Hulhumale	1409.43
2	AA	Himandhoo	29
3		Rasdhoo	72.675
4		Maalhos	42.16
5		Thoddoo	60.8
6	ADH	Mahibadhoo	155.66
2	V	Felidhoo	39.64
3		Rakeedhoo	170



Service Center

PLANNED PROJECTS FOR THE YEAR 2024

#	Client	Details	Quotation No	Project Status (2023)
1	Health Protection Agency	Vaccine Facility 250A ATS panel supply & installation	KMSQ/2023/379	Panel Ordered/ Commencing work upon arrival of panel
2	Hulhumale Hospital	Supply & Installation of 1000A New panel board	RSC-QOT/3414/2023	Panel Ordered/ Commencing work upon arrival of panel
3	Hulhumale Hospital	Main Panel upgrading project	RSC-QOT/3413/2023	Panel Ordered/ Commencing work upon arrival of panel
4	Maruhaba Maldives	Supply & Installation of 200A Panel	KMSQ/2023/467	Panel Ordered/ Commencing work upon arrival of panel
5	Ministry of National Planning, Housing & Infrastructure	Sinamale Bridge Light Troubleshooting	RSC-QOT/3528/2023	Temporary solution provided. Waiting for project commence upon Ministries decisions
6	YD Works	Supply & Installation of 125A Panel	KMSQ/2023/1263	Panel Ordered/ Commencing work upon arrival of panel

PLAN FOR THE FUTURE

Venture in to the opportunities in the resort industry, including:

Power system design and installation

STP system and water system design

Long term service agreements

Consultation

Transmission & Distribution

1

Commissioning of 132/11kV substation in Hulhumale' Phase 2

2

Implementation of Medium Voltage distribution

- i. Ad Dhigurah
- ii. K Guraidhoo
- iii. Aa Ukulhas

3

Medium Voltage distribution network upgrading in Male'

- i. Cable upgrading from 185mm² to 300mm²
- ii. Substation capacity increasing

4

Commissioning of additional distribution substations in Hulhumale' Phase 2

5

Medium Voltage distribution network extension in

- i. K Thulusdhoo
- ii. Aa Thoddoo
- iii. Hulhumale'

6

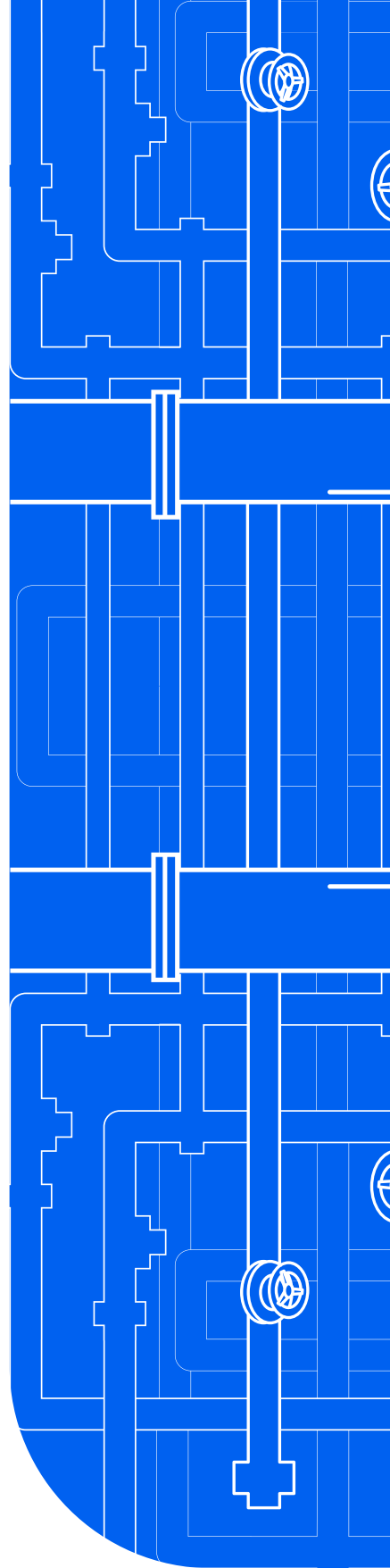
Smart metering

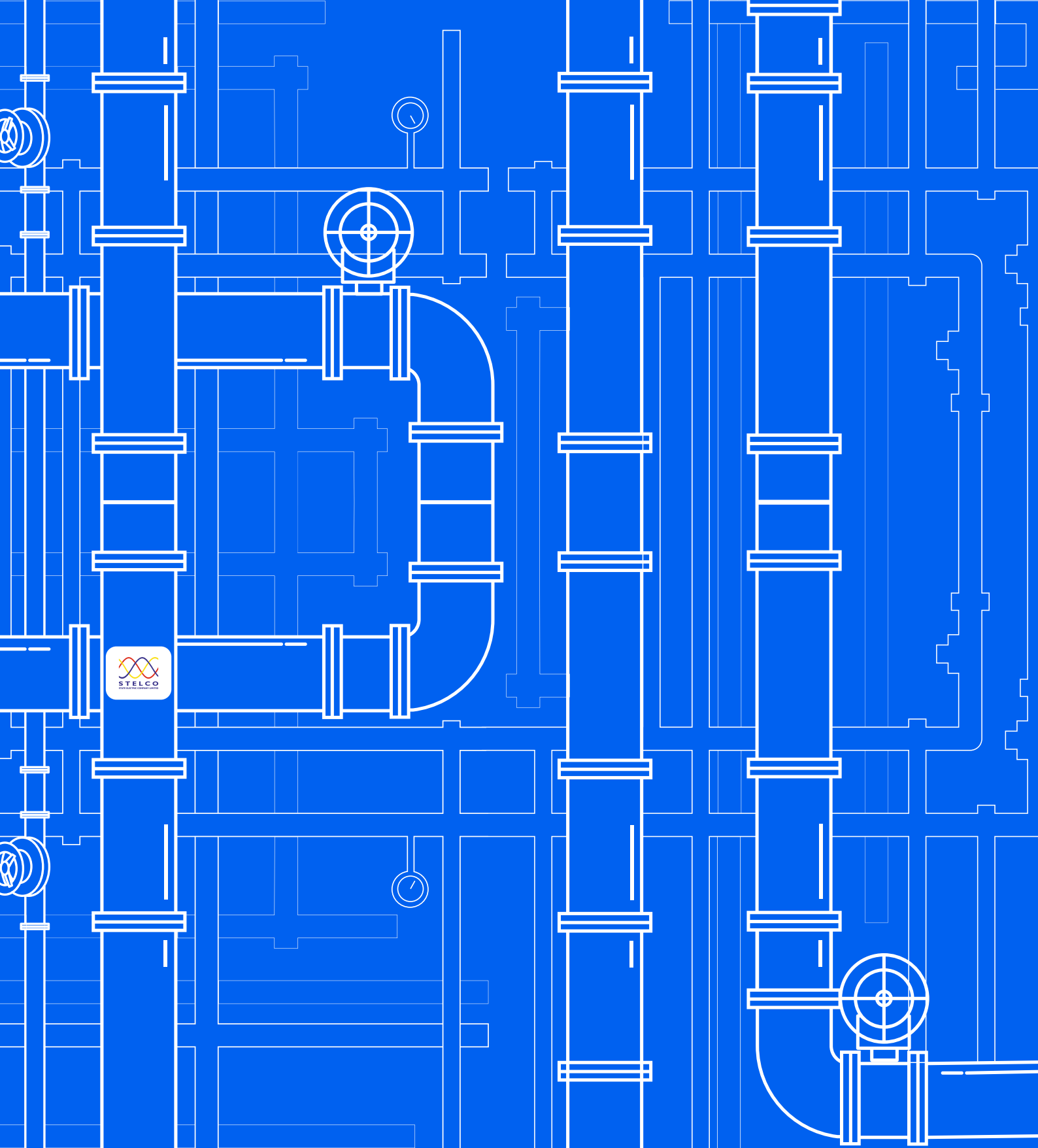
7

Integrating additional distribution substation in Male' and Hulhumale' to distribution SCADA



8.0 Corporate Governance Report





8.1 Corporate Governance

8.2 Board of Directors

8.3 Board Composition & Structure

8.1 Corporate Governance

The board of directors and the management of State Electric Company Limited (STELCO) aim to achieve and maintain a high standard of corporate governance. This includes implementing established practices that benefit shareholders and other stakeholders such as customers, suppliers, and employees. STELCO adheres to relevant laws and regulations and complies with the guidelines and standards set by regulatory bodies. Governance practices are underpinned by the principles of good corporate governance outlined in the Code of Corporate Governance for State-Owned Enterprises by the Privatization & Corporatization Board.

8.2 Board of Directors

The Board composition is governed by the Privatization and Corporatization Board (PCB). During 2023, the Board comprised of total of 5 members including the Chairman, two independent directors who were appointed by the government and two executive directors. Hence, the Board had an appropriate balance of Executive and Non-Executive directors, ensuring a diversified board with members from multiple disciplines.

STELCO being a 100% state owned company, members are appointed and removed from STELCO's Board at the discretion of the Privatization and Corporatization Board (PCB) who act on behalf of the government.

Chairman of Board of Directors



Mr. Mohamed Latheef
Chairman of Board Members

Mr. Mohamed Latheef was appointed as the Chairman of the Board of Directors at STELCO on 04th December 2023. Prior to his appointment as Chairman, Mr. Latheef has served in STELCO for 34 years until his retirement from the company in November 2023. During his tenure, Mr. Latheef has held various executive positions including the post of Deputy Managing Director, Head of Projects, Planning & Information Technology, Strategy & Development and Transport & Maintenance Department. Mr. Latheef also served as the Company Secretary of STELCO from 2001 to 2008. Mr. Latheef holds a Bachelor of Multi-disciplinary Science Degree from Curtin University of Technology, Australia.

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

Executive Directors



Mr. Hussain Fahmy
Managing Director

Hussain Fahmy joined STELCO in 1998 and was appointed as the Managing Director of STELCO on 28th November 2023. Throughout his years of employment with the company, Mr. Fahmy has held a number of executive positions, prior to being appointed as the Managing Director. These positions include Head of STELCO Fen, Customer Services & Billing Department, Procurement & Inventory Management Department, and Business Development Department. Mr. 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.



Dr. Ali Azwar
Deputy Managing Director

Dr. Ali Azwar is the Deputy Managing Director of STELCO and Director of the Board. Dr. Azwar joined STELCO in 1997 and 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 the 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, Master's Degree in Public Policy from National University of Singapore and a Bachelor's Degree in Business Studies from University of Sheffield, United Kingdom.

Non-Executive Directors

RESPONSIBILITIES OF THE DIRECTORS

The Articles of Association along with applicable laws outlines the obligations of directors. These obligations include strategic and financial oversight, risk management, corporate governance, performance evaluation, and stakeholder engagement. Ensuring that directors adhere to these guidelines promotes sustainable growth and long-term success by acting in the best interests of the company and its stakeholders.



Mr. Ahmed Hashim

Mr. Ahmed Hashim was appointed as a Board Director at STELCO in 24th December 2023. He has three years' experience in Civil Service and has held several executive roles in the private sector, including post of General Manager and Operations Manager. His academic accomplishments include Diploma in Social Media Marketing, Advanced Certificate in Islamic Studies, and Certificate 3 in Information Technology. Mr. Hashim is currently pursuing his education and developing his knowledge and skills in the field of procurement, logistics, and supply chain management.



Mr. Ahmed Aslam

Mr. Ahmed Aslam was appointed as a Board Director at STELCO on September 3, 2024. He is a Chartered Certified Accountant and a Fellow Member of ACCA with more than 18 years of experience in finance and accounting, including 9 years of experience in senior management. He also has industry experience in tourism, shipping, aviation, healthcare, and audit experience in state-owned companies and government institutions.



