SUMMARY OF QUARTERLY REVIEW

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SECRETARIAT FOR
PRIVATIZATION AND CORPORATIZATION BOARD

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Secretariat for Privatization and Corporatization Board

SUMMARY OF QUARTERLY REVIEW

QUARTER 1, 2021

INTRODUCTION

The main purpose of this paper is to assist the (Privatization and Corporatization Board) PCB in making efficient decisions and taking appropriate actions regarding the performance improvement of State-Owned Enterprises (SOEs). Further, this paper will assist stakeholders in understanding their businesses more effectively.

This quarterly review is a summary of the quarterly analysis prepared after analyzing the performance of the companies through the quarterly reports. For this purpose, individual analysis is prepared for each SOE separately. The analysis is done based on the comparison of quarter one of 2021 with the quarter one of 2020.

In this paper, the revenue, gross profit and the net profit are analyzed between the quarters. The liquidity position is analyzed through current and quick ratio. The gearing level is understood through debt to equity and debt to assets ratio.

In that context, this report consists of quarterly review of 31 different SOEs operating in the Maldivian market, which contributes significantly to the GDP of Maldives.

SUMMARY OF FINANCIALS

COMPANY NAME	Non-Current Assets	Current Assets	Total Assets	Loans and Borrowings	Total Liabilities
AASANDHA COMPANY LIMITED	7,799,028	32,771,953	40,570,981	-	31,976,065
BUSINESS CENTRE CORPORATION LTD	2,233,407	4,967,382	7,200,789	-	1,792,591
FAHI DHIRIULHUN CORPORATION LTD	3,075,895	6,927,936	10,003,831		2,333,823
KAHDHOO AIRPORT COMPANY LTD	48,668,002	43,417,170	92,085,172	-	2,318,851
MALDIVES CENTER FOR ISLAMIC FINANCE LTD	1,168,869	769,944	1,938,813	-	1,713,102
MALDIVES FUND MANAGEMENT CORPORATION LIMITED	21,047,932	14,614,738	35,662,670	-	19,517,599
MALDIVES HAJJ CORPORATION LTD	93,899,153	86,345,035	180,244,188	-	203,003,931
MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION	111,964,127	2,258,166	114,222,293	-	224,832,491
MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION	9,008,765	1,640,383,601	1,649,392,366	81,102,047	1,624,992,552
MALDIVES SPORTS CORPORATION LTD	948,057	1,575,772	2,523,829	-	154,499
ROAD DEVELOPMENT CORPORATION LIMITED	6,884,744	76,014,249	82,898,993	1,114,253	124,228,337
SME DEVELOPMENT FINANCE CORPORATION LTD	2,471,476	641,808,332	644,279,808	-	71,463,989
PUBLIC SERVICE MEDIA	594,024,646	7,711,872	601,736,518	89,252,000	182,775,344
WASTE MANAGEMENT CORPORATION	173,569,875	156,039,981	329,609,856	12,207,338	129,258,729
TRADE NET MALDIVES CORPORATION LTD	12,598,333	1,752,688	14,351,021	-	10,627,134
REGIONAL AIRPORTS COMPANY LIMITED	-	7,102,740	7,102,740	-	168,505
TOTAL	**1,089,362,309**	**2,724,461,559**	**3,813,823,868**	**183,675,638**	**2,631,157,542**
ADDU INTERNATIONAL AIRPORT PVT LTD	553,291,104	37,737,843	591,028,947	466,277,098	740,747,581
BANK OF MALDIVES LTD*	NA	NA	33,307,311,000	-	25,930,407,000
DHIVEHI RAAJJEYGE GULHUN PLC	2,305,830,000	1,900,007,000	4,205,837,000	-	1,503,547,000
FENAKA CORPORATION LTD	2,622,891,363	687,122,607	3,310,013,970	128,322,584	1,101,835,090
HOUSING DEVELOPMENT CORPORATION	23,455,375,133	12,659,909,830	36,115,284,963	10,432,182,631	13,523,814,843
HOUSING DEVELOPMENT FINANCING CORPORATION PLC*	NA	NA	2,094,247,606	1,038,955,353	1,413,924,310
ISLAND AVIATION SERVICES LIMITED	2,006,493,096	1,045,542,233	3,052,035,329	572,981,048	1,979,920,271
MALDIVES AIRPORTS COMPANY LTD	13,162,381,000	2,195,146,000	15,357,527,000	7,862,489,000	9,193,604,000
MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC	1,011,389,109	1,642,859,412	2,654,248,521	528,684,773	1,422,778,196
MALDIVES TOURISM DEVELOPMENT CORPORATION	1,064,193,798	144,183,785	1,208,377,583	-	583,002,907
MALE' WATER AND SEWERAGE COMPANY PVT LTD	1,625,035,363	1,118,473,530	2,743,508,893	159,121,052	943,272,239
MALDIVES PORTS LIMITED	971,354,515	830,329,077	1,801,683,592	216,806,205	812,464,433
STATE ELECTRIC COMPANY LTD	4,020,190,392	1,050,622,616	5,070,813,008	2,896,514,536	4,101,880,453
STATE TRADING ORGANIZATION PLC	2,178,060,067	4,860,465,816	7,038,525,883	2,502,513,834	4,382,626,128
MALDIVES POST LIMITED	66,554,710	112,494,941	179,049,651	-	101,467,546
TOTAL	**55,043,039,650**	**28,284,894,690**	**118,729,492,946**	**26,804,848,114**	**67,735,291,997**
GRAND TOTAL	**56,132,401,959**	**31,009,356,249**	**122,543,316,814**	**26,988,523,752**	**70,366,449,539**

**Only total asset figure is shown for BML and HDFC since banks do not split their assets into NCA and CA.*

The table illustrates the balance sheet figures of SOEs as at the end of 31 March 2021. HDC is the highest asset-based company with total assets of over MVR 36.1 billion. This is because HDC has a significant amount of investment properties. Second, is BML with a total asset of MVR 33.3 billion. MACL is also a high asset-based company with total assets of MVR 15.4 billion. MACL has significant capital works-in-progress including new runway, fuel farm and cargo terminal.

Companies such as MMPRC, Dhiraagu, Fenaka, HDFC, IAS, MACL, MTCC, MTDC, MWSC, PORTS, STELCO and STO have total assets over MVR 1 billion.

HDC and MACL have the most loans and borrowings among the SOEs as a result of huge capital projects of these two companies. In terms of liabilities, BML has the highest liabilities because of significant dues to customers (customer deposits) which is due to nature of banking business.

The highest cash balance at the end of 2020 was with BML. Followed by HDC and MACL.

	REVENUE GROWTH			
	COMPANY NAME	Q1 2020 (MVR)	Q1 2021 (MVR)	%
1	AASANDHA COMPANY LIMITED	12,664,072	13,542,191	7%
2	BUSINESS CENTRE CORPORATION LTD	3,545,327	4,470,032	26%
3	FAHI DHIRIULHUN CORPORATION LTD	-	-	-
4	KAHDHOO AIRPORT COMPANY LTD	2,944,439	2,357,828	-20%
5	MALDIVES CENTER FOR ISLAMIC FINANCE LTD	-	-	-
6	MALDIVES FUND MANAGEMENT CORPORATION LIMITED	-	-	-
7	MALDIVES HAJJ CORPORATION LTD	5,125	525	-90%
8	MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION	45,000	-	-100%
9	MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION	40,816,503	40,447,702	-1%
10	MALDIVES SPORTS CORPORATION LTD	4,719,480	-	-100%
11	ROAD DEVELOPMENT CORPORATION LIMITED	436,005	16,961,716	3790%
12	SME DEVELOPMENT FINANCE CORPORATION LTD	3,792,688	9,972,133	163%
13	PUBLIC SERVICE MEDIA	25,697,872	23,239,296	-10%
14	WASTE MANAGEMENT CORPORATION	76,382,767	56,867,130	-26%
15	TRADE NET MALDIVES CORPORATION LTD	-	303,690	100%
	TOTAL	**171,049,278**	**168,162,243**	-2%
16	ADDU INTERNATIONAL AIRPORT PVT LTD	19,011,968	26,381,367	39%
17	BANK OF MALDIVES LTD	685,483,000	819,278,000	20%
18	DHIVEHI RAAJJEYGE GULHUN PLC	728,054,000	660,169,000	-9%
19	FENAKA CORPORATION LTD	420,128,052	442,496,795	5%
20	HOUSING DEVELOPMENT CORPORATION	566,589,184	101,456,729	-82%
21	HOUSING DEVELOPMENT FINANCING CORPORATION PLC	50,444,231	47,864,715	-5%
22	ISLAND AVIATION SERVICES LIMITED	414,005,040	265,486,721	-36%
23	MALDIVES AIRPORTS COMPANY LTD	1,342,397,000	1,047,648,000	-22%
24	MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC	353,539,987	423,012,907	20%
25	MALDIVES TOURISM DEVELOPMENT CORPORATION	13,869,889	14,352,998	3%
26	MALE' WATER AND SEWERAGE COMPANY PVT LTD	261,482,282	258,313,752	-1%
27	MALDIVES PORTS LIMITED	188,232,311	168,891,121	-10%
28	STATE ELECTRIC COMPANY LTD	504,496,312	487,635,869	-3%
29	STATE TRADING ORGANIZATION PLC	2,491,597,055	2,155,646,645	-13%
30	MALDIVES POST LIMITED	10,579,368	2,465,066	-77%
30	REGIONAL AIRPORTS COMPANY LIMITED	-	3,105,330	100%-
	TOTAL	**8,049,909,679**	**6,924,205,014**	**-14%**
	GRAND TOTAL	**8,220,958,957**	**7,092,367,257**	**-14%**

Total revenue generated by the SOEs in Q1 2021, is MVR 7.09 billion, which is 14% (MVR 1.1 billion) lower than Q1 2020.