Mr. Mohamed Amir

Mr. Mohamed Amir was appointed as a Board Director at STELCO on 24th December 2023. Mr. Amir is an experienced professional in the field of Banking and Finance, having held a number of executive roles in the Banking and Finance sector. His significant experience includes positions such as Manager of IT & Financial Controller, Financial Consultant, and Finance Executive.



Ms. Mariyam Sajida

Ms. Mariyam Sajida was appointed as a Board Director at STELCO in 27th May 2024. Ms. Sajida holds a Masters of Business Administration in Global Business, awarded by the Coventry University and Bachelors of Arts (Hons) in Accounting, awarded by the University of Hertfordshire. Ms. Sajida has several years of expertise in the accountancy field .

Company Secretary



Uz. Ahmed Sameeh

Uz. Ahmed Sameeh joined STELCO in September 2015 and was appointed as the Company Secretary on 27th December 2023. Mr. Sameeh holds a Masters Degree in Law and Bachelors Degree in Sharia and Law. Prior to his appointment as Company Secretary, Mr. Sameeh was in-charge of leading the Investigation and Compliance Unit of Legal Department in STELCO. Prior to this, Mr. Sameeh was a key player who contributed to various departments, including Human Resources and Training, Corporate Affairs, and Business Development Department.

As Company Secretary, Mr. Sameeh was appointed by the Board and is accountable to the Board of directors on all matters relating to his duties as an officer of the Company.

RESPONSIBILITIES OF THE COMPANY SECRETARY

in relation to proper functioning of the board includes:

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

8.3 Board Composition & Structure

The Board's composition at Company State Electric Company Limited is intended to promote effective corporate governance and facilitate productive, constructive discussions that result in the most profitable decisions for the company. The Board is composed of individuals of integrity who collectively offer a diverse blend of knowledge, expertise, skills, objectivity, experience, and commitment.

Ensuring accountability and a unified approach to governance, each Board member carries equivalent legal responsibilities. The Board's ability to provide unbiased and diverse advice is contingent upon the appropriate balance of Executive and Non-Executive Directors. This equilibrium guarantees that the Board's decisions are not influenced by a single individual or a small group, thereby preventing conflicts of interest and promoting impartiality.

The Board members' various backgrounds and areas of expertise enable them to make meaningful contributions to the company's strategic direction and supervision, thereby guaranteeing that decisions are made in the best interest of the company and its stakeholders.

Composition of the Board

AS OF 31ST DECEMBER 2023



Mr. Mohamed Latheef

Chairman

Non-Executive



Mr. Hussain Fahmy

Managing Director

Executive



Dr. Ali Azwar

Executive Director / Deputy Managing Director

Executive



Mr. Mohamed Amir

Non-Executive Director

Non-Executive



Mr. Ahmed Hashim





Non-Executive Director

Non-Executive & Independent






CHANGES TO THE BOARD OF DIRECTORS DURING 2023

- Mr. Mohamed Latheef was appointed as the Chairman and Director of the Board on December 5, 2023, replacing Brigadier General (Rtd) Ibrahim Mohamed Didi.
- Mr. Hussain Fahmy replaced Mr. Ahmed Shareef as the Managing Director of State Electric Company Limited on November 28, 2023.
- On December 24, 2023, Mr. Mohamed Amir and Mr. Ahmed Hashim were appointed as members of the Board of Directors. These appointments were made subsequent to the approval of Mr. Ahmed Latheef's resignation and the removal of Major (Rtd) Tholhat Hassan.

Attendance of Directors at Board Meetings 2023

Brigadier General (Rtd) Ibrahim Mohamed Didi	Chairman		21/21
Mr. Ahmed Shareef	Managing Director		19/19
Dr. Ali Azwar	Board Director		23/23
Mr. Ahmed Latheef	Board Director		21/22
Major (Rtd) Tholhath Hassan	Board Director		22/22
Mr. Mohamed Latheef	Chairman		2/2
Mr. Hussain Fahmy	Managing Director		4/4
Mr. Mohamed Amir	Board Director		1/1
Mr. Ahmed Hashim	Board Director		1/1

Attendance of Directors at Extraordinary General Meeting 2023

Mr. Mohamed Latheef	Chairman		1/1
Mr. Hussain Fahmy	Managing Director		1/1
Dr. Ali Azwar	Board Director		1/1
Mr. Mohamed Amir	Board Director		1/1
Mr. Ahmed Hashim	Board Director		1/1

Director's Independence

In 2023 Non-executive members constitute the majority of the Board of Directors, with three of the five members functioning in a non-executive capacity. This composition has been established in accordance with the pertinent provisions of the Code of Corporate Governance for State-Owned Enterprises, which defines the criteria for directors' independence. These criteria encompass the absence of relationships or circumstances that could potentially compromise a director's independence, as well as character and judgment.

Board Diversity

The operations and the functions of its committees are enriched by the Board of Directors' diverse range of skills, knowledge, and independence. Collectively, the Board has a wealth of knowledge and experience in the areas of renewable energy, engineering, corporate strategy, private sector business, and public policy. The Board is able to effectively deliberate on significant strategic and operational issues as a result of these specific skills, expertise, and experience.

The Board

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

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

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

Meetings of the Board of Directors

The board meetings are conducted in conformance with the Code of Corporate Governance for State-Owned Enterprises and the company's Articles of Association. It is highly encouraged that directors attend board meetings in person. Nevertheless, directors may participate in online meetings if in-person attendance is not possible. A virtual meeting is arranged or board documents are circulated among members for approval in cases where physical board meetings are not practicable.

Board's Evaluation

The Directors Evaluation was conducted in accordance with the Board Evaluation Policy. This approach is essential for evaluating the work of individual directors and guaranteeing ongoing improvement in their contributions to the overall effectiveness of the board.

Induction & Training of Board Directors

INDUCTION

An induction program is implemented to familiarize new Board members with the company's operations, the Board's duties and responsibilities, and their responsibilities as directors. The company's Memorandum and Articles of Association, the Code of Corporate Governance for State-Owned Enterprises, the most recent published Annual Report, and documents containing key information regarding the company's strategic and operational functions are included in a 'induction pack' that is provided to new Board members.

TRAININGS

Board members are obligated to complete the Directors Training, which is administered by the Capital Market Development Authority, within six months of their appointment to the Board. Consequently, the majority of STELCO's Board of Directors have successfully completed this training within the designated timeframe. In addition to 'Director's Training Program', board members are given the opportunity to engage in training sessions that pertains to finance, risk management, business relations and other important sectors.

Director's Code of Ethics and Conflict of Interest

STELCO has established a Directors Code of Ethics policy, which serves as a fundamental guideline to ensure that board members adhere to the highest standards of ethical conduct and integrity. This policy outlines the expectations and principles for directors, ensuring that their actions and decisions consistently align with the organization's values, promoting transparency and trust.

In 2023, STELCO had no cases of conflict of interest. If such a case were to arise, then the Board director would refrain from participating in the discussion and voting of the relevant matter. This applies to both definitive and potential conflict of interest.

The company secretary maintains a Register of Interests that contain details of shareholding in other businesses by directors and their immediate family, details of director's major assets and current and past employment of directors and their immediate family members.

Remuneration of Board Members and Senior Management

The Board members' remuneration is determined by the Privatization and Corporatization Board's Policy on "Categorization of State-Owned Enterprises and Remuneration of Board Members" which defines the basic salary and allowances to be provided to the Chairman, Executive and Non-Executive Directors. STELCO does not provide Board Members any additional allowances outside of this policy. In addition to this, the remuneration for senior management employees are determined in accordance with the salary structure approved by the Board.

Internal controls

The Board is in charge of overseeing the company's internal control system determining 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 approval of the Board.
- A comprehensive system of financial reporting is established.
- Large capital expenditure requires approval of the Board and are closely monitored on an ongoing basis.
- All procurement activities require a 3 step approval process. Furthermore, Board approval is required for all procurement activities that are above MVR. 3,000,000 (Three Million) including foreign procurement.
- Whistleblowing mechanism is in place to report fraud or ethical concerns confidentially and anonymously.

Good Governance Policies, Procedures and Guidelines

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

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

MANAGEMENT REVIEW AND RESPONSIBILITY

The Board has delegated the leadership and control of the company's daily operations to the Managing Director and his Senior Management team consisting of XX executives in order to ensure normal course of business operations and allowed for decision-making 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.

Remuneration Committee

FUNCTION

The main functions of the Remuneration Committee are:

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

ROLES 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.
- Identify and submit to the Board for the approval, candidates to fill Board vacancies as and when they arise.
- Develop and implement a conflict of interest policy applicable to Directors, executives and employees of the company.
- Ensure that Directors disclose personal business interests that may give rise to conflict of interests with the company.

MEMBERS OF THE COMMITTEE AS OF 31ST DECEMBER 2023

Ahmed Hashim
Chairperson

Appointed on
27-12-2023

Mohamed Amir
Committee Member

Appointed on
27-12-2023

On behalf of the Remuneration Committee:



Mr. Ahmed Hashim
Chairman (as at 31st December 2023),
Remuneration Committee

Audit Committee

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

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

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

MAJOR ACTIVITIES OF AUDIT COMMITTEE

- Approval of Annual Audit Plan 2023
- Endorsement of STELCO Audit Universe
- Establishing new risk based internal Audit report format
- Appointment of External Auditors

On behalf of the Audit Committee:



Mr. Mohamed Amir
Chairman (as at 31st December 2023), Audit Committee

Mohamed Amir Chairperson	Appointed on 27-12-2023
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Ahmed Hashim Committee Member	Appointed on 27-12-2023
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Throughout the year, a total of seven Audit Committee meetings were conducted, with full attendance by all committee members at each meeting. STELCO ensured that at least one meeting was held each quarter, maintaining regular oversight and effectively fulfilling governance responsibilities.

ROLES AND RESPONSIBILITIES:

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

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

9.0

Audited Financial Statements





9.1 Independent Auditors Report

9.1

Independent Auditors Report

STATE ELECTRIC COMPANY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023



Ernst & Young
Chartered Accountants
Ma. Saettazzege
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Sverdalen Plaza
Malé, Republic of Maldives

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ey.com
Reg. No. P-0192/1995

DN/NJ/VS

Independent auditor's report to the shareholders of State Electric Company Limited

Report on the audit of the financial statements

Qualified Opinion

We have audited the financial statements of State Electric Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for qualified opinion

- Due to our appointment as auditors subsequent to the 31 December 2023, we were unable to observe the counting of physical inventories at the end of the year. Also, due to limitations in the inventory system, we were unable to satisfy ourselves by alternative means concerning the inventory quantities and valuation which are stated in the statement of financial position related to Male' sales center at MVR 70,946,581 as at 31 December 2023. As a result, we are unable to determine whether any adjustments are required to these inventories as of the reporting date and any consequential adjustment to the cost of sales for the year then ended.
- As disclosed in Note 16 to the financial statements, the Company has recorded Loans and Borrowings amounting to MVR 1,287,824,888/-, representing the principal amount received together with the interest accrued up to 31 December 2022, related to a loan obtained on 15 January 2009 from the Ministry of Finance for the 4th powerhouse project. In the absence of a duly signed loan agreement or balance confirmation from the Ministry of Finance, we were unable to verify the completeness and measurement/valuation of the outstanding balance as of the reporting date. Further, from 1st January 2023, the Ministry of Finance suspended charging interest on several loans amounting to MVR 768,392,378/- granted in previous years. No amounts are recorded in the current year financial statements to reflect shareholder contribution in the equity, and the related finance cost associated with such interest free loans.