STO is the largest revenue generating among the SOEs, however the company has also experienced a loss of revenue in Q1 2021 by 13% compared to the same period of last year, mainly due to reduction in selling price. On the other hand, revenue from medical services has increased by 12% in the quarter. It is noted that STO receives fuel subsidy from the government to maintain the subsidized fuel prices.

HDC's revenue declined in the first quarter of 2021by 82% compared to the same period of last year. HDC's revenue is largely influenced by the sale of land in a particular year. The company's regular income is contributed through the long term lease payments received by the company. Similarly, revenue from MACL decreased by 22%. However, STO and MACL was able to improve their revenue in the first quarter of 2021 compared to the previous quarter. STO has a revenue growth of 15% and MACL has a revenue growth of 83% in Q1 2021 compared to the previous quarter.

The performance of IAS and KACL was also affected in Q1 2021 compared to the same period of last year due to overall operations and decline in flight movements owing to Covid-19 restrictions. Compared to Q1 2020, revenue from IAS was decreased by 36% and KACL's revenue was decreased by 20%. On the other hand, due to increase in number of jet movements, AIA's revenue was increased in Q1 2021 compared to the same period of last year by 39%.

Compared to Q1 2020, MITDC has not generated any operational revenue during the first quarter of 2021 as L. Baresdhoo caretaking agreement ended in December 2020. Likewise, MSCL did not run any revenue generating project, hence no revenue for the quarter. Similarly, due to Covid-19 pandemic MHCL's business operations has not yet resumed for March-April, so the company was unable to generate any revenue for the quarter. Further, POST Limited has also recorded a drop in revenue in Q1 2021 compared to the same quarter of last year by 77% mainly due to decrease in the revenue generating segments; terminal dues, EMS - parcel post income and Sales from postage - stamp sales. Likewise, revenue of WAMCO reduced in Q1 2021 by 26% compared to the same quarter of last year due to issues in registration of households and businesses, revenue from waste collection is limited. Hence, waste management income was reduced by MVR 19 million which is 26% reduction compared to Q1 2020.

On the other hand, some of the SOE's have recorded growth in revenue compared to the same period of last year. Companies who have recorded a growth in revenue includes RDC, SDFC, BCC, BML, MTCC, MTDC and Fenaka Corporation. It is noted that, although RACL has not run any project in the first quarter of 2021 company was able to generated revenue from airport land charges.

It is important to note that companies such as FDC, MCIF and MFMC have not carried out any revenue generating activities in Q1 2021 as well as in Q1 2020, which could improve their performance.

		GROSS PROFIT		
	COMPANY NAME	Q1 2020 (MVR)	Q1 2021 (MVR)	%
1	AASANDHA COMPANY LIMITED	12,664,072	13,542,191	7%
2	BUSINESS CENTRE CORPORATION LTD	2,064,234	848,286	-59%
3	FAHI DHIRIULHUN CORPORATION LTD	-	-	-
4	KAHDHOO AIRPORT COMPANY LTD	(4,283,875)	(3,655,935)	15%
5	MALDIVES CENTER FOR ISLAMIC FINANCE LTD	-	-	-
6	MALDIVES FUND MANAGEMENT CORPORATION LIMITED	-	(15,000)	-
7	MALDIVES HAJJ CORPORATION LTD	(112,400)	275	100%
8	MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION	45,000	-	-100%
9	MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION	611,412	15,496,842	2435%
10	MALDIVES SPORTS CORPORATION LTD	864,480	-	-100%
11	ROAD DEVELOPMENT CORPORATION LIMITED	(306,842)	10,760,159	3607%
12	SME DEVELOPMENT FINANCE CORPORATION LTD	(2,786,591)	3,102,605	211%
13	PUBLIC SERVICE MEDIA	8,034,986	9,240,877	15%
14	WASTE MANAGEMENT CORPORATION	31,595,815	12,639,501	-60%
15	TRADE NET MALDIVES CORPORATION LTD	-	303,690	100%
	TOTAL	**48,390,291**	**62,263,491**	29%
16	ADDU INTERNATIONAL AIRPORT PVT LTD	(6,560,373)	(139,365)	98%
17	BANK OF MALDIVES LTD	427,551,000	537,597,000	26%
18	DHIVEHI RAAJJEYGE GULHUN PLC	313,912,000	263,009,000	-16%
19	FENAKA CORPORATION LTD	154,413,855	196,699,488	27%
20	HOUSING DEVELOPMENT CORPORATION	451,479,766	101,456,729	-78%
21	HOUSING DEVELOPMENT FINANCING CORPORATION PLC	36,358,866	35,832,913	-1%
22	ISLAND AVIATION SERVICES LIMITED	98,985,595	67,238,063	-32%
23	MALDIVES AIRPORTS COMPANY LTD	814,158,000	667,556,000	-18%
24	MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC	79,619,434	84,571,698	6%
25	MALDIVES TOURISM DEVELOPMENT CORPORATION	9,134,592	7,160,154	-22%
26	MALE' WATER AND SEWERAGE COMPANY PVT LTD	163,714,622	150,206,684	-8%
27	MALDIVES PORTS LIMITED	188,232,311	168,891,121	-10%
28	STATE ELECTRIC COMPANY LTD	98,894,092	108,304,450	10%
29	STATE TRADING ORGANIZATION PLC	357,560,008	368,927,470	3%
30	MALDIVES POST LIMITED	9,787,032	2,053,359	-79%
30	REGIONAL AIRPORTS COMPANY LIMITED	-	3,105,330	100%
	TOTAL	**3,245,631,091**	**2,824,733,585**	**-13%**
	GRAND TOTAL	**3,277,226,906**	**2,837,373,086**	**-13%**

With major loss of revenue, the overall gross profit of SOE's has dropped by 13% (by MVR 2.8 billion) compared to the same quarter of the previous year. However, companies such as BML, Fenaka, MMPRC, STO, RDC, STELCO, SDFC, MTCC, PSM and Aasandha have recorded a growth in gross profit at the end of the first quarter 2021 compared to the same quarter of 2020. MMPRC and PSM recording of revenue consists significant components of government grant.

With significant decrease in revenue, MMPRC, STO, STELCO, PSM and MHCL has manage to increase their gross profit as they have managed to decrease their direct costs in Q1 2021. Direct costs of MMPRC has decreased by 38%, STO' direct costs decreased by 16%, Stelco's direct costs decreased by 6% and PSM's direct costs decreased by 21%. It is noted that, although MHCL and SDFC has a gross loss in Q1 2020, they have managed to generate a gross profit at the end of the first quarter of

2021. Similarly, KACL and AIA has managed to decrease their gross loss in Q1 2021 compared to the same quarter of 2020. It is also noted that, Fenaka Corporation has managed to reduce its direct costs together with increase in revenue in Q1 2021.

On the other hand, companies such as BCC, MFMC, MITDC, MSCL, Wamco, Dhiraagu, HDC, HDFC, IAS, MACL, MTDC, MWSC, PORTS and POST limited has experienced gross loss in Q1 2021 compared to the same quarter of 2020. It is noted that, MFMC has not generated any revenue and did not incurred any direct costs in Q1 2020. However, in the first quarter of 2021 MFMC has incurred direct costs and has a gross loss as they have not generated any revenue in the quarter.

NET PROFIT

	COMPANY NAME	Q1 2020 (MVR)	Q1 2021 (MVR)	%
1	AASANDHA COMPANY LIMITED	(915,684.00)	2,597,630	384%
2	BUSINESS CENTRE CORPORATION LTD	(142,080)	(2,845,107)	-1902%
3	FAHI DHIRIULHUN CORPORATION LTD	(1,533,103)	(1,854,541)	-21%
4	KAHDHOO AIRPORT COMPANY LTD	(6,072,189)	(5,450,875)	10%
5	MALDIVES CENTER FOR ISLAMIC FINANCE LTD	(1,507,542)	(956,822)	37%
6	MALDIVES FUND MANAGEMENT CORPORATION LIMITED	(2,260,281)	(1,700,737)	25%
7	MALDIVES HAJJ CORPORATION LTD	(789,957)	(286,813)	64%
8	MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION	(5,639,960)	(5,594,090)	1%
9	MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION	(6,026,234)	10,847,103	280%
10	MALDIVES SPORTS CORPORATION LTD	(987,220)	(1,355,615)	-37%
11	ROAD DEVELOPMENT CORPORATION LIMITED	(8,832,063)	(12,227,766)	-38%
12	SME DEVELOPMENT FINANCE CORPORATION LTD	(2,786,591)	3,102,605	211%
13	PUBLIC SERVICE MEDIA	(4,498,869)	(5,037,831)	-12%
14	WASTE MANAGEMENT CORPORATION	9,611,050	(12,093,912)	-266%
15	TRADE NET MALDIVES CORPORATION LTD	(1,426,086)	(2,119,159)	-49%
	TOTAL	**(33,806,809)**	**(34,975,930)**	**3%**
16	ADDU INTERNATIONAL AIRPORT PVT LTD	(10,824,751)	(6,784,096)	37%
17	BANK OF MALDIVES LTD	291,165,000	357,387,000	23%
18	DHIVEHI RAAJJEYGE GULHUN PLC	255,853,000	219,756,000	-14%
19	FENAKA CORPORATION LTD	7,635,351	26,087,114	242%
20	HOUSING DEVELOPMENT CORPORATION	336,482,638	7,595,480	-98%
21	HOUSING DEVELOPMENT FINANCING CORPORATION PLC	23,697,090	23,419,812	-1%
22	ISLAND AVIATION SERVICES LIMITED	(21,670,721)	(25,348,749)	-17%
23	MALDIVES AIRPORTS COMPANY LTD	422,709,000	314,297,000	-26%
24	MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC	52,986,424	61,675,099	16%
25	MALDIVES TOURISM DEVELOPMENT CORPORATION	3,708,633	5,785,337	56%
26	MALE' WATER AND SEWERAGE COMPANY PVT LTD	80,995,243	64,715,772	-20%
27	MALDIVES PORTS LIMITED	31,580,324	23,978,791	-24%
28	STATE ELECTRIC COMPANY LTD	32,901,411	27,899,147	-15%
29	STATE TRADING ORGANIZATION PLC	114,192,473	108,600,253	-5%
30	MALDIVES POST LIMITED	156,689	(7,272,588)	-4741%
31	REGIONAL AIRPORTS COMPANY LIMITED	-	1,434,236	100%
	TOTAL	**1,621,567,805**	**1,203,225,608**	**-26%**
	GRAND TOTAL	**1,587,760,996**	**1,168,249,678**	**-26%**

SOE's has generated total net profit of MVR 1.17 billion at the end of first quarter 2021 which is a reduction of 26% compared to the same quarter of last year. SDFC, BML, Fenaka, MTDC, and MTCC has achieved a growth in net profit in the first quarter by 16% compared to the same quarter of previous year. Although, Aasandha and MMPRC ha net loss in Q1 2020 company has achieved net profit at the end of first quarter 2021. Aasandha Company has managed to generate a net profit of MVR 2.6 million in the end of first quarter 2021 mainly due to decreased its operational expenses by MVR 2.6 million which is 19% in the quarter.

However, Dhiraagu, HDC, HDFC, MACL, MWSC, PORTS, STELCO and STO's net profit was decreased in Q1 2021 compared to the same quarter of previous year. In addition, net loss was increased in the companies such as, BCC, FDC, MSCL, RDC, PSM, Tradenet, IAS in Q1 2021 compared to Q1 2020.

It is important to highlight that although, WAMCO and POST Limited has a net profit in Q1 2020, and two companies has experienced huge loss at the end of Q1 2021. This is mainly due to increase in the operational costs and the decreased in the revenue generated in the quarter.

SHORT TERM LIQUIDITY RATIOS

COMPANY NAME	Q1 2020 (MVR) Current Ratio (Times)	Q1 2020 (MVR) Quick Ratio (times)	Q1 2021 (MVR) Current Ratio (times)	Q1 2021 (MVR) Quick Ratio (times)
AASANDHA COMPANY LIMITED	1.01	1.01	2.1 ↑	2.07 ↑
BUSINESS CENTRE CORPORATION LTD	4.86	4.86	2.77 ↓	2.72 ↓
FAHI DHIRIULHUN CORPORATION LTD	61.80	61.80	38.6 ↓	38.6 ↓
KAHDHOO AIRPORT COMPANY LTD	24.20	23.50	18.7 ↓	18.2 ↓
MALDIVES CENTER FOR ISLAMIC FINANCE LTD	0.29	0.29	0.45 ↑	0.45 ↑
MALDIVES FUND MANAGEMENT CORPORATION LIMITED	7.50	7.50	0.9 ↓	0.9 ↓
MALDIVES HAJJ CORPORATION LTD	1.40	1.40	2.9 ↑	2.8 ↑
MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION	0.01	0.01	0.02 ↑	0.02 ↑
MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION	1.04	1.04	1.07 ↑	1.07 ↑
MALDIVES SPORTS CORPORATION LTD	13.60	13.50	10.2 ↓	9.9 ↓
PUBLIC SERVICE MEDIA	0.19	0.19	0.08 ↓	0.08 ↓
WASTE MANAGEMENT CORPORATION	1.91	1.91	1.33 ↓	1.33 ↓
TRADE NET MALDIVES CORPORATION LTD	4.09	4.09	18.89 ↑	18.89 ↑
ROAD DEVELOPMENT CORPORATION LIMITED	0.85	0.70	0.62 ↓	0.44 ↓
ADDU INTERNATIONAL AIRPORT PVT LTD	0.14	0.12	0.08↓	0.05 ↓
DHIVEHI RAAJJEYGE GULHUN PLC	2.17	2.09	1.68 ↓	1.63↓
FENAKA CORPORATION LTD	0.68	0.32	0.68	0.25 ↓
HOUSING DEVELOPMENT CORPORATION	3.69	0.92	3.48 ↓	0.71 ↓
ISLAND AVIATION SERVICES LIMITED	0.91	0.83	0.85 ↓	0.78 ↓
MALDIVES AIRPORTS COMPANY LTD	1.94	1.73	1.98 ↑	1.77 ↑
MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC	1.44	1.10	1.60 ↑	1.26 ↑
MALDIVES TOURISM DEVELOPMENT CORPORATION	2.40	2.40	2.2 ↓	2.2 ↓
MALE' WATER AND SEWERAGE COMPANY PVT LTD	1.66	1.19	1.62 ↓	1.24↑
MALDIVES PORTS LIMITED	2.60	1.05	2.03 ↓	0.84 ↓
STATE ELECTRIC COMPANY LTD	3.65	2.91	2.77 ↓	2.09 ↓
STATE TRADING ORGANIZATION PLC	1.12	0.89	1.14 ↑	0.93 ↑
MALDIVES POST LIMITED	1.27	1.26	1.17 ↓	1.17 ↓
REGIONAL AIRPORTS COMPANY LIMITED	N/A	N/A	42.20	42.20

The current ratio measures a company's ability to pay short-term obligations or those due within one year. Current ratio of a company indicates that the company has enough current assets to settle the short-term obligation.

The ideal standard of current ratio is 2:1, indicating that, for every MVR 1 worth of short-term liability, there should be MVR 2 worth of current assets. However, the ratio might differ from industry to industry and the perfect ratio depends on company's nature. Likewise, in theory however, a high ratio (over 3) does not necessarily indicate that a company is in a better financial position. As such, depending on how the company's assets are allocated, a high current ratio may suggest that the company is not using its current assets efficiently, or is not securing financing well, or perhaps is not managing its working capital effectively.

As per the above table FDC, KACL, MSCL, Tradenet and RACL has the highest current ratio, however this represents the cash balance of the company which is capital injected by the government. This cash is used to finance the operational expenses of the company.