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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified

Partners: D.K. Manojkumar FCA FCGI (LL.LL.B.CC) & P. S. Govindarajulu FCA FCGI B.Com. A.C.M. FCA (M) C.O. Membership FCA

Chartered Accountants, 17 Maldives FCA FCGI B.Com. B.LL.B.CC & P. S. Govindarajulu FCA FCGI B.Com. A.C.M. FCA (M) C.O. Membership FCA

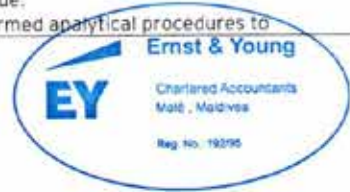
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Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Property plant and Equipment</p> <p>Property, Plant and Equipment include Generators and Distribution Equipment, Building, and Oil Storage carried at fair value. The fair value of Generators and Distribution Equipment, Building and Oil Storage were determined by external valuers engaged by the Company.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> • The materiality of the reported fair value of land and buildings which amounted to MVR. 3,859M representing 61% of the Company's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of Generators and Distribution Equipment, Building and Oil Storage using the depreciated replacement cost approach. <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of Generators and Distribution Equipment, Building, and Oil Storage, as disclosed in Notes 2.4.2, 4.6.2 and 6 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:</p> <ul style="list-style-type: none"> • Estimate of the per square foot value of the buildings. • Market rate of replacement cost of equipment. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> • Assessed the competence, capability and objectivity of the external valuers engaged by the Company. • Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each type of asset. • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per square foot value, Market rate of replacement cost of equipment and valuation techniques as relevant in assessing the fair value of each asset. We also assessed the adequacy of the disclosures made in Notes 2.4.2, 4.6.2 and 6 to the financial statements

Key audit matter	How our audit addressed the key audit matter
<p>Revenue</p> <p>As disclosed in Note 23 to the financial statements, revenue from the sale of electricity during the year amounts to MVR.2,577,169,049 and accounts for 95% of the Company's total revenue.</p> <p>Revenue was a key audit matter due to:</p> <ul style="list-style-type: none"> • Materiality of the amount reported for the year 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process related to the sale of electricity. Our procedures included evaluating the appropriateness of the amount and timing of revenue recognised, in accordance with its accounting policy. • Tested the relevant key controls related to revenue. • Performed analytical procedures to



<ul style="list-style-type: none"> Complexity due to the frequency of meter readings and high volume of transactions arising from the supply of electricity to consumers in multiple locations across the Male' region and majority islands. 	<p>understand and assess the reasonableness of reported revenue from electricity sales</p> <ul style="list-style-type: none"> Tested revenue transactions by reviewing sales invoices and supporting documents such as electricity meter readings. Our procedures included testing revenue cut-off at the period-end to determine whether transactions are recorded in the proper period and to the proper accounts Assessing the adequacy of the disclosures made in Notes 4.2 and 23 to the financial statements.
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Key audit matter	How our audit addressed the key audit matter
<p>Employee benefit expense and financial asset related to the Hiya Project</p> <p>As disclosed in Note 08, the Company granted its employees a housing scheme at concessionary terms during the year through the "Hiya project". The Company recognized an employee benefit expense amounting to MVR 178M during the year and a financial asset amounting to MVR 334M as at the reporting date, in accordance with its accounting policies disclosed in Note 08 to the financial statements.</p> <p>We considered the employee benefit expense, and financial asset related to the Hiya Project as key audit matter due to:</p> <ol style="list-style-type: none"> Materiality of the amounts reported The degree of management assumptions, judgements and estimation uncertainties associated with the measurement of the employment benefit expense and the financial asset <p>Key areas of significant assumptions and judgements used in the measurement of the employment benefit expense and financial asset included the following:</p> <ul style="list-style-type: none"> Judgements associated with the evaluation of the key terms of the relevant housing contracts and Assumptions such as the discount rate used for measurement of the employment benefit expense and financial asset as disclosed in Note 2.4.2 and 08 to the financial statements. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> Obtained and inspected the relevant housing contracts. We evaluated whether management has appropriately accounted for the effects of the relevant terms and conditions attached to those contracts in accordance with its accounting policies Checked the calculation of the employment benefit expense and related asset based on the underlying contractual terms. Assessed the reasonableness of the significant judgements associated with the evaluation of the key terms of the relevant housing contracts and significant assumptions such as the discount rate used for measurement of the employee benefit expense and financial asset <p>We also assessed the adequacy of the disclosures made in the note 2.4.2 and 08.</p>



Other matter

The financial statements of the Company for the year ended 31 December 2022, were audited by another auditor who expressed a modified opinion on those statements on 23 August 2023.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditor's 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 auditor's 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 with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



For and on behalf of Ernst & Young
Partner: Dhunya Nizar
Licensed Auditor: ICAM-IL-Z73

19 January 2025
Male'



STATE ELECTRIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
as of 31st December 2023
All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	31-Dec-22 MVR Restated
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	4,440,885,236	3,709,094,178
Right of use assets	7	125,848,570	130,873,932
Financial asset	8	334,785,236	-
		4,901,519,042	3,839,968,110
Current Assets			
Inventories	9	362,948,572	179,792,979
Construction of Hiya Project	10	-	634,854,717
Trade and other receivables	11	406,862,608	361,803,577
Due from related parties	11.2	483,173,423	413,962,859
Current tax asset	29	-	7,907,995
Cash and cash equivalents	12	126,524,993	301,886,388
		1,379,509,596	1,900,208,514
TOTAL ASSETS		6,281,028,638	5,740,176,624
EQUITY AND LIABILITIES			
Equity and Reserves			
Share capital	13	150,000,000	150,000,000
Revaluation reserve	14	742,878,751	158,558,074
Capital contribution	15	905,473,042	851,473,042
Retained earnings		490,640,556	637,755,931
		2,288,992,349	1,827,787,047
Non-Current Liabilities			
Borrowings	16	2,607,940,003	2,902,791,537
Lease liability	17	137,591,719	140,538,841
Deferred Income	18	30,461,187	31,701,575
Defined benefit obligation	19	33,490,495	-
Contractor payable	20	245,715,874	219,262,544
Deferred tax liability	31	261,877,098	132,536,425
		3,317,076,364	3,426,830,922
Current Liabilities			
Borrowings	16	309,929,402	110,202,786
Lease liability	17	1,801,402	1,713,403
Contractor payable	20	82,206,646	73,153,541
Trade and other payables	21	138,609,947	206,159,415
Due to related parties	22	138,726,211	92,289,510
Current tax liability	29	3,686,317	-
		674,959,925	485,558,655
TOTAL EQUITY AND LIABILITIES		6,281,028,638	5,740,176,624

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by:

Name of the Director

Mr. Mohamed Latheef (Chairman)

Mr. Hussain Fahmy (Managing Director)

Ms. Fathimath Leena (Chief Financial Officer)

Signature

The accounting policies and notes on pages form an integral part of the financial statements.

19 January 2025
Malé

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STATE ELECTRIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31st December 2023
All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	31-Dec-22 MVR
Revenue	23	2,703,900,598	2,283,178,653
Cost of revenue	25	(2,121,734,323)	(1,772,963,177)
Gross profit		582,166,275	510,215,476
Other income	24	40,476,097	35,670,995
Administrative expenses	26	(417,827,309)	(289,654,520)
Impairment (loss) /reversal on trade receivables and amounts due from related parties	11.1 & 11.3	(29,738,048)	4,602,091
Impairment of property, plant & equipment	6.1	(61,894,921)	-
Impairment loss on investment in Hiyaa project		-	(915,388)
Employee benefit arising on Hiya project	8.3	(177,748,774)	-
Operating (loss) / profit		(64,566,680)	260,118,653
Finance income		31,397,249	3,349,938
Finance cost	27	(100,941,995)	(159,278,109)
Net finance costs		(69,544,746)	(155,928,171)
(Loss) / profit before tax		(134,111,426)	104,190,482
Income tax expense	28	(37,819,559)	(29,060,770)
Net (Loss) / profit for the year		(171,930,985)	75,129,712
Other comprehensive income <i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Gain on revaluation of property, plant & equipment	6.4	704,251,700	-
Deferred tax on revaluation	30	(105,637,755)	-
Total other comprehensive income, net of tax		598,613,945	-
(Loss) / profit and other comprehensive income for the year		426,682,960	75,129,712
Basic/diluted (loss)/earning per share	32	(1,146,207)	500,865

The accounting policies and notes form an integral part of the financial statements.

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STATE ELECTRIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31st December 2023
All amounts are stated in Maldivian Rufiyaa

As at 1st January 2022

Total Comprehensive Income for the Year Profit for the Year
Restated Profit for the year
Other Comprehensive Income, net of tax
Restated Total Comprehensive Income for the Year

Items Directly recognised in Equity

Revaluation Reserve Transferred to Retained Earnings (Note 13)
Deferred Tax Impact on Revaluation Reserve Transferred to Retained Earnings (Note 30)
Total Items Directly Recognized in Equity

Transaction with Owners of the Company

Dividend Declared (Note 21.1)
Contribution Received during the Year (Note 15)
Total Transaction with Owners of the Company

Restated balance as at 31st December 2022

Restated balance as at 1st January 2023

Total Comprehensive Income for the Year Profit for the Year
Profit for the year
Other comprehensive Income
Total Comprehensive Income for the Year

Items Directly recognized in Equity

Revaluation Reserve Transferred to Retained Earnings (Note 14)
Deferred Tax Impact on Revaluation Reserve Transferred to Retained Earnings (Note 31)
Total Items Directly Recognized in Equity

Transaction with Owners of the Company

Dividend Declared (Note 21.1)
Contribution Received during the Year (Note 15)
Total Transaction with Owners of the Company

Balance as at 31st December 2023

The accounting policies and notes on pages form an integral part of the financial statements

Share Capital MVR	Revaluation Reserve MVR	Capital Contribution MVR	Retained Earnings MVR	Total Equity MVR
150,000,000	172,851,343	741,345,767	597,810,609	1,662,007,719
-	-	-	75,129,712	75,129,712
-	-	-	75,129,712	75,129,712
-	(16,815,610)	-	16,815,610	-
-	2,522,341	-	-	2,522,341
-	(14,293,269)	-	16,815,610	2,522,341
-	-	-	(22,000,000)	(22,000,000)
-	-	110,127,275	-	110,127,275
-	-	110,127,275	(22,000,000)	88,127,275
150,000,000	158,558,074	851,473,042	667,755,931	1,827,787,047
150,000,000	158,558,074	851,473,042	667,755,931	1,827,787,047
-	-	-	(171,930,985)	(171,930,985)
-	598,613,945	-	-	598,613,945
-	598,613,945	-	(171,930,985)	426,682,960
-	(16,815,610)	-	16,815,610	-
-	2,522,342	-	-	2,522,342
-	(14,293,269)	-	16,815,610	2,522,342
-	-	-	(22,000,000)	(22,000,000)
-	-	54,000,000	-	54,000,000
-	-	54,000,000	(22,000,000)	32,000,000
150,000,000	742,878,751	905,473,042	490,640,556	2,288,992,349



STATE ELECTRIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31st December 2023
All amounts are stated in Maldivian Rufiyaa

	Note	31-Dec-23 MVR	31-Dec-22 MVR
Operating profit before working capital changes	33	475,461,272	Restated 446,320,621
Inventories		(197,532,808)	5,536,893
Trade and other receivables		(70,745,470)	4,409,105
Due from related parties		(73,262,174)	(78,469,251)
Trade and other payables		(91,589,467)	(12,125,642)
Due to related parties		46,436,701	34,882,216
Cash generated from operating activities		88,768,055	400,553,942
Tax paid		-	(4,103,710)
Interest received		831,037	3,349,938
Interest paid		(65,808,297)	(33,703,208)
Payment of retirement benefit obligation		(1,458,954)	-
Net cash generated from operating activities		22,331,841	366,096,962
Cash flows from investing activities			
Acquisition and construction of property, plant and equipment		(202,020,896)	(101,719,387)
Construction of Hiyaa Project		-	(71,119,797)
Changes in work in progress		-	(98,795,701)
Proceeds from Disposal of PPE		107,440	251,000
Acquisition of Deferred Employee Benefit		-	-
Repayments by tenants in the year		152,886,918	-
Net cash used in investing activities		(49,026,537)	(271,383,885)
Cash flows from financing activities			
Loans obtained		8,242,973	3,694,899
Repayments of loans		(110,202,787)	(103,542,826)
Repayments of contractor payable		(85,756,437)	(89,306,229)
Capital Contribution received from Ministry of Finance		54,000,000	110,127,275
Payment of lease liabilities		(14,950,449)	(14,891,253)
Net cash flows used in financing activities		(148,666,700)	(93,918,134)
Net (decrease) / increase in cash and cash equivalents		(175,361,395)	794,943
Cash and cash equivalents at the beginning of the year		301,886,388	301,091,445
Cash and cash equivalents at the end of the year		126,524,993	301,886,388

The accounting policies and notes on pages form an integral part of the financial statements.