On the other hand, MCIF, MFMC, MITDC, MMPRC, PSM, RDC, AIA, Fenaka, IAS, STO and POST have fewer current assets compared to its current liabilities. Hence, these companies liquidity position is unsatisfactory as they are unable to pay its short-term obligations through its current assets.

The quick ratio reflects company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Further, the liquidity problems of SOEs are getting worse with growing receivables.

FINANCIAL LEVERAGE RATIOS

COMPANY NAME	Q1 2020		Q1 2021	
	Debt to Equity (times)	Debt to Assets (times)	Debt to Equity (times)	Debt to Assets (times)
ADDU INTERNATIONAL AIRPORT PVT LTD	(5.58)	0.71	(3.11) ↓	0.79 ↑
FAHI DHIRIULHUN CORPORATION LTD	-	-	0.28	0.22
FENAKA CORPORATION LTD	0.09	0.06	0.06 ↓	0.04 ↓
HOUSING DEVELOPMENT CORPORATION	0.59	0.33	0.46 ↓	0.29 ↓
ISLAND AVIATION SERVICES LIMITED	0.47	0.17	0.53 ↑	0.19 ↓
MALDIVES AIRPORTS COMPANY LTD	0.44	1.01	0.51 ↑	1.28 ↑
MALDIVES TRANSPORT AND CONTRACTING COMPANY PLC	0.49	0.23	0.43 ↓	0.20 ↓
MALE' WATER AND SEWERAGE COMPANY PVT LTD	0.12	0.08	0.09 ↓	0.06 ↓
MALDIVES PORTS LIMITED	0.18	0.11	0.22 ↑	0.12 ↑
PUBLIC SERVICE MEDIA	0.18	0.13	0.21 ↑	0.15 ↑
STATE ELECTRIC COMPANY LTD	4.14	0.77	3.88 ↓	0.74 ↓
STATE TRADING ORGANIZATION PLC	0.96	0.38	0.94 ↓	0.36 ↓
ROAD DEVELOPMENT CORPORATION LIMITED	(0.41)	0.05	(0.03) ↓	0.01 ↓

The above listed companies are the companies who have debts as means of financing for investments. Based on the ratios, AIA holds the highest ratio of gearing. The rise in borrowing is not healthy for a company like AIA where they do not have the potential to repay the debts and has to depend on the capital injections from the shareholders. However, the gearing level of the company has declined in Q1 2021 compared to the same quarter of previous year. The negative results are due to negative equity resulting from accumulated losses over the consecutive quarters.

Apart from AIA, companies like STELCO also has a high leverage due to significant debts. Although this increases the financial risk associated with the company, developmental projects will increase room for further revenue.

The companies with low financial leverage include Fenaka, HDC, MTCC and MWSC. With a low financial risk these companies will be able to attract additional finances if required.

CONCLUSION

With the ease of the global pandemic COVID-19 the performance of the SOE's has started improving in the first quarter of 2021. However, it is noted that most of the SOE's is still struggling to overcome the loss. It is noted that compared to the same quarter of previous year overall performance is lower at the end of first quarter 2021. The overall revenue of the SOE's decreased in Q1 2021by 14% which is MVR 1.1 billion. Hence the profitability dropped by 26% which is MVR 419 million.

Although the overall revenue dropped in the quarter companies such as Aasandha, MMPRC, SDFC, BML, Fenaka, MTCC and MTDC has achieved growth in profitability. However, companies such as HDC, MACL, MWSC, PORTS and STELCO's performance have dropped during the quarter. In addition, public companies like Dhiraagu, HDFC and STO has also faced declined profitability.

SOEs such as BCC, FDC, MSCL, PSM, WAMCO and Tradenet are poor performing companies. With significant accumulated losses, these companies are facing serious going concern issues. Therefore, Government of the Maldives has to finance company's operations in terms of capital injections. The overheads of the SOE's keep rising each year, hence it is important that companies take measures to control their expenditure and reduce costs. This can be done through cutting down the irrelevant and avoidable expenses.

Quarterly review; Quarter 1-2021

AASANDHA COMPANY LTD

Report No: PEM/2021/ACL/Q1

Q1 2021 with Q1 2020 and Q4 2020

INCOME AND EXPENSES

Income

Q1 2020	Q1 2021	Q4 2020
12.6	13.5	12.0
Million in MVR	Million in MVR	Million in MVR

The company has changed its business concept where the company charges a processing fee from service providers. In this regard, an agreement was signed between Aasandha, NSPA and MOF. Currently processing fees are taken from local pharmacy service providers. And the work is ongoing for expanding the charges to other service providers as well. The first payment of commission under the agreement has been received.

Operating Expenses

Q1 2020	Q1 2021	Q4 2020
13.4	10.8	10.4
Million in MVR	Million in MVR	Million in MVR

The operating expenses of the company consists of administrative costs and other operating expenses. Administrative costs have increased in Q1 2021 while other operating expenses have declined compared to previous quarter.

The details of other operating expenses and administrative expenses are summarized in the following tables.

EXPENSESS FOR ADMINISTRATION	Q1 2020	Q1 2021	Q4 2020
Salary and Benefits	7,532,143	6,969,857	6,939,462
Utility Costs	377,020	289,338	316,943
Communication Expenses	439,447	427,110	425,812
Rents	683,750	741,830	761,250
Directors Expenses	141,780	209,145	116,150
Printing and Stationery	482,369	43,765	(376,529)
Depreciation and Amortisation	1,786,044	1,474,879	1,462,473
Total	**11,442,553**	**10,155,924**	**9,645,561**

OTHER OPERATING EXPENSES	Q1 2020	Q1 2021	Q4 2020
Travelling Expenses	32,403	1,721	110
Professional Services	230,380	21,400	32,800
Scholarship and Training	51,362	-	-
Repairs and Maintenance	159,183	266,790	171,677
General Expenses	-	18,655	6,290
Software & online service expenses	1,442,820	302,836	591,404
Office Cleaning	5,460	5,376	5,460
Sundry Expenses	68,520	66,470	13,827
Total	**1,990,128**	**683,248**	**821,568**

Among administrative expenses the highest increment was seen from directors' expenses. Director's expenses has increased due to overseas training of board members.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
1.01 Times	2.10 Times	2.45 Times

Current ratio shows company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets. Current ratio has been above 1 for the comparable quarters, which indicates company have enough current assets to cover its current liabilities in short term. However it is important to highlight that the largest component of current assets is trade receivables and if the company face difficulties to collect these receivables Aasandha might face liquidity issues. The current ratio is approximately equal to quick ratio as the company holds insignificant value of inventory.

Current ratio has declined compared to previous quarter as a result of increasing company's liabilities more than its current assets. Increase in current assets was led by the growth of trade and other receivables. Most of the trade receivables and payables record are scheme related entries which are offset against each other.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.17 Times	1.25 Times	1.85 Times

The cash ratio calculates a company's ability to repay its short-term debt with cash and cash equivalents. The cash ratio of Aasandha Company shows that company have enough cash to cover its current liabilities. The cash balance has increased by MVR 1.6 million against previous quarter, however the ratio has declined as the current liabilities has grown by a much higher rate.

It has to be noted that Aasandha is the operator of the National Health Insurance scheme and is required to process all scheme related bills and complete other works assigned by the National Social Protection Agency (NSPA). After processing, the information is shared with NSPA who in turn requests MOFT to settle the payments directly to the vendors. This work is performed utilizing a commission (2% commission on pharmacy invoices) payable by MOFT and administrative budget contribution by the MOFT. There are virtually no other sources of income. Therefore, maintaining company's liquidity position is not entirely within their control.

CONCLUSION & RECOMMENDATION

Total income of the company has recorded an increase of MVR 1.5 million. The operational expenses of the company have also increased compared to previous quarter. To maximize returns, it is important for the company to keep the expenses at an optimum level.

Company maintains its current assets above its current liabilities. As noted above, maintaining company's liquidity position is not entirely within Company's control as NSPA virtually controls all receivables of the company.

Quarterly review; Quarter 1-2021

ADDU INTERNATIONAL AIRPORT PVT LTD

Report No: PEM/2021/AIA/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020
19.0
Million in MVR

Q1 2021
26.3
Million in MVR

Q4 2020
11.5
Million in MVR

AIA's revenue is generated from two main sources; revenue from passengers and concessionaires for commercial activities undertaken on airport sites and revenue from airport charges paid by airlines/operators for the use of airside facilities and services. AIA's main revenue generating segment is from aeronautical facilities and services. Company's revenue has increased in Q1 2021 by 39% compared to Q1 2020. This is due to increase in number of private jet movements in the period which led to increase jet fuel sales and other revenue drivers. Likewise, compared to previous quarter revenue has significantly increased by 129 mainly due to aforementioned reasons. Below table shows how AIA generated revenue within the quarters of Q4 2019, Q4 2020 and Q3 2020.

Revenue	**Q1 2020**	**Q1 2021**	**Q4 2020**
Jet Fuel Revenue	12,734,070	16,061,430	8,785,028
Ground Handling Charge	3,460,162	2,435,359	956,592
Landing Fees	1,148,345	1,165,997	538,647
Parking Fees	923,032	6,415,263	1,020,590
Ancillary Equipment charge	493,833	217,885	125,442
Passenger Service charge	61,954	-	-
Cargo Terminal Warehouse	143,127	55,704	43,716
Other	47,445	29,729	32,654
Total	**19,011,968**	**26,381,367**	**11,502,669**

The main revenue streams of company is from jet fuel (61%), parking fees (24%), ground handling charges (9%) and landing fees (4%) which are all interrelated to the level of flight operation. As number of flights has increased in Q1 2021, revenue from all the area sees improvement. As such, jet fuel sales increased by 83% over 600,000 ltres more fuel was sold in Q1 2021 compared to previous quarter. Ground handling, landing and parking fee also increased by 155%, 11% and 529% compared to previous quarter as number of private jet movements has increased in Q1 2021. Compared to previous year, AIA was able to increase its revenue from operation as number of private jet movements were higher compared to Q1 2020.

Aircraft Movements	Q1- 2020	Q1-2021	Q4-2020	Q1 vs Q4	Q1 vs Q1
Domestic Operators					
Island Aviation Services Limited	473	111	201	-45%	-77%
Villa Air Pvt Ltd	2	0	0	-	-100%
Manta Air	0	0	0	-	-
Scheduled International Flights	33	0	39	-100%	-100%
Passenger Charters	0	0	5	-100%	-
Intl Adhoc Aircrfat	25	168	53	217%	572%

In the first quarter of 2021, flight movement from IASL was reduced compared to both comparable periods. There were no flight movements in Q1 2021 from Villa Air, Manta Air, Passenger charters and no scheduled international flights. However, International Adhoc Aircraft was drastically increased in Q3 2021 compared to previous quarters.

Other Income	Q1 2020	Q1 2021	Q4 2020
Rent Income	2,473,429	1,623,377	571,617
Lounge Income	167,710	124,285	74,680
Miscellaneous income	64,363	3,238	-
Electricity charge	15,321	25,004	17,888
Total	**2,720,823**	**1,775,904**	**664,185**

It is also noted that, AIA's other operating revenue has increased by 167% compared to previous quarter as concessions were provided and rental waiver were made during Q4 2020. Over 90% other income comprises rent income. Above table illustrates how AIA generated other operating income in the quarters of Q1 2020, Q1 2021 and Q4 2020.

Net Profit/loss

Q1 2020
-10.8
Million in MVR

Q1 2021
-6.7
Million in MVR

Q4 2020
-35
Million in MVR

Although company records a net loss of MVR 6.7 million and a net loss margin of -26% in Q1 2021, this is a major improvement, compared to the results from previous quarter and previous year's comparable period. The reduction is net loss is attributable to the increase in revenue from operations and other income.

Below table illustrates company's operating expenses incurred in the quarters of Q1 2021, Q1 2020 and Q4 2020.

Operating Expenses

Operating Expenses	Q1 2020	Q1 2021	Q4 2020
Jet Fuel expenses (3.2)	8,555,089	9,056,316	5,581,952
Employee benefit expenses (3.1)	8,291,847	8,415,119	8,214,090
Depreciation of PPE	6,322,999	6,694,701	7,137,434
Amortisation of Intangible assets	155,360	1,240	131,077
Electricity Charges	1,014,065	880,374	883,306
Hire Charges	162,050	241,078	201,106
Supplies and requisites	207,011	282,894	360,268
Subscription and expenses	517,741	374,326	625,333
Consultancy expenses	1,220,700	488,100	662,304
Freight and Duty charges	158,185	108,090	(452,869)
Repairs and maintenance expenses	302,176	317,215	412,533
Fuel expenses	140,655	196,282	173,207
Telephone expenses	104,167	57,601	119,836
Uniform expenses	-	133,881	137,125
Insurance expenses	645,358	588,234	586,518
bank charges	15,287	69,450	54,530
Travelling expenses	121,176	58,016	66,762
Directors remuneration	96,000	128,400	90,548
Printing & Stationary	30,603	40,300	44,514
Fines and penalties	513	65,377	89,797
Others	232,183	99,012	201,951
Total	**28,293,165**	**28,296,006**	**25,321,322**

Average operating expenses increased by 7% in Q1 2021 mainly due to increase in jet fuel expense by 62% compared to Q3 2020. The company was able to maintain the operating expenses at the same level compared to Q1 2020 when revenue generated was 129% higher.

It has to be noted that the main segment of operating expenses are from jet fuel expense (32%), employee benefit (30%) and depreciation of PPE (24%).

Employee benefit of the company increased in Q1 2021 by 2% and 1% compared to both the quarters of Q4 2020 and Q1 2020. The 2% increment is due to new recruitments and increase of overtime payments in the period, along with salary increment implemented with the approval of MoF. Depreciation of PPE was decreased by 6% in Q1 2021 compared to previous quarter.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
0.14	0.08	0.06
Times	Times	Times

A current ratio of above 2 is considered acceptable as it indicates company has sufficient current assets to meet its current liabilities. AIA has a current ratio of 0.08 times indicating that the company is not capable to meet its short term obligations.

Although current assets have increased compared to previous year (29%), company has significant current liability (MVR 488 million) which is 4% higher than previous quarter. Current liability mainly consists of loans and borrowing (44%) and trade and other payables (56%). Trade and other payables mainly include related party payables (liabilities transferred from STO to MoF by MVR 226 million). It is important to note that if current loan and borrowings are excluded, current ratio remains at 0.14 (Q4 2020 0.11, Q1 2020: 0.22). Nevertheless, AIA has more current liabilities compared to its current assets which shows that company is unable to meet and payoff its short-term obligations with current assets.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
0.12	0.05	0.04
Times	Times	Times

Quick ratio shows a company's capability to meet its short-term obligations with its most liquid current assets excluding its inventories. AIA's quick ratio by 0.05 times indicates that the company does not have the capacity to meet its short-term obligations. AIA's inventory increased in Q1 2021 by 10% and 28% compared to both the quarters of Q4 2020 and Q1 2020 respectively.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.02	0.01	0.01
Times	Times	Times

AIA's cash ratio of 0.01 times in Q1 2021 indicates that the company is not capable in meeting the short-term liabilities with company's cash and cash equivalents. In addition AIA's current liabilities are significantly higher than its cash and cash equivalents meaning insufficient cash on hand to pay off short-term debts. AIA's cash and cash equivalent has increased from MVR 3.1 million to MVR 6.8 million compared to previous quarter, which did not result to impact as current liabilities were at MVR 480 million and MVR 467 million in Q1 2021 and Q4 2020 respectively.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
-5.58	-3.11	-3.22
Times	Times	Times

Debt to equity ratio illustrates the degree to which the company is financing its operations through debt. AIA's debt to equity ratio of -3.37 times indicates that the company's has negative total equity as the company has MVR 447 million accumulated loss at the end of the Q1 2021. It is noted that company's accumulated loss has been increasing in each quarter. Accumulated loss increased in Q1 2021 by 2% and 19% compared to both the quarters of Q4 2020 and Q1 2020 respectively. It is also noted that company merely depend on shareholders assistance and has huge borrowings hence they are unable to repay their debts.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.71	0.79	0.78
Times	Times	Times

Debt to asset ratio of a company shows company's capability to pay off its debts by its total assets. AIA's debt to asset ratio was increased in Q1 2021 by 1% and 11% compared to both the quarters of Q4

2020 and Q1 2020 respectively. However, it is noted that the company is unable to service debts through the operations and AIA is getting financial assistance from shareholders to repay existing loans

CONCLUSION & RECOMMENDATION

AIA has generated revenue of MVR 26.3 million which is higher compared to other two quarters as the business operation has increased, mainly from increasing movement of international private jets. This is attributable to the fact that net loss of the company was decreased from MVR 35 million to MVR 6.7 million in Q1 2021.

AIA's current liabilities exceed its current assets. Hence liquidity position of the company is unfavorable and indicates that the company is unable to meet its short-term obligations. It is noted that company's trade and other receivables is 70% of company's revenue in Q1 2021. Hence, the company should focus on collecting receivables by implementing new rules for credit collections. Likewise, company needs to manage and settle its payables in order to maintain liquidity ratios in favorable position.