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State Electric Company Limited
Accounting Policies
For the Year Ended 31 December 2023

1. CORPORATE INFORMATION

1.1 General

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 decree no 1997/83 of June 19, 1997.

The Government of Maldives (GoM) wholly owns the shares of the Company.

1.2 Principal activities and nature of the operations

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, water and sewerage services to various islands in the Republic of Maldives. The registered office is situated at Ameenee Magu, Male', 20349, Republic of Maldives.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS). They were authorised for issue by the Company's Board of Directors on 05th January 2025.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for Property, Plant and Equipment.

2.3 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, except for otherwise indicated.

2.4 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.

2.4.1 Judgements

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

* establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL on related parties and trade receivables.



State Electric Company Limited
Accounting Policies
For the Year Ended 31 December 2023
2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

2.4.1 Judgements (Continued)

* classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

2.4.2 Assumption and estimation of uncertainties

Information about assumptions and estimation uncertainties as at December 31, 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes.

- * Fair Valuation of Property, plant and equipment: The Company assesses the fair value of its property, plant and equipment based on valuations determined by independent qualified valuers' best estimate based on the market conditions that prevailed, which in the valuers' considered opinion, meets the requirements in IFRS-13 Fair Value Measurement. (Note 06)
- * impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information. (Note 37)
- * measurement of the fair value of financial instruments with significant unobservable inputs. (Note 38)
- * recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- * incremental Borrowing rates for Leases (Note 07)
- * employee retirement benefit scheme- Salary Escalation rate, Discount rate, staff turnover rate and Mortality rate, Market interest rate, determination of amortization of benefit (Note 19)
- * employment benefit from Hiya project- estimation of staff benefit, market interest rate, amortization of staff benefit (Note 08)

2.4.3 Going Concern

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

2.4.4 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.



2. BASIS OF PREPARATION (CONTINUED)

2.4.4 Measurement of fair values (continued)

* 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

Except for describe below, the accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the period ended December 31, 2022.

The following amendments to IFRS have been applied by the Company in preparation of these financial statements. The below were effective from January 1, 2023:

1. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
2. Definition of Accounting Estimates - Amendments to IAS 8
3. International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, by the Company.

4.1 Foreign Currency Transactions

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

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

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. Electricity revenue and water sewerage is recognised over time as the customer simultaneously receives and consumes electricity service as the Company provides the service.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.3 Finance income and Finance Costs

Finance cost comprises interest expenses on borrowings and foreign exchange loss. Borrowing 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.

4.4.1 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.

4.4.2 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.

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.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Income Tax (Continued)

4.4.2 Deferred Tax (Continued)

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

4.6.1 Recognition and Measurement

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

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

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

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

4.6.2 Subsequent Measurement

Cost model

The Company applies the cost model to property, plant and equipment except for Generators and Distribution Equipment and Building and Oil Storage and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.6 Property, Plant and Equipment (Continued)

4.6.2 Subsequent Measurement (Continued)

Revaluation model

The Company applies the revaluation model to the entire class of Generators and Distribution Equipment and Building and Oil Storage. Such properties are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. These assets of the Company are revalued with a sufficient frequency to ensure that the carrying amounts do not differ materially from the fair values at the reporting date. On revaluation of an asset, any increase in the carrying amount is recognized in 'other comprehensive income' and accumulated equity under, revaluation reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the statement of comprehensive income. In this circumstance, the increase is recognized as income to the extent of the previous write-down. Any decrease in the carrying amount is recognized as an expense in the statement of comprehensive income or debited in the other comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

4.6.3 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.

4.6.4 Depreciation

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

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

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

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



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.6 Property, Plant and Equipment (Continued)

4.6.4 Depreciation (Continued)

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.

4.6.5 Capital work-in-progress

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

4.7 Financial Instruments

4.7.1 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) or financial liability is initially measured at fair value plus, for an item not at FVTPL (fair value through profit or loss), 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.

4.7.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI (fair value through other comprehensive income) - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the 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.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Financial Instruments (Continued)

4.7.2 Classification and subsequent measurement (Continued)

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 Cash Flows are Solely Payments 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.

4.7.3 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.

4.7.4 Financial liabilities - Classification, subsequent measurement gains and losses

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

Interest Rate Benchmark Reform

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



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Financial Instruments (Continued)

4.7.4 Financial liabilities - Classification, subsequent measurement gains and losses (Continued)

* the change is necessary as a direct consequence of the reform; and

* the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

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

After that, the Company applied the policies on accounting for modifications to the additional changes.

4.7.5 Derecognition

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.

4.7.6 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Impairment

4.8.1 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.

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.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Impairment (Continued)

4.8.2 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 Cash Generating Units (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 CGI-J.

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.

4.10 Employee Benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses is recognized immediately in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. During the year 2021, the Board of the Directors of the Company has decided to discontinue the Defined Benefit Obligation scheme with effective from June 1, 2021 and a new policy has been approved by the Board of Directors effective from September 1, 2023.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.9 Share Capital (Continued)

(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

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

As a lessee

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.12 Leases (Continued)

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

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

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

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

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

Short-term Leases and Leases of Low-value Assets

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

4.13 Events Occurring After the Reporting Date

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

4.14 Fair Value Measurement

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

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



4.MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.14 Fair Value Measurement (Continued)

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.

4.15 Defined Contribution Plan

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

4.16 Other Liabilities and Provision

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

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

Provisions are recognized when the Company has a present obligation (legal or Constructive) as a result

of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive income of any reimbursement.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.17 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded fair value of the asset and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset.

5. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards are effective for annual periods beginning after January 1, 2024, and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The Company is currently assessing the impact of the following amendments. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

5.1 IFRS 18 Presentation and Disclosure in Financial Statement

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The amendments are not expected to have a material impact on the Company's financial statements.



5. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (Continued)

5.3 Lack of exchangeability - Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.



STATE ELECTRIC COMPANY LIMITED
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6 Property, Plant and Equipment

5.1 Cost/valuation	Balance As at 1-Jan-23	Additions	Revaluation Surplus	Transfers on revaluation	Transfers	Balance As at 31-Dec-23
	Restated					
Generators and Distribution Equipment	3,332,941,321	97,259,577	598,998,143	(1,168,594,436)	(21,539,815)	2,839,064,788
Buildings and Oil Storage	1,161,892,952	37,954,309	105,253,558	(284,737,304)	-	1,020,363,513
Water Botting Plant	155,089,726	4,670,883	-	-	-	159,760,609
Vehicle and launches	40,808,814	11,954,382	-	-	-	52,763,196
Machinery and Equipment	166,975,717	40,598,380	-	-	(224,398)	209,349,699
Furniture and Fittings	10,947,823	2,018,293	-	-	(106,745)	12,859,371
Computer Systems	30,241,175	12,546,643	-	-	-	42,787,818
Capital Work in Progress (Note 6.2)	251,244,883	280,441,440	-	-	(194,143,962)	337,542,361
	5,162,122,211	487,443,913	704,261,700	(1,483,331,743)	(216,814,915)	4,674,471,181
	Depreciation					
	Restated Balance As at 1-Jan-23	Charge for the year/ Impairment	Transfer on Revaluation	Disposals	Balance As at 31-Dec-23	
Generators and Distribution Equipment	1,001,284,265	175,840,311	(1,168,594,436)	(8,530,137)	-	
Buildings and Oil Storage	239,315,645	45,421,659	(284,737,304)	-	-	
Water Botting Plant	30,753,589	9,483,499	-	-	40,237,088	
Vehicle and launches	25,763,178	3,128,034	-	-	28,891,212	
Machinery and Equipment	113,930,516	14,121,333	-	(224,398)	127,827,451	
Furniture and Fittings	7,178,669	947,332	-	(105,305)	8,020,696	
Computer Systems	24,782,171	3,829,307	-	-	28,611,478	
	1,443,028,033	252,749,475		(8,858,840)	233,585,925	
Net Book Value	3,708,094,178					4,440,885,236

6.2 Work in Progress	Balance As at 1-Jan-23	Additions	Disposals / Transfers	Balance As at 31-Dec-23
Transmission & distribution	97,680,526	135,786,019	(74,368,352)	159,098,193
Combustion power plant	28,907,462	21,900,225	(24,609,247)	26,198,440
POISED project	24,521,552	1,685,617	(4,369)	26,202,800
SCADA project	4,244,294	25,032,669	(26,218,731)	1,058,232
Other projects	95,891,049	99,314,424	(65,943,233)	129,262,240
	251,244,883	280,718,954	(194,143,962)	337,819,875
	251,244,883			337,819,875

6.3 The value of fully depreciated property, plant and equipment as at December 31, 2023 amounted to MVR 181,842,605

6.4 Generators and Distribution Equipment, Building and Oil Storage of the Company were revalued on 31 December 2023 by WikiFrank Chartered Valuers, an independent valuer with recognised and relevant qualifications, in reference to depreciated replacement cost method by analyzing information provided by the client. The results of such revaluation were incorporated in these financial statements; company recognized revaluation gain amounting MVR 725,586,588/- as at 31 December 2023.

6.5 Fairvalue technique, inputs and relationship with fair value

Property	Fair Value measurement using Significant unobservable inputs (Level 3)	Sensitivity	Fair value technique
Generators and Distribution Equipment	Replacement cost	Estimated fair value would increase/decrease if a unit price increase/decrease	Depreciated replacement method
Buildings and Oil Storage	Rate per square metre of Building MVR 1,380 - MVR 6700	Estimated fair value would increase/decrease if rate per sq feet increase/decrease	



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6 Property, Plant and Equipment
6.6 Cost

	Balance As at 1-Jan-22	Additions	Disposals / Transfers	Balance As at 31-Dec-22
			Restated	Restated
Generators and Distribution Equipment	3,269,058,529	105,983,410	(42,110,618)	3,332,941,321
Buildings and Oil Storage	1,155,359,168	6,533,786	-	1,161,892,952
Water Bottling Plant	151,803,393	3,566,333	-	155,369,726
Vehicle and launches	38,432,961	2,375,853	-	40,808,814
Machinery and Equipment	159,071,239	9,304,478	-	168,375,717
Furniture and Fixings	9,306,696	1,840,927	-	10,947,623
Computer Systems	24,937,664	5,303,511	-	30,241,175
Capital Work in Progress	185,438,093	38,795,701	(32,988,911)	251,244,883
	4,993,717,741	233,603,999	(75,099,529)	5,152,122,211

6.7 Depreciation

	Balance As at 1-Jan-22	Charge for the year	Disposals	Balance As at 31-Dec-22
			Restated	Restated
Generators and Distribution Equipment	887,792,256	123,850,969	(10,358,960)	1,001,284,265
Buildings and Oil Storage	205,799,920	33,515,725	-	239,315,645
Water Bottling Plant	19,319,336	11,435,253	-	30,754,589
Vehicle and launches	22,554,579	2,628,599	-	25,183,178
Machinery and Equipment	101,277,828	12,652,688	-	113,930,516
Furniture and Fixings	6,285,785	892,884	-	7,178,669
Computer Systems	22,786,067	2,016,104	-	24,782,171
	1,266,194,771	187,192,222	(10,368,960)	1,443,028,033
Net Book Value	3,727,522,970			3,709,094,178