In addition, AIA's leverage ratio also shows unfavorable results as the company has more borrowings with huge accumulated loss in the first quarter of 2020. Therefore, in order to generate profit and decrease shareholders assistance, company should plan and implement new ways to generate revenue.

Quarterly review; Quarter 1-2021

BUSINESS CENTER CORPORATION LTD

BUSINESS CENTER CORPORATION LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/BCC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q42020
3.55	4.47	2.13
Million in MVR	Million in MVR	Million in MVR

BCC's first income generating activity; Authentic Maldives Duty free shop at Velana International Airport, was launched on 09th January 2020. The operations were started with 39 suppliers and it has now expanded to more than 60 suppliers. The second outlet of Authentic Maldives was opened on 12 November 2020, selling products of more than 30 local suppliers. BCC has generated revenue of MVR 4.47 million in the first quarter of 2021. Revenue of the company was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 26% and 109% respectively.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
2.06	0.85	0.49
Million in MVR	Million in MVR	Million in MVR

BCC's direct costs at the end of the first quarter were MVR 3.6 million. Direct costs of the company were increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 145% and 120%. Hence, company's gross profit decreased significantly in Q1 2021. Gross profit of the company was decreased in Q1 2021 compared to Q1 2020 by 59%. However, company's gross profit increased in Q1 2021 compared to the previous quarter by 73%. BCC has a gross profit margin of 19% in the first quarter of 2021. Gross profit margin was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 39% and 4%.

Net Profit/Loss

Q1 2020	Q1 2021	Q4 2020
(0.14)	(2.85)	(2.95)
Million in MVR	Million in MVR	Million in MVR

BCC is experiencing a huge net loss of MVR 2.85 million at the end of the first quarter 2021 as the company is having high administrative costs compared to the revenue they generate. It is important to note that company's administrative cost is increasing in each quarter. Company's administrative costs increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 46% and 13% respectively.

LIQUIDITY

Current ratio

Q1 2020	Q1 2021	Q4 2020
4.86 TIMES	2.77 TIMES	3.51 TIMES

Current ratio of 2 is concidered ideal. BCC has a current ratio of 2.77 times in Q1 2021 indicating that the company is able to meet its short-term obligations with its current assets. Current ratio of the company decreased in Q1 2021 compared to Q1 2020 by 43% and compared to previous quarter current ratio decreased in Q1 2021 by 21%. BCC has more current assets compared to their current liabilities. Current assets of the company increased in Q1 2021 by 1% compared to Q1 2020. And compared to the previous quarter, current assets decreased in Q1 2021 by 7%. Trade and other receivables decreased in Q1 2021 compared to Q1 2020 and Q4 2020 by 44% and 28% respectively. It is noted that company's current liabilities increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 77% and 17% mainly due to increase in trade and other payables in Q1 2021. Trade and other payables was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 67% and 12%.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
4.86 TIMES	2.72 TIMES	3.44 TIMES

Company with a quick ratio of more than 1 indicates that the company is capable to meet its short term obligations. Quick ratio of BCC resulting 2.72 times indicates that the company is able to pay off its current liabilities with their current assets excluding inventories. Company's quick ratio was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2021 by 44% and 21%.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
3.61 TIMES	1.91 TIMES	2.53 TIMES

The main component of current assets is cash and cash equivalent. Cash and cash equivalent of the company at the end of the first quarter 2021 was MVR 3.4 million. Cash and cash equivalent was decreased in Q1 2021 by 6% and compared to Q4 2020 cash and cash equivalent decreased by 11% in Q1 2021. BCC has more cash compared to its current liabilities at the end of Q1 2021. Hence, company's cash ratio was 1.91 times in Q1 2021. Cash ratio was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 44% and 24% respectively. It has to be noted that, although the company is able to pay off its short term debts immediately by its cash, the company is highly dependent on shareholders assistance for daily expenses.

CONCLUSION & RECOMMENDATION

BCC has generated a significant revenue of MVR 4.47 million at the end of first quarter 2021. However, Company is experiencing a huge loss of MVR 2.85 million in the first quarter of 2020 due to high overhead costs. Overhead costs of the company were increased in Q1 2021 due to high administrative costs of MVR 4.2 million at the end of the first quarter 2020. As the company's net loss is increasing each year, company should evaluate the overhead costs incurred and also implement more ideas to promote the business activity in order to reduce the loss and to cover the overhead costs incurred. Although, the company's liquidity position shows favorable results, it is noted that the company is highly dependent on shareholders fund.

Quarterly review; Quarter 1-2021

BANK OF MALDIVES LTD

Report No: PEM/2021/BML/Q1

Q1 2021 with Q1 2020 and Q4 2020

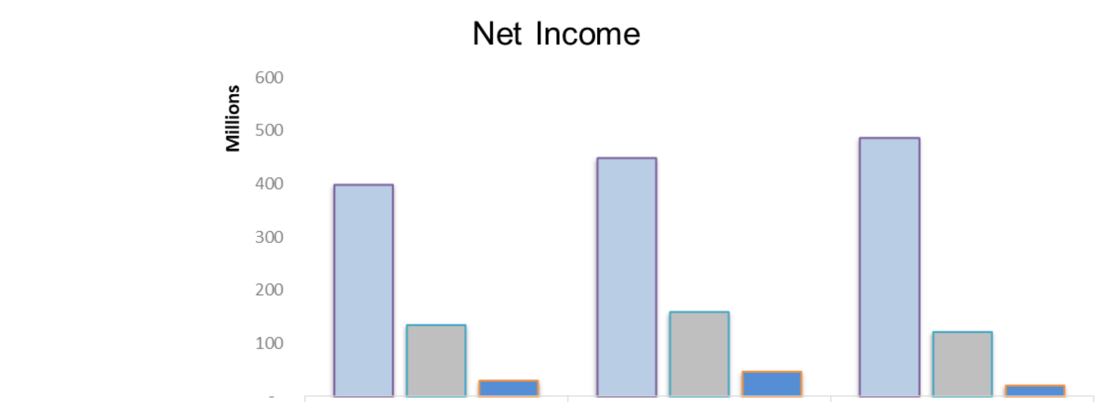
PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
685	819	791
Million in MVR	Million in MVR	Million in MVR

BML's revenue was increased in the first quarter of 2021 compared to the first quarter and last quarter of 2020, resulting in a revenue of MVR 819 million in Q1 2021. BML's revenue was increased by 20% and 4% in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020. Below chart illustrates how BML has generated revenue within the quarters of Q1 2020, Q1 2021 and Q4 2020

Income breakdown



	Q1 2020	Q1 2021	Q4 2020
Net Interest Income	398,727,000	448,864,000	486,428,000
Net fee and Commission Income	135,534,000	158,703,000	122,990,000
Other Operating Income	29,848,000	47,316,000	22,161,000

BML's main income generating segment is from net interest income which covers 125% of total operating income. Net interest income was increased in Q1 2021 compared to the same quarter of last year by 13%. However, compared to the last quarter of 2020, net interest income was decreased in Q1 2021. It is noted that net fee and commission income and other operating income was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020. Net fee and commission income increased in Q1 2021 by 17% and 29% compared to Q1 2020 and Q4 2020 respectively. Other operating income increased in Q1 2021 by 59% and 114% compared to Q1 2020 and Q4 2020 respectively.

Net Interest Margin

Net interest margin shows the total net profit of interest-earning assets from loans or investment securities of the bank. Overall profitability and higher margin indicates a more profitable bank. BML's net interest income was decreased in Q1 2021 by 0.1% and 0.3% compared to both the quarters of Q1 2020 and Q4 2020. Interest income and similar income of the company was increased in Q1 2021 by 12% compared to the same quarter of last year. However, compared to the fourth quarter of 2020 interest income and similar income was decreased by 9% in the first quarter of 2021. On the other hand, company's interest earning assets was increased in the first quarter of 2021 by 19% and 6% compared to Q1 2020 and Q4 2020.

Net Profit/loss

Q1 2020	Q1 2021	Q4 2020
291	357	-331
Million in MVR	Million in MVR	Million in MVR

Although, BML generated a huge loss in the last quarter of 2020, BML was able to recover in all the core business lines and has generated a huge net profit of MVR 357 million in the first quarter of 2021. It is also noted that, BML's net profit was increased in the first quarter of 2021 by 23% compared to the same quarter of last year.