The value of fully depreciated property, plant and equipment as at December 31, 2022 amounted to MYR 187,192,222

7 Right of Use Assets

7.1 Cost

	Balance As at 1-Jan-23	Additions / Re- assessment	Disposals	Balance As at 31-Dec-23
Right of Use Assets	147,667,511	(69,919)	(1,228,989)	146,368,603
	147,667,511	(69,919)	(1,228,989)	146,368,603

7.2 Amortisation

	Balance As at 1-Jan-23	Charge for the year	Disposals / Adjustments	Balance As at 31-Dec-23
Right of Use Asset	16,793,579	4,204,207	(477,753)	20,520,033
	16,793,579	4,204,207	(477,753)	20,520,033
Net Book Value	130,873,932			125,848,570

The company have the following lease contracts as of December 31, 2023. Incremental borrowing rate is 9.5%

Lease	Agreement Date	Lease Start Date	Lease End Date	Lease Period
Thalafushi Land	2/17/2013	1/1/2012	12/31/2026	15 Years
Gulhifahu Power House	3/28/2017	3/28/2017	12/25/2025	8 Years, 8 Months and 29 Days
Hulhumale Part 1	3/31/2016	4/1/2009	3/31/2034	25 Years
Hulhumale Part 2	8/21/2016	8/21/2016	8/20/2066	50 Years
Thalafushi Part 2	9/25/2022	1/6/2022	1/6/2024	2 Years
Hulhumale Power House	3/23/2010	7/1/2004	7/1/2029	25 Years
Hulhumale Apollo Tower	3/24/2022	3/24/2022	3/23/2042	20 Years
Male and Villamale' Power House	9/5/2012	9/5/2012	9/5/2111	99 Years



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8 Financial Asset (STELCO Hiya)

8.1 As per the agreement dated November 15, 2017 between STELCO ("Company") and Housing Development Corporation Limited ("HDC"), the Company was assigned to develop a two residential apartments blocks in Hultumale phase II plots no. N3-35(B), N3-35(C) by HDC.

According to the agreement, HDC granted the exclusive rights to construct, develop and sell residential units under the project in the designated land area to the Company. The Company agreed to finance the construction and development of the project and to sell the residential units developed under the project to eligible STELCO staff. It was the sole responsibility of the Company to raise and manage the finance required for the development of the project and HDC shall not be liable towards any party under any circumstances.

During the year 2022, sale and purchase agreements were signed between the staffs and STELCO for the sales of the apartments. As per the agreement, apartment handover date was January 1, 2023.

The employees eligible to obtain a Hiya flat were supposed to pay a down payment and the remaining payment is to be paid on installment basis over 18-24 years. The interest rate assigned for deferred payment was computed as 4%. The difference between the market rate of interest (9% p.a) and the concessional rate of 4% was identified in statement of Comprehensive Income as a staff benefit.

During the year 2023, Company has recognised sales, cost of sales, financial asset and related employee benefit expenses arising from the sale and financing of apartments to staffs.

	31-Dec-23
	MVR
8.2 Financial Asset recognised	342,109,342
Add: Interest income accrued for 2023	30,996,212
Less: Repayments by tenants in the year 2023	(37,896,318)
Financial Asset as at 31 December 2023	<u>334,785,236</u>
8.3 Employee Benefit expense as per IAS19	
Finance Income at Market rate (9%)	451,312,690
Finance Income at concessional rate (4%)	(273,583,916)
Employee Benefits Expense	<u>177,748,774</u>
8.4 Sensitivity analysis for the key assumptions	
Impact of the change in discount rate	
Present value of obligation at the end of the period	334,785,236
Impact due to increase of 1%	(23,078,575)
Impact due to decrease of 1%	25,985,606
8.5 STELCO Hiya reconciliation	1-Jan-23
	MVR
Total income from sale of 258 apartments	627,254,717
Less: Advance received from tenants	(107,496,600)
Balance receivable from tenants	519,858,117
Less: Financial Asset recognised	(342,109,342)
Employee Benefit expense recognised during the year	<u>177,748,775</u>

	31-Dec-23	31-Dec-22
	MVR	MVR
9 Inventories		
Fuel	58,248,826	35,000,830
Spares, cables and consumables	427,219,399	253,094,521
Stationary	1,242,844	190,353
Lubricating oil	2,546,665	4,437,222
	<u>489,257,734</u>	<u>291,722,926</u>
Provision for Slow Moving Inventories	(126,307,162)	(111,929,947)
Total	<u>362,948,572</u>	<u>179,792,979</u>
9.1 Provision for Slow Moving Inventories		
As at 1st January	111,929,947	144,820,124
Increase / (decrease) in provision	14,377,215	(32,890,177)
As at 31st December	<u>126,307,162</u>	<u>111,929,947</u>

Provision for Inventory Policy was approved by the board of directors on December 28, 2021. The provision against fast, slow and non-moving categories of inventories for the year 2023 has been calculated based on the criteria defined in the policy.



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10 Construction of Hiya Project

10.1 Cost	Balance As at 1-Jan-23	Additions	Disposals	Balance As at 31-Dec-23
Hiya project	634,654,717	12,896,766	(647,751,483)	-
	634,654,717	12,896,766	(647,751,483)	-

10.2 Impairment

	31-Dec-23 MVR	31-Dec-22 MVR
Investment before impairment adjustment	-	935,770,105
Impairment for the year	-	(915,388)
	-	634,854,717

The company has classified cost of Hiya project to inventory as at December 31 2022. At January 01, 2023 the company has sold the apartments.

11 Trade and Other Receivables

Accounts receivable		355,068,849	321,010,499
Less: Provision for doubtful debts	11.1	(88,364,991)	(62,678,532)
		<u>276,703,858</u>	<u>258,331,967</u>
Prepayments		32,627,029	444,176
Other receivables		97,531,721	103,027,454
		406,862,608	361,803,577

11.1 Provision for Impairment of Trade Receivables

As at 1st of January	62,678,552	54,635,184
Recognised / (reversal) during the year	25,685,439	8,043,368
As at 31st December	88,364,991	62,678,552

11.2 Due from Related Parties

Indira Gandhi Memorial Hospital	2,559,843	3,707,365	
Male' Water and Sewage Company (Private) Limited	19,565,954	9,241,574	
State Trading Organisation PLC	4,953,585	1,556,133	
Maldives Transport and Contracting Company PLC	4,001,294	1,777,924	
Maldives Customs Services	307,474	345,271	
Maldives Industrial Fisheries Company Limited	1,087,228	174,780	
Bank of Maldives PLC	852,365	847,288	
Public Service Media	111,440,174	85,670,171	
Maldives Road Development Corporation Limited	2,007,542	1,980,264	
National Centre For the Arts	1,538,581	1,803,319	
Housing Development Corporation Limited	23,193,483	5,560,011	
National Social Protection Agency	29,371	8,490,008	
Maldives Port Limited	3,672,488	2,028,783	
Ministry of Finance and Treasury	233,243,464	309,892,276	
Male' City Council	38,664,391	21,882,554	
Ministry of Housing, Land and Urban Development	20,767,620	9,903,160	
Local Government Authority	18,568,820	13,865,079	
Fenaka Corporation Limited	14,507,813	3,358,840	
Ministry of Climate Change, Environment and Energy	13,622,998	9,649,611	
Other Government Owned Organisations	91,964,469	50,459,462	
	606,958,749	541,913,874	
Provision for impairment loss	11.3	(123,785,326)	(127,951,015)
Total		483,173,423	413,962,859

11.3 Provision for Impairment Loss

As at 1st of January	127,951,015	140,756,474
Written off during the year	(8,217,295)	-
Recognised / (Reversed) during the year	4,051,606	(12,845,459)
As at 31st December	123,785,326	127,951,015

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	31-Dec-23 MVR	31-Dec-22 MVR
12 Cash and Cash Equivalent		
Cash at bank	122,964,713	295,652,622
Cash in hand	3,560,280	6,233,766
Total	126,524,993	301,886,388
13 Share Capital		
Issued share capital 150 ordinary shares of MVR 1,000,000 each	150,000,000	150,000,000
Total	150,000,000	150,000,000
13.1 The total authorised number of ordinary shares is 150 shares (2022: 150 shares) with a par value of MVR 1,000,000 per share (2022: MVR 1,000,000 per share). The issued and fully paid share capital comprises of 150 (2022 : 150) ordinary shares of MVR 1,000,000 each.		
13.2 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. The Board of Directors has declared dividends of MVR 146.667 per share amounting to MVR 22,000,000 during the year ended December 31, 2022 (2021 : MVR 146.667 per share amounting to MVR 22,000,000).		
14 Revaluation reserve		
As at 1st January	158,558,074	172,851,343
Revaluation surplus recognised during the year net of tax	598,613,945	-
Transfer to Retained earnings Note 14.2	(16,815,610)	(16,815,610)
Deferred tax transferred to retained earnings	2,522,342	2,522,341
As at 31st December	742,878,751	158,558,074
14.2 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.		
15 Capital Contribution		
As at 1st January	851,473,042	741,345,757
Grant converted to capital	-	-
Received during the year	54,000,000	110,127,275
As at 31st December	905,473,042	851,473,042

The Company has received a capital contribution amounted to MVR 246,690,839 from the Ministry of Finance and Treasury of the Republic of Maldives during the period of 2017 to 2020 for the construction and installation of Hulhumale' Power Plant (5th Power Project) and MVR 154,007,552 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Power Project). Further, MVR 181,716,143 were received in 2018, 2019 and 2020 for the installation of greater Male' Grid connection.

During the year 2021, the Company has received an additional MVR 92,856,020 for greater Male' Grid Connection Project and MVR 66,075,213 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Power Project). During the year 2022, the Company has received an additional MVR 45,096,838 for greater Male' Grid Connection Project and MVR 65,030,438 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Power Project).

During the year 2023, the Company has received an additional MVR 54,000,000 for repayment of the loan obtained from China Exim bank for construction of the Hulhumale' Power Plant (5th Power Project).

These amounts have been considered as capital contribution from Ministry of Finance since Ministry of Finance provides these contributions at its capacity of Shareholder of the Company.



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	31-Dec-23 MVR	31-Dec-22 MVR
16 Borrowings		
As at 1st January	3,012,994,323	3,016,850,670
Loans obtained during the year	8,242,973	3,694,899
Interest for the year	72,643,192	129,694,787
Repayments during the year	(110,202,767)	(103,542,826)
Interest paid during the year	(65,808,297)	(33,703,206)
As at 31st December	2,917,869,405	3,012,994,323
16.1 Maturity Analysis		
Non- Current		
Loan and borrowings	2,607,940,003	2,902,791,537
	2,607,940,003	2,902,791,537
Current		
Loan and borrowings	309,929,402	110,202,786
	309,929,402	110,202,786
Total borrowings	2,917,869,405	3,012,994,323

16.2 Terms and repayment schedule

Source of finance	Purpose to Finance	Interest Rate		Maturity	Carrying Amount	
		2024	2023		31-Dec-23 MVR	31-Dec-22 MVR
Ministry of Finance *	Third Power System	-	8%	01-Aug-21	130,042,977	130,042,977
Ministry of Finance *	Third Power System	-	8%	01-May-24	124,743,553	124,743,553
Ministry of Finance *	Third Power System	-	8%	01-Sep-24	132,077,542	132,077,542
Ministry of Finance *	5 kV Generator set	-	8%	15-Feb-16	60,231,694	60,231,694
Ministry of Finance *	Second Power System	-	8%	31-Jul-25	84,436,686	84,436,686
Ministry of Finance *	Power System	-	8%	01-Sep-16	21,594,286	21,594,286
Ministry of Finance (Nordea Bank Denmark)	Fourth Power System	-	4.25% & 6.5%	30-Sep-35	1,287,824,888	1,287,824,888
Ministry of Finance *	POISED Project	-	8%	15-May-33	215,265,640	213,580,023
Exim Bank of China	Fifth Power Project	3% + 6 Months SOFR	-	31-Jul-31	854,730,441	958,462,674
MB MGAF	Peak Handling	-	8%	30-Jun-24	6,921,658	-
					2,917,869,405	3,012,994,323

*With effect from 1st January 2023 the Ministry of Finance suspended charging interest on these loans.



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16.3 Bank Borrowings

All of the above Loans (except for MIB - MGAF) have been secured by a guarantee from Government of Maldives.

The Ministry of Finance and Treasury ("MOFT") through its letter dated February 4, 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, part of the transaction has been finalized by the parties for the year ended December 31, 2023.

The Company entered subsidiary loan agreement on April 2, 1998, between Ministry of Finance and Treasury for the amount of MVR 80,702,185 at an Interest rate of 8% for the purpose of Third Power System Development Project. This loan is to be repaid in 40 installments on 01 February and 01 August each year.

The Company entered subsidiary loan agreement on August 27, 2003, between Ministry of Finance and Treasury for the amount of MVR 60,396,877 at an Interest rate of 8% for the purpose of Third Power System Development Project. This loan is to be repaid in 40 installments on 01 May and 01 November each year.

The Company entered subsidiary loan agreement on June 9, 1998 between Ministry of Finance and Treasury for the amount of MVR 64,634,001 at an Interest rate of 8% for the purpose of Third Power System Development Project. This loan is to be repaid in 40 installments on 01 February and 01 August each year.

The Company entered subsidiary loan agreement on February 15, 1998, between Ministry of Finance and Treasury for the amount of MVR 41,246,314 at an Interest rate of 8% for the purpose of acquisition of 5.4Mv Generator Set. This loan is to be repaid in 30 installments on 15 February and 15 August each year.

The Company entered subsidiary loan agreement on April 11, 1992, between Ministry of Finance and Treasury for the amount of MVR 105,084,231 at an Interest rate of 8% for the purpose of Second Power System Project. This loan is to be repaid in 34 installments on 31 January and 31 July each year.

The Company entered subsidiary loan agreement on March 10, 1998, between Ministry of Finance and Treasury for the amount of MVR 59,622,880 at an Interest rate of 8% for the purpose of Power System Development Project. This loan is to be repaid in 35 installments on 01 March and 01 September each year.

DANIDA grant and Nordea Bank loan agreement signed between Nordea Bank Denmark A/S and Government of Maldives on January 15, 2009 for a loan amount of EUR 18,140,000 and grant amount of EUR 6,560,000. The loan was entered to for the purpose of Fourth Power System Development Project.

Subsidiary loan terms proposed by the Government of Maldives are as follows.

1. Component 1: Interest bearing portion - Nordea Loan Funds and Fees of EUR 23,534,579.78 at an interest rate of 8.5% p.a. with loan period of 27 years (grace period of 7 years) and first repayment date on March 31, 2016.

The Company entered subsidiary loan agreement on August 10, 2015, between Ministry of Finance and Treasury for the amount of MVR 150,847,779 at an Interest rate of 8% for the purpose of Preparing Outer Island for Sustainable Energy Development Project. This loan is to be repaid in 30 installments on 15th May and 15th November each year.

The Company entered loan agreement on May 28, 2015, between Export-Import Bank of China (Exim Bank) and Bank of China Limited for the amount of USD 79,946,000 for the purpose of Fifth Power Development Project. This loan is to be repaid in 24 installments on 21 January and 21 July each year.

The Company entered into a loan agreement with Maldives Islamic Bank during the year for purchasing 1500kVA package substation as a diminishing Musharakah financing equivalent to 70% of shares. The tenure is 06 months from the date of delivery of the asset at a rate of 8%. The Company will obtain the full ownership of the asset over the period after repayment at the termination of the financing arrangement.

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	31-Dec-23 MVR	31-Dec-22 MVR
17 Lease Liability		
Non-current		
Lease liability	137,591,719	140,538,841
Total	<u>137,591,719</u>	<u>140,538,841</u>
Current		
Lease liability	1,801,402	1,713,403
Total	<u>1,801,402</u>	<u>1,713,403</u>
17.1 Movement of lease liability		
As at 1st January	142,252,244	105,175,600
(Disposals)/Additions of lease liabilities	(1,126,032)	38,742,785
Re-assessment	(89,919)	-
Adjustments to recognise prior year payments and interest	-	(235,986)
Interest expense for the year	13,287,277	13,461,098
Repayment during the year	(14,950,449)	(14,891,253)
As at 31st December	<u>139,393,121</u>	<u>142,252,244</u>
17.2 Maturity Analysis of Undiscounted Future Lease Payments are as follows;		
Less than one year	1,801,402	15,073,480
Between two and five years	6,019,304	58,953,044
More than five years	131,572,415	68,225,720
Total	<u>139,393,121</u>	<u>142,252,244</u>
18 Deferred Income		
As at 1st January	31,701,575	32,922,288
Amortisation	(1,240,388)	(1,220,713)
As at 31st December	<u>30,461,187</u>	<u>31,701,575</u>
18.1	Deferred income comprises of grants received from the Ministry of Finance and Treasury of the Republic of Maldives. An amount of MVR 25,287,089 was received in 2006 for the installation of 6 sets of 1250 k Diesel Generators. During the year 2020, the Company received MVR 34,490,853 for construction of Peak Handling Project and these grants are amortized over the useful life of the assets.	



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	31-Dec-23	
	MVR	
19	Defined benefit Obligation	
	Defined benefit recognized during the year	34,949,449
	Payments during the year	(1,458,954)
	As at 31st December	33,490,495
19.1	During the year ended December 31, 2023, the Company has implemented a new retirement and redundancy policy which came into effect on September 1, 2023.	
19.2	The Company has engaged a qualified actuary to estimate the retirement benefit obligation. The project unit credit method is used to determine the present value of the defined benefit obligation. Key assumption used in the calculation are as follows:	
	Expected salary increment	2.50%
	Discount rate	4.60%
	Staff turnover factor	3.30%
19.3	Sensitivity analysis for the key assumptions	
	Impact of the change in discount rate	
	Present value of obligation at the end of the period	33,490,495
	Impact due to increase of 0.5%	(1,788,526)
	Impact due to decrease of 0.5%	1,791,745
	Impact of the change in salary increase	
	Present value of obligation at the end of the period	33,490,495
	Impact due to increase of 0.5%	1,798,415
	Impact due to decrease of 0.5%	(1,787,803)
20	Contractor Payable	
	The Company has entered into an agreement with Dongfang Electricity International Corporation ("DEC") to construct a power interconnect network project between Male and Hulhumale via a bridge on February 12, 2018 for a contract price of USD 45,619,736. Contract is payable over the period of 8 years based on the percentage of completion of the project. The contractual cashflows have been discounted at a rate of 4.6%.	
	During the year the Company received an additional claim from Dongfang Electricity International Corporation ("DEC") on account of project delays and extra work requested by the Company amounting to USD 7,888,185.97. Based on the settlement agreement entered on September 14, 2023, with DEC for the settlement of claim is to be made by 36 monthly instalments starting from 1st October 2023. The contractual cashflows have been discounted at a rate of 9%.	
	31-Dec-23	31-Dec-22
	MVR	MVR
	Non-Current	
	Contractor payable	245,715,874
	Total	245,715,874
	Current	
	Contractor payable	82,208,646
	Total	82,208,646
20.1	Breakdown of Contractor Payable	
	As at 1st January	292,416,085
	Interest charge during the year	15,011,526
	Repayment during the year	(85,756,437)
	Addition	106,251,346
	As at 31st December	327,922,520
21	Trade and Other Payables	
	Trade payables	35,432,234
	Accrued expenses	10,703,507
	Advance Received from employees on Hysa Project	-
	Dividend Payable to Ministry of Finance	44,000,000
	Retention payable	1,734,854
	Deposit received	1,477,125
	GST payables	-
	Other payables	45,251,826
	Total	138,609,547



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		31-Dec-23	31-Dec-22
		MVR	MVR
21.1 Dividend Payable to Ministry of Finance			
As at 1st January		22,000,000	-
Dividend declared during the year		22,000,000	22,000,000
As at 31st December		<u>44,000,000</u>	<u>22,000,000</u>
As disclosed in Note 13.2 (dividend to voting) to the financial statements, the Company has declared dividend amounting to MVR 22,000,000 in respect of profit earned in financial year 2022 (2021: MVR 22,000,000).			
22 Due to Related Parties			
State Trading Organisation PLC		111,803,948	84,007,635
Waste Management Corporation		19,115,642	145,577
Ministry of Environment and Energy		3,053,300	3,053,300
Maldives Transport and Contracting Company PLC		3,395,580	1,724,318
Maldives Road Development Corporation Limited		663,612	663,612
Male' Water and Sewerage Company Limited		16,200	347,491
Divushi Raajeyge Gulhun PLC		529,226	926,360
Other Government owned Organizations		148,704	1,420,997
Total		<u>138,726,211</u>	<u>92,289,610</u>
23 Revenue		31-Dec-23	31-Dec-22
The breakdown of the revenue is as follows		MVR	MVR
Electricity revenue		2,577,169,049	2,170,018,962
Non-electricity revenue	Note 23.1	102,045,143	97,725,227
Water and sewerage revenue	Note 23.2	24,886,406	15,434,444
Total		<u>2,703,900,598</u>	<u>2,283,178,633</u>
23.1	Non-electricity revenue include revenue from sale of electronic equipment and other electrical services provided for customers		
23.2	Non-electricity revenue include revenue from Water and sewerage revenue		
24 Other income			
Amortization of deferred income - Government grant amortization	18	1,240,386	1,220,713
Rental income		1,800,857	652,578
Miscellaneous income		8,009,931	-
Writeback of payables		28,283,132	-
Reversal of inventory provision		-	32,890,178
Exchange gain		1,141,769	907,528
		<u>40,476,097</u>	<u>35,670,996</u>



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	31-Dec-23	31-Dec-22
	MVR	MVR
25 Cost of Revenue		
Cost of revenue	1,847,237,095	1,531,754,164
Direct Labour	274,497,228	241,209,013
Total	2,121,734,323	1,772,963,177
26 Administrative Expenses		
Personnel cost	161,212,657	68,033,311
Service Cost on retirement benefit obligation	34,949,449	-
Bank charges	30,207,941	26,986,826
Fines	16,576,498	-
Provision for slow and Non-moving inventories	14,377,215	-
Unclaimed GST	11,868,338	8,943,678
Repair and maintenance	10,481,207	22,787,355
Depreciation/impairment of Property Plant and equipment	7,900,590	49,566,130
Amortization of Right of Use Asset	4,204,207	4,284,942
Directors' remuneration	616,081	642,315
Rent expenses	286,656	108,735
Loss on disposal of FA	12,903,677	31,500,658
Other expenses	112,242,793	76,800,570
Total	417,827,309	289,654,520
26.1 Personnel costs		
Staff salaries and wages	150,932,495	112,892,987
Staff allowances	163,529,377	114,573,989
Overtime expenses	70,588,261	55,581,390
Employer's contribution to government pension fund	10,864,383	8,375,364
Staff medical expenses	7,128,073	3,748,488
Other staff expenses	32,667,296	14,070,106
Total	435,709,885	309,242,324
Cost of sales portion	274,497,228	241,209,013
Administrative expense portion	161,212,657	68,033,311
Total	435,709,885	309,242,324
27 Finance Cost		
Interest on Borrowings- Foreign	72,278,849	129,694,787
Interest on Borrowings - Local	364,343	-
Interest on leases	13,287,277	13,461,096
Interest on other financial arrangements	15,011,526	16,122,224
Total	100,941,995	159,278,109
Finance Income		
Interest income	(31,397,245)	(3,349,938)
Net Finance Costs	69,544,746	155,928,171