Capital Management

The Bank's capital and liquidity ratios remain solid and well above the minimum regulatory requirements. Below table summarizes how BML is managing their capital position in the quarters of Q1 2020, Q1 2021 and Q4 2020

Total Assets	Q1 2020	Q1 2021	Q4 2020
Cash, Short term Funds & Balances with MMA	7,237,085,000	10,310,391,000	8,943,721,000
Loans and Advances	13,716,863,000	14,671,815,000	14,459,899,000
financial Investments- FVOCI	209,688,000	195,166,000	245,166,000
Financial Investments- Amortized Cost	5,787,487,000	6,769,941,000	6,433,845,000
Property, Plant and Equipment	551,428,000	613,945,000	606,805,000
Right-of-use-Assets	176,321,000	156,166,000	156,166,000
Other Assets	315,117,000	589,887,000	579,811,000
Total Assets	**27,993,989,000**	**33,307,311,000**	**31,425,413,000**

Above table illustrates the total assets of BML in the quarters of Q1 2020, Q1 2021 and Q4 2020. Loans and advances is the main segment of BML's assets, as it covers 44% of total assets in Q1 2021. BML's loans and advances was increased in the first quarter of 2021 compared to the first and last quarter of 2020 by 42% and 15% respectively. It is noted that, financial investment - (fair value through other comprehensive income) was decreased in the first quarter of 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 7% and 20% respectively. In addition, Right of use assets was also decreased in Q4 2020 by 11% compared to the same quarter of 2020. It is also note that, the total assets of the company was increased in the first quarter of 2020 by 19% and 6% compared to both the quarters of Q1 2020 and Q4 2020.

The table below summarizes the liabilities of the bank for the quarters of Q1 2020, Q1 2021 and Q4 2020.

Total Liabilities	Q1 2020	Q1 2021	Q4 2020
Deposits	18,656,291,000	23,920,691,000	21,929,169,000
Borrowings	948,264,000	745,832,000	906,706,000
Lease Liabilities	155,143,000	144,058,000	144,059,000
Other Liabilities	1,136,434,000	1,119,826,000	1,425,964,000
Total Liabilities	**20,896,132,000**	**25,930,407,000**	**24,405,898,000**

Company's total liabilities were increased in Q1 2021 compared to Q1 2020 and Q4 2020 by 24% and 6% respectively. BML's main liabilities are from deposits and it covers 92% of total liabilities in Q1 2021. BML's customer deposits were increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 28% and 9% respectively. However, it is noted that the borrowings of the company was decreased in Q1 2020 compared to both the quarters of Q1 2020 and Q4 2020 by 21% and 18% respectively. In addition, other liabilities were decreased in Q1 2021 by 1% and 21% compared to Q1 2020 and Q4 2020. Company's lease liabilities were also decreased in Q1 2021 compared to the same quarter of 2020.

Loans to Deposits

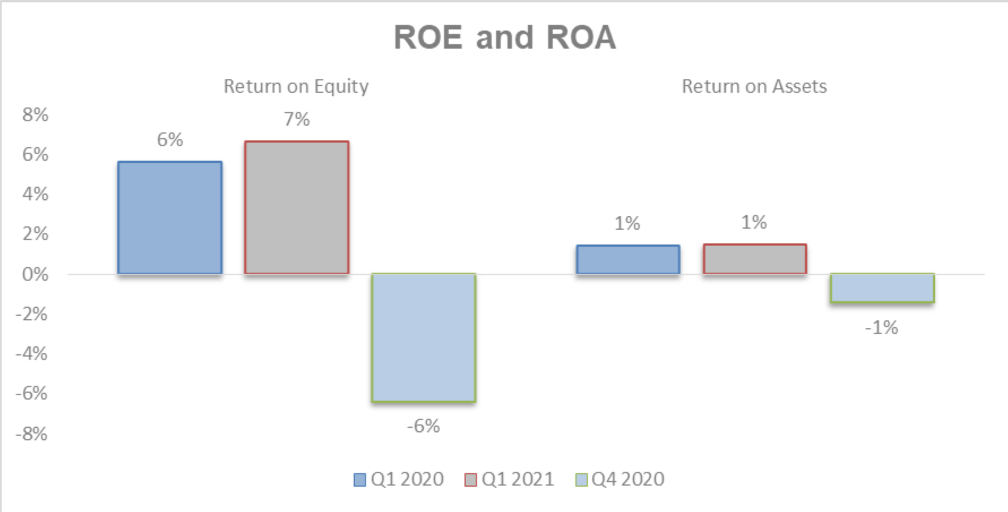
Q1 2020
74%
TIMES

Q1 2021
61%
TIMES

Q4 2020
66%
TIMES

Loans to deposits are a solvency ratio which shows whether the bank is healthy and sustainable in the long run. It shows a bank's ability to cover loan losses and withdrawals by its customers. Investors monitor the loans to deposit ratio of banks to make sure whether there's adequate liquidity to cover loans in the event of an economic downturn resulting in loan defaults. The ideal loan to deposit ratio is 80% to 90% and 100% loan to deposit ratio means bank loaned one dollar to customer for every dollar received in deposits. It has to be noted that BML's loans to deposit ratio was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 12% and 5% respectively.

Return on Equity (ROE) and Return on Assets (ROA)



ROE measures the ability of the company to generate profit with the money shareholders have invested. ROA measures how efficiently a company can manage its assets to produce profits during a period. Although, BML's ROE and ROA was negative in Q4 2020, BML's ROE and ROA was improved in Q1 2021 due to the high profit generated in the first quarter of 2020.

Important Projects undertaken in the quarter

- In February, as part of BML's strategy to expand banking services to support local communities, Bank opened a new self-service banking ATM center in K.Guraidhoo. In addition to cash withdrawal facilities, the center will provide deposit and transfer services to individuals and businesses on a 24-hour basis. The existing ATM Centre in M.Muli was also upgraded during the quarter to provide Self-Service Banking facilities.
- In March, Bank published the first Sustainability Report for the bank, giving insight into their key CSR activities of 2020 and highlighting their work in supporting the community.
- BML Offers, a discount portal to offer up to 25% discount for purchases made using BML cards was introduced during the quarter. In addition, a Shop & Win promotion was launched in January for all debit and credit cardholders to win cash prizes for purchases on cards.
- The popular Aharenge Bank Community Fund was opened in February to accept applications for sustainable community projects for the first phase of the year. This is the third year running for the project, which has now seen over 30 projects delivered. As a responsible business, Bank continued to deliver on their strategy to support vulnerable communities, and in the quarter, delivered special learning tools and equipment valued at MVR 150,000 to 10 schools.

- To drive the Bank's digitalization strategy, the cards and digital banking business was moved to the newly restructured Retail, Business and SME Banking Division.

Conclusion and Recommendation

BML has recovered in all the core business lines compared to the last quarter and has generated higher revenue of MVR 819 million and MVR 357 million of profit after tax in the first quarter of 2021. Capital and liquidity ratios remain well above regulatory requirements and have a solid financial platform with a deposit base of MVR 24 billion and assets of MVR 33 billion

BML has the leading market share in retail, Corporate and SME segment. The bank is also the Market leader in Self Service banking with largest number of online and ATM users.

Quarterly review; Quarter 1-2021

DHIVEHI RAAJJEYGE GULHUN PLC

DHIVEHI RAAJJEYGE GULHUN PLC
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/DHIRAAGU/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q3 2020
728	660	622
Million in MVR	Million in MVR	Million in MVR

Dhiraagu has generated huge revenue of MVR 660 million in the first quarter of 2021. Compared to the same quarter of last year, revenue was decreased in Q1 2021 by 9%. However, revenue increased in Q1 2021 by 6% compared to the last quarter. It is noted that the company's main revenue is generated from mobile revenue, which covers 59% of total revenue.

Operating Profit

Q1 2020	Q1 2021	Q4 2020
314	263	230
Million in MVR	Million in MVR	Million in MVR

Operating profit of the company has decreased in Q1 2021 by 16% compared to the same quarter of last year. This is due to decrease in total revenue by 9% and decrease in operating expenses by 6% in Q1 2021 compared to Q1 2020. However, compared to the previous quarter company's operating profit was increased by 14% in Q1 2021 mainly due to increase in revenue by 6% in the quarter. It is noted that other income of the company was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 89% and 83% respectively. Below table illustrates company's operating expenses incurred within the quarters of Q1 2020, Q1 2021 and Q4 2020.

Operating Expenses	**Q1 2020**	**Q1 2021**	**Q4 2020**
Operating Costs	319,468,000	299,156,000	294,201,000
Depreciation and amortization	95,217,000	98,064,000	97,934,000
Total	**414,685,000**	**397,220,000**	**392,135,000**

As seen from the above table, company's main operating expenses are from operating costs which covers 75% of the total operating expenses in Q1 2021. Operating costs was decreased in Q1 2021 by 6% compared to Q1 2020. However, operating costs was increased by 2% compared to the previous quarter.