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	31-Dec-23 MVR	31-Dec-22 MVR	
28 Taxation			
Income Tax Expense for the year			
Current tax expense	11,594,312	-	
Deferred tax asset recognized	(31,343,211)	(4,960,272)	
Deferred tax liability recognized	57,568,458	34,026,042	
Total Tax Expense	37,819,559	29,065,770	
28.1 Reconciliation Between Accounting Profit and Taxable Income :			
(Loss)/ Profit before tax	(134,111,426)	104,190,482	
Aggregate disallowable items	649,779,210	353,545,860	
Aggregate allowable items	(400,248,086)	(52,589,817)	
Adjustment related to restatement (Noted 42)	-	31,751,058	
Tax losses utilized during the year	(31,621,289)	-	
Tax free allowance	(500,000)	-	
Tax (loss) / Income tax for the year	77,295,415	(33,101,816)	
Income tax @ 15%	11,594,312	-	
28.2 Accumulated Tax Losses			
As at 1st January	31,621,289	3,584,259	
Tax losses for the year	-	33,101,816	
Adjustments related to previous year	-	(5,064,706)	
Tax losses utilized during the year	(31,621,289)	-	
As at 31st December	-	31,621,289	
29 Current Tax Liability			
Tax refunds receivable	(7,907,995)	-	
Interest taxes paid	-	(7,907,995)	
Tax provision for the year	11,594,312	-	
Total	3,686,317	(7,907,995)	
Total current tax liability	3,686,317	(7,907,995)	
30 Net deferred tax liability			
Deferred Tax Liability	298,723,208	138,039,338	
Deferred Tax Asset	36,846,122	5,502,911	
As at 31 December	261,877,086	132,536,425	
30.1 Deferred Tax Asset			
As at 1st January	5,502,911	537,630	
Recognised in other comprehensive income			
(Reversal) / recognised during the year	-	-	
Recognised in profit or loss			
Recognised during the year	31,343,211	4,960,272	
As at 31st December	36,846,122	5,502,911	
30.2 The recognized deferred tax asset is attributable to the following:			
	31-Dec-23	31-Dec-22	
	Temporary Difference	Tax effect	Temporary Difference
	MVR	MVR	MVR
On accumulated tax losses	-	-	36,806,075
On debtors provision	212,150,317	31,822,548	-
On other provision	33,490,495	5,023,574	-
	245,640,812	36,846,122	36,806,075
			5,502,911
31 Deferred Tax Liability			
As at 1st January			138,039,338
Recognised in profit or loss			
recognised during the year			57,568,458
			34,026,042
Recognised in other comprehensive income			
recognised during the year			105,037,755
			-
Recognised directly in equity			
Reversed during the year (Note 14)			(2,522,341)
As at 31st December			298,723,208
			138,039,338

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31.1 The recognized deferred tax liability is attributable to the following:

	31-Dec-23		31-Dec-22	
	Temporary Difference MVR	Tax effect MVR	Temporary Difference MVR	Tax effect MVR
Recognised in profit or loss				
Property, plant and Equipment	1,287,236,356	193,085,453	920,262,241	138,039,338
Recognised in other comprehensive income				
Revaluation reserve	704,251,700	105,637,755	-	-
	1,287,236,356	298,723,208	920,262,241	138,039,338

32 (Loss) / Earnings Per Share

Basic/diluted (loss)/earnings per share is calculated by dividing the net (loss)/profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

(Loss)/profit for the year	(171,930,985)	75,129,712
Weighted average number of ordinary shares	150	150
(Loss)/ Earnings per share	(1,146,207)	500,863

33 Operating Profit before Working Capital Changes

	31-Dec-23 MVR	31-Dec-22 MVR
(Loss) / profit before tax	(134,111,426)	104,190,482
Depreciation	252,749,475	187,192,222
Re-assessment of Right of Use Assets	(374,796)	-
Amortization of Right of Use Assets	4,204,207	4,284,942
Interest Income from Financial Asset	(30,566,212)	-
Increase/(Reversal) provision for slow moving inventories	14,377,215	(32,890,177)
Provision for impairment loss on trade receivables	25,688,439	8,043,368
Reversal of impairment loss on related parties	4,051,609	(12,845,409)
Interest expense	100,941,995	159,278,109
Amortization of deferred income	(1,240,388)	(1,220,713)
Defined benefit obligation for the year	34,949,449	-
Interest income	(831,037)	(3,349,938)
Provision for impairment loss on investment in Hysta Project	-	915,368
Adjustments made for prior year lease expenses	-	1,221,738
Loss on disposal of PPE	12,903,877	31,500,658
Fines on contractor payable	14,972,291	-
Employee benefit expense	177,743,774	-
Total	475,461,272	446,320,621

34 Related Party Transactions

34.1 Due from Related Parties

Name	Nature of relationship		
Indira Gandhi Memorial Hospital	Affiliate		
Opening balance		3,707,365	19,755,365
Sales of Services		21,454,660	48,841,762
Payments made		(22,602,182)	(64,689,762)
Closing balance		2,559,843	3,707,365
Male' Water and Sewage Company Pvt Ltd	Affiliate		
Opening balance		9,241,574	1,143,577
Sales of Services		28,249,467	28,280,114
Payments made		(17,925,087)	(20,182,117)
Closing balance		19,565,954	9,241,574

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34 Related Party Transactions
34.1 Due from Related Parties

Maldives Transport and Contracting Company PLC	Affiliate		
Opening balance		1,777,924	1,316,935
Sales of Services		17,173,471	13,681,942
Payments made		(14,950,102)	(13,220,954)
Closing balance		<u>4,001,294</u>	<u>1,777,924</u>
Maldives Customs Services	Affiliate		
Opening balance		345,271	634,603
Sales of Services		3,399,536	3,551,223
Payments made		(3,437,333)	(3,840,554)
Closing balance		<u>307,474</u>	<u>345,271</u>
Maldives Industrial Fisheries Company Limited	Affiliate		
Opening balance		174,760	143,410
Sales of Services		3,269,620	1,909,054
Payments made		(2,357,151)	(1,876,704)
Closing balance		<u>1,087,228</u>	<u>174,760</u>
Bank of Maldives PLC	Affiliate		
Opening balance		847,288	105,301
Sales of Services		9,543,503	9,175,480
Payments made		(9,538,427)	(8,433,493)
Closing balance		<u>852,365</u>	<u>847,288</u>
Public Service Media	Affiliate		
Opening balance		85,670,171	81,788,952
Sales of Services		27,458,840	24,121,502
Payments made		(1,668,837)	(238,282)
Closing balance		<u>111,440,174</u>	<u>85,670,171</u>
Maldives Road Development Corporation Limited	Affiliate		
Opening balance		1,580,264	1,038,505
Sales of Services		251,707	941,759
Payments made		(224,328)	-
Closing balance		<u>2,007,642</u>	<u>1,980,264</u>
National Centre For the Arts	Affiliate		
Opening balance		1,803,319	1,174,121
Sales of Services		598,325	1,827,127
Payments made		(862,663)	(1,197,929)
Closing balance		<u>1,538,981</u>	<u>1,803,319</u>
Housing Development Corporation Limited	Affiliate		
Opening balance		5,560,011	9,218,666
Sales of Services		32,277,663	17,820,245
Payments made		(14,644,211)	(21,478,900)
Closing balance		<u>23,193,463</u>	<u>5,560,011</u>
National Social Protection Agency	Affiliate		
Opening balance		8,490,008	88,862
Sales of Services		679,965	8,401,145
Payments made		(9,141,632)	-
Closing balance		<u>28,371</u>	<u>8,490,007</u>
Maldives Port Limited	Affiliate		
Opening balance		2,028,783	1,586,251
Sales of Services		33,752,566	18,489,554
Payments made		(29,108,861)	(18,058,122)
Closing balance		<u>3,672,488</u>	<u>2,028,783</u>



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34 Related Party Transactions

34.1 Due from Related Parties

	<i>Ministry of Finance and Treasury</i>	<i>Affiliate</i>		
Opening balance			309,802,276	190,269,558
Sales of Services			127,050,485	89,699,869
Payments received			(203,609,297)	(14,167,151)
Closing balance			<u>233,243,464</u>	<u>309,802,276</u>
Opening balance			1,558,133	2,868,473
Sales of Services			20,840,911	16,940,908
Payments received			(17,445,358)	(18,251,247)
Closing balance			<u>4,953,686</u>	<u>1,558,133</u>
Opening balance			21,862,554	15,469,120
Sales of Services			20,492,780	15,477,137
Payments received			(3,371,033)	(9,083,702)
Closing balance			<u>38,984,301</u>	<u>21,862,554</u>
Opening balance			9,903,180	13,809,334
Sales of Services			20,075,962	13,132,356
Payments received			(9,211,222)	(17,038,511)
Closing balance			<u>20,767,920</u>	<u>9,903,180</u>
Opening balance			13,665,079	12,743,514
Sales of Services			26,511,113	22,456,158
Payments received			(21,607,373)	(21,534,593)
Closing balance			<u>18,568,820</u>	<u>13,665,079</u>
Opening balance			3,356,840	2,896,116
Sales of Services			13,924,212	2,525,973
Payments received			(2,683,240)	(2,065,248)
Closing balance			<u>14,597,813</u>	<u>3,356,840</u>
Opening balance			9,549,611	8,124,776
Sales of Services			9,967,573	7,027,256
Payments received			(5,994,185)	(5,502,421)
Closing balance			<u>13,622,998</u>	<u>9,649,611</u>
Opening balance		<i>Affiliate</i>	50,489,462	139,654,901
Sales of Services			173,061,020	103,280,162
Payments made			(189,006,924)	(61,414,366)
Set-off against dividend payable to Ministry of Finance			-	(34,648,066)
Closing balance			<u>91,964,469</u>	<u>50,489,462</u>
Total			<u>606,968,749</u>	<u>541,913,874</u>

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STATE ELECTRIC COMPANY LIMITED
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34 Related Party Transactions
 34.2 Due to Related Parties

Name	Nature of relationship		
State Trading Organisation PLC	Affiliate		
Opening balance		84,007,835	51,953,350
Purchases		1,758,308,229	1,291,053,284
Payments made		(1,730,542,117)	(1,258,598,790)
Closing balance		<u>111,863,948</u>	<u>84,007,835</u>
Maldives Transport and Contracting Company PLC	Affiliate		
Opening balance		1,724,318	1,444,555
Purchases		37,347,403	24,475,107
Payments made		(35,878,140)	(24,195,343)
Closing balance		<u>3,393,580</u>	<u>1,724,317</u>
Maldives Road Development Corporation Limited	Affiliate		
Opening balance		963,612	-
Purchases		39,090	963,612
Payments made		(39,090)	-
Closing balance		<u>963,612</u>	<u>963,612</u>
Male' Water and Sewerage Company Limited	Affiliate		
Opening balance		347,491	118,224
Purchases		1,180,903	1,738,872
Payments made		(1,512,193)	(1,392,564)
Closing balance		<u>16,200</u>	<u>347,491</u>
Dhivehi Raajjeyge Gulfun PLC	Affiliate		
Opening balance		306,380	364,564
Purchases		5,318,757	4,927,550
Payments made		(5,715,912)	(4,365,673)
Closing balance		<u>929,226</u>	<u>926,381</u>
Waste Management Corporation Limited			
Opening balance		145,577	17,945
Purchases		54,538,775	389,243
Payments made		(35,565,705)	(261,611)
Closing balance		<u>19,115,647</u>	<u>145,577</u>
Other Government owned Organizations	Affiliate		
Opening balance		1,420,997	308,843
Purchases		4,040,051	21,561,906
Payments made		(5,312,344)	(20,448,750)
Closing balance		<u>148,704</u>	<u>1,420,998</u>
Ministry of Environment and Energy	Affiliate		
Opening balance		3,053,300	-
Purchases		-	3,053,300
Closing balance		<u>3,053,300</u>	<u>3,053,300</u>
Total		<u>138,726,211</u>	<u>92,289,510</u>

34.3 Transactions with Key Management Personnel

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

	31-Dec-23	31-Dec-22
	MVR	MVR
Directors' Remuneration	616,081	642,315
Defined benefit expense	1,811,450	-
	<u>616,081</u>	<u>642,315</u>

35 Commitments

35.1 Capital Commitments

Capital expenditure contracted for at the reporting date but not yet incurred is as follows:

On Property, plant and equipment	218,898,168	339,314,583
Total	<u>218,898,168</u>	<u>339,314,583</u>

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



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36 Capital Management

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

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

	31-Dec-23	31-Dec-22
	MVR	MVR
Total Liabilities	3,992,036,289	3,912,389,576
Cash and Cash Equivalents	(126,524,993)	(301,886,388)
Net Debt	3,865,511,296	3,610,503,188
Total Equity	2,288,992,349	1,827,787,047
Gearing (Times)	1.89	1.98

37 Financial Instruments and Risk Management

(i) Overview

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

• **Credit 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 instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investment in debt securities and deposits with banks.

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

	31-Dec-23	31-Dec-22
	MVR	MVR
Trade Receivables	276,703,858	258,331,947
Other Receivables	97,414,648	103,027,454
Amounts due from Related Parties	483,173,423	391,962,859
Balances with Banks	122,964,713	295,652,622
	980,256,642	1,048,974,882

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



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37 Financial Instruments and Risk Management(Continued)
(iii) Credit Risk (Continued)

Expected credit loss assessment under IFRS 9

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 conditions 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:

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Probability of default (PD)

PD represents the likelihood of a counterparty defaulting on its obligations within a specified period. The PD estimation process involves a combination of historical data analysis, internal credit risk assessments, and external market data.

Loss given default (LGD)

LGD represents the proportion of the exposure that is not expected to be recovered in the event of a counterparty default. The LGD estimation process combines historical data analysis, recovery rate assessments, and internal credit risk evaluations.

Exposure at default (EAD)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and receivables from

31-Dec-23	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
		MVR	MVR	
Not past due or Past due 1-30 days	1.9%	243,690,693	4,523,724	No
Past due 31-60 days	2.8%	90,350,663	2,497,039	No
Past due 61-90 days	4.8%	42,183,984	2,033,093	No
Past due 91-180 days	7.8%	113,433,811	8,838,017	No
Past due 181-360 days	15.0%	161,242,903	24,178,135	No
Past due more than 365 days*	53.2%	321,125,545	170,698,294	Yes
		972,027,599	212,768,302	

*No provision has been made for balances from MIF being the Company's shareholder

31-Dec-22	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
		MVR	MVR	
Not past due or Past due 1-30 days	3.1%	176,071,163	5,435,665	No
Past due 31-60 days	8.8%	96,170,459	4,844,737	No
Past due 61-90 days	12.6%	28,918,657	3,657,600	No
Past due 91-180 days	26.5%	34,711,663	9,206,661	No
Past due 181-360 days	47.5%	46,319,001	21,980,670	No
Past due more than 365 days	100.0%	145,704,235	145,704,235	No
		499,926,078	136,629,567	

Gross carrying amount and loss allowance comprise the trade receivables.

The Company believes that the unimpaired amounts are still collectible, based on historic payment behaviour. 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 11.1 and 11.3 respectively

Balances with banks

The Company held amounts of MVR 109,665,531 as at December 31, 2023 in banks. (2022: MVR 207,184,042). Impairment on cash at bank has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash has low credit risk based on the external ratings of the counterparties. As a result, the amount of the allowance on cash at bank is negligible.

(iv) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



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37 Financial Instruments and Risk Management(Continued)

(iv) Liquidity Risk

31-Dec-23

	Carrying Amount MVR	Contractual Cashflows MVR	0-12 Months MVR	1-5 Years MVR	More than 5 Years MVR
Financial Liabilities (Non-derivative)					
Trade and Other Payables	138,603,015	138,603,015	138,603,015	-	-
Loans and Borrowings	2,917,869,405	3,194,967,206	399,883,987	735,276,560	2,059,806,659
Contractor Payable	327,922,520	367,621,571	92,342,939	275,278,631	-
Amounts due to Related Parties	138,726,211	138,726,211	138,726,211	-	-
Lease Liabilities	139,393,121	679,225,596	14,913,828	70,365,215	593,946,553
	3,662,514,272	4,519,143,599	784,469,980	1,080,920,406	2,653,753,213

31-Dec-22

	Carrying Amount MVR	Contractual Cashflows MVR	0-12 Months MVR	1-5 Years MVR	More than 5 Years MVR
Financial Liabilities (Non-derivative)					
Trade and Other Payables	85,975,834	85,975,834	85,975,834	-	-
Loans and Borrowings*	3,012,994,323	3,012,994,323	110,202,786	531,034,048	2,371,757,489
Contractor Payable	292,416,085	321,727,002	85,756,437	235,970,565	-
Amounts due to Related Parties	92,289,510	92,289,510	92,289,510	-	-
Lease Liabilities	142,252,244	695,414,916	15,073,480	58,953,044	621,388,392
	3,625,927,996	4,208,401,585	389,298,047	825,957,657	2,993,145,881

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

*Loans and borrowings are excluding the future interest.

(v) Market risk

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

(a) Interest rate risk

Profile

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

	31-Dec-23 MVR	31-Dec-22 MVR
Fixed Rate Instruments		
Financial Liabilities	2,063,138,964	2,054,531,649
Variable Rate Instruments		
Financial liabilities	854,730,441	958,462,674



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37 Financial Instruments and Risk Management(Continued)

(v) Market risk

Cash Flow Sensitivity analysis for variable - rate instruments

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

	Sensitivity Analysis	
	100 bp increase MVR	100 bp decrease MVR
December 31, 2023.		
Variable rate instruments	722,788	(722,788)
December 31, 2022.		
Variable rate instruments	1,296,948	(1,296,948)

(b) Currency Risk

Exposure to currency risk

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

	31-Dec-23	31-Dec-22
	MVR	MVR
Loans and borrowings	2,149,477,027	2,246,287,562
Contractor Payable	327,922,520	292,416,085
Net currency exposure	3,477,399,547	2,538,703,647

The following significant exchange rate were applied during the year.

	Average Rate		Reporting Date Spot Rate	
	2023	2022	31-Dec-23	31-Dec-22
1 USD : MVR	15.42	15.42	15.42	15.42

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

37.1 Market Risk Management

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

38 Fair Value Measurement

Accounting Classifications and Fair Values

December 31, 2023.

Financial assets not measured at fair value	Financial Assets Amortized Costs (MVR)	Fair Value			Total (MVR)
		Level 1 (MVR)	Level 2 (MVR)	Level 3 (MVR)	
Cash and Cash Equivalents	126,524,993	-	-	-	126,524,993
Trade and Other Receivables	374,118,506	-	-	-	374,118,506
Amounts due from Related Parties	483,173,423	-	-	-	483,173,423
	983,816,922	-	-	-	983,816,922
Financial liabilities not measured at fair value	Financial Liabilities Amortized Costs (MVR)	Level 1 (MVR)	Level 2 (MVR)	Level 3 (MVR)	Total (MVR)
Lease Liability	139,393,121	-	-	-	139,393,121
Loans and Borrowings	2,917,869,405	-	-	-	2,917,869,405
Amount due to Related Parties	138,726,211	-	-	-	138,726,211
Contractor Payable	327,922,520	-	-	-	327,922,520
Trade and Other Payables	138,603,015	-	-	-	138,603,015
	3,662,514,272	-	-	-	3,662,514,272



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38 Fair Value Measurement (Continued)
 December 31, 2022.

Financial assets not measured at fair value	Financial Assets Amortized Costs (MVR)	Fair Value			Total (MVR)
		Level 1 (MVR)	Level 2 (MVR)	Level 3 (MVR)	
Cash and Cash Equivalents	301,886,388	-	-	-	301,886,388
Trade and Other Receivables	361,359,401	-	-	-	361,359,401
Amounts due from Related Parties	391,962,859	-	-	-	391,962,859
	1,055,208,648	-	-	-	1,055,208,648

Financial liabilities not measured at fair value	Financial Liabilities Amortized Costs (MVR)	Fair Value			Total (MVR)
		Level 1 (MVR)	Level 2 (MVR)	Level 3 (MVR)	
Lease Liability	142,252,244	-	-	-	142,252,244
Loans and Borrowings	3,012,994,323	-	-	-	3,012,994,323
Amount due to Related Parties	92,289,510	-	-	-	92,289,510
Contractor Payable	292,416,085	-	-	-	292,416,085
Trade and Other Payables	65,456,466	-	-	-	65,456,466
	3,605,408,628	-	-	-	3,605,408,628

39 Contingent Liabilities

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

40 Events After the End of the Reporting Period

The Board of Directors of the Company has approved to increase the authorised share capital to 8,000 ordinary shares with a par value of MVR 1,000,000 each and is in the process of negotiation with its shareholders to do so. As of the date, the authorised share capital has not been increased yet.

41 Comparative figures

Comparative figures of the financial statements have been reclassified wherever appropriate to conform with current year's presentation.

42 Reclassification

The following amounts reported in the previous year have been reclassified in order to be consistent with the current year's presentation. These reclassifications are related to dividend payable which had been netted off against due from related parties. This has been reclassified under trade and other payables.

	As presented in 2022 MVR	Reclassification MVR	Reclassification for 2022 MVR
Due from related parties	519,913,874	22,000,000	541,913,874
Trade and other payables	198,199,415	22,000,000	208,199,415



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All amounts are stated in Maldivian Rufiyaa

43 Restatement of comparatives

During the year, the Company identified that it had inadvertently made an error when accounting for the disposal of a Generator (in PP&E) in the prior year. The error was corrected by restating each of the financial statement line items for the prior period as follows.

Impact to the balances in the Statement of financial position.

	Notes	As previously reported 12/31/2022 MVR	Restatement MVR	As restated 12/31/2022 MVR
Impacted balances				
Property, plant & equipment Cost		5,194,232,829	(42,110,618)	5,152,122,211
Accumulated depreciation		1,453,386,993	(10,358,960)	1,443,028,033
Retained earnings		699,507,590	(31,751,658)	667,755,931

No adjustment was made to the income tax charge/Payable due to uncertainty of claimability of related tax benefit.

Impact to the balances in the statement of profit or loss and other comprehensive income for the year ended 31 December 2022.

	As previously reported MVR	Adjustments MVR	As restated MVR
Impacted balance			
Loss on disposal of assets Sales	2,283,429,653	(31,500,658) (251,000)	(31,500,658) 2,283,178,653

No adjustment was made to the income tax charge/Payable due to uncertainty of claimability of related tax benefit.

Impact to the statement of cash flows for the year ended 31 December 2022.

	As previously reported MVR	Adjustments MVR	As restated MVR
Impacted balance			
Profit before tax	135,942,141	(31,751,658)	104,190,482
Impact to Non-cash items		31,500,658	31,500,658
Investment activities		251,000	251,000

Impact to the EPS for the year ended 31 December 2022

	As previously reported MVR	Adjustments MVR	As restated MVR
Impacted balance			
Earning per share	712.542	(211.671)	500.865

No adjustment was made to the income tax charge/Payable due to uncertainty of claimability of related tax benefit.





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