Net Profit

Q1 2020	Q1 2021	Q4 2020
256	220	188
Million in MVR	Million in MVR	Million in MVR

Dhiraagu has generated revenue of MVR 220 million in Q1 2021 which is 17% higher revenue compared to the previous quarter. However, revenue decreased in Q1 2021 by 14% compared to the same quarter of last year. Company's net financing expenses was decreased in Q1 2020 compared to both the quarters of Q1 2020 and Q4 2020 by 65% and 44% respectively. Business profit tax of the company was also decreased in Q1 2021 by 14% compared to Q1 2020. However, when compared to the previous quarter business profit tax was increased by 17% in Q1 2021.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
2.17	1.69	1.38
TIMES	TIMES	TIMES

Having a current ratio above 2 is normally considered as adequate. However Dhiraagu has more current assets compared to its current liabilities which indicate that the company is able to pay is short-term obligation with current assets. Current ratio of the company was decreased in Q1 2021 compared to Q1 2020 by 23%. However current ratio increased in Q1 2021 by 21% compared to the previous quarter. Company's current asset was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 30% and 10% respectively. Current liabilities were also increased in Q1 2021 by 69% compared to Q1 2020. However, current liabilities decreased by 10% in Q1 2021 compared to the previous quarter. It is important to note that in Q1 2021, 38% of current assets are from trade and other receivables and trade and other receivables are higher than the revenue generated in the quarter.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
2.09	1.63	1.34
TIMES	TIMES	TIMES

The quick ratio shows company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Quick ratio of above 1 indicates a favorable ratio. Company's quick ratio of 1.63 times in Q1 2021 indicates that the company is capable to meet its short-term liabilities excluding inventories. Quick ratio of the company was decreased in Q1 2021 by 22% compared to the same quarter of last year. However, compared to the previous quarter, quick ratio was increased by 21% in Q1 2021.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.90	0.99	0.78
TIMES	TIMES	TIMES

Cash ratio shows whether the company is capable to pay off its short-term liabilities with cash and cash equivalents. Company's cash ratio results 0.99 times in Q1 2021 indicating that the company is able to pay off 99% of current liabilities by cash and cash equivalents. Cash ratio was increased in Q1 2021 by 10% and 27% compared to Q1 2020 and Q4 2020 respectively. It is important to note that cash and cash equivalents are the main component of current assets which covers 59% of total current assets. Company's cash and cash equivalents were increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 86% and 15% respectively. On the other hand, trade and other payables were also increased in Q1 2021 compared to Q1 2020 by 23%. However, compared to the previous quarter trade and other payables of the company was decreased by 11% in Q1 2021.

CONCLUSION AND RECOMMENDATION

Dhiraagu has generated revenue of MVR 660 million and was able to generate a net profit of MVR 220 million in the fourth quarter of Q4 2020.

Dhiraagu has high current assets compared to its current liabilities in the fourth quarter of 2020. Hence, company is capable to meet and pay off its short-term obligations.

Quarterly review; Quarter 1-2021

FAHI DHIRIULHUN CORPORATION LTD

FAHI DHIRIULHUN CORPORATION LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/HDC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Operating Profit/ (Loss)

Q1 2020	Q1 2021	Q4 2020
-1.53	-1.79	-1.71
Million in MVR	Million in MVR	Million in MVR

The company is currently in the process of implementing the social housing projects mandated by the government of Maldives. Hence, from the company's inception in 2019 to the end of Q1 2021, FDC had not commenced revenue generation from its primary business operations. As a result, the company faced an operating loss of MVR 1.79 million in Q1 2021. Operating loss of the company was increased in Q1 2021 by 17% compared to Q1 2020 due to decrease in other income and increase in administrative costs in the first quarter of 2020. Operating loss increased in Q1 2021 by 5% compared to the previous quarter due to increase in administrative costs in Q1 2021. Table below summarizes the overhead costs incurred by the company during Q1 2020, Q1 2021 and Q4 2020.

Admin expenses	Q1 2020	Q1 2021	Q4 2020
Salary & Wages	976,780	1,121,426	1,071,637
Staff Welfare Expenses	-	-	2,100
Consultancy	176,323	149,891	223,130
Repair & Maintenance	-	45,758	399
Depreciation & Amortization	33,132	299,748	299,007
Utilities	42,398	166,251	96,463
Office Rent	300,000	-	-
Trade Subscrption and Fees	2,000	2,000	-
Printing & Office supplies	17,533	5,863	917
Small Tools and Equipments	1,770	4,190	22,655
Bank Charges	280	330	340
Office refreshments	970	3,913	2,150
Trnasportation and logistics	51,503	25	-
General Advertisement	-	3,000	-
Postage and Delivery	413	-	-
Training	23,418	-	-
Disposal	26,583	-	-
Total	**1,653,103**	**1,802,395**	**1,718,798**

FDC's overhead cost comprise of all the administrative costs in relation to the company's business operations. Administrative costs increased in the first quarter of 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 9% and 5% respectively. Administrative costs increased in Q1 2021 mainly due to increase in additional staff in the quarter.

Net Profit/Loss

Q1 2020	Q1 2021	Q4 2020
-1.53	-1.85	-1.78
Million in MVR	Million in MVR	Million in MVR

FDC's net loss was MVR 1.85 million at the end of Q1 2021. Net loss of the company was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 due to the finance costs incurred in Q1 2021 and Q4 2020. Company's finance costs were decreased by 8% in Q1 2021 compared to the previous quarter.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
61.8	38.6	2.0
TIMES	TIMES	TIMES

Current ratio shows whether a company is able to meet and pay off its short-term liabilities with its current assets. However, having a high current ratio indicated that the company is not using its current assets efficiently. FDC has a current ratio of 38.6 times in Q1 2021 indicating that they have more current assets compared to its current ratio. It is noted that 100% of current assets are from cash and cash equivalents which is the capital injected by the government. FDC's current assets were decreased in Q1 2021 compared to Q1 2020 by 7%. However, compared to the previous quarter, current assets increased in Q1 2021 by 253%. Current liabilities of the company were increased in Q1 2021 compared to Q1 2021 by 49%. However, compared to the previous quarter, current liability was decreased by 82% in Q1 2021.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
59.9	38.6	1.9
TIMES	TIMES	TIMES

Cash and cash equivalents in all three quarters represent the capital contribution given by the government. However, currently FDC is using capital injections for operating expenses, rather than investments. Cash and cash equivalents of the company were decreased in Q1 2021 by 3% compared to Q1 2020. However, company's cash and cash equivalents increased in q1 2021 by 260% compared to the previous quarter.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
NIL	0.22	0.29
TIMES	TIMES	TIMES

Company does not have any loans and borrowings in Q1 2020. Company's loans and borrowings increased in Q1 2021 by 42% compared to the previous quarter. Debt to equity ratio illustrates the degree to which the company is financing its operations through debts. Higher debt to equity ratio indicates a company with higher risk. However, FDC's debt to equity ratio was 0.22 times in Q1 2021. Debt to equity ratio was decreased in Q1 2021 by 48% compared to Q4 2020.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
-	0.28	0.54
TIMES	TIMES	TIMES

Debt to Assets ratio defines the total amount of debts relative to its assets. FDC's debt to asset ratio results 0.28 times in Q1 2021 indicating that the company has fewer borrowings compared to its total assets. Debt to asset ratio of the company was decreased in Q1 2021 compared to the previous quarter by 24%.

CONCLUSION & RECOMENDATION

The company ended the first quarter of 2021 with a net loss of MVR 1.85 million. During this quarter, the company incurred MVR 1.8 million as administrative costs arising from its operational activities

Company's liquidity position shows favorable results in the first quarter of 2020 as FDC has more current assets compared to its current liabilities. However, as the company has not commenced revenue generation yet, the company is solely reliant on government funding to meet its liquidity needs. At present, revenue generation is expected to commence towards mid-2023 upon completion of some of the planned social housing projects. It is noted that the cash balance represents the money injected by the government as capital contributions. Therefore the company should plan new ways to generate revenue in order to decrease the net loss of the company. In addition, company should focus on the areas where they can reduce administrative costs and should try to eliminate costs where possible.

In addition, company has less borrowing compared to the total equity and assets of the company. It is noted that the borrowings mainly comprise of lease liabilities as a result of accounting for leases in accordance with IFRS 16.

Quarterly review; Quarter 1-2021

FENAKA CORPORATION LTD

FENAKA CORPORATION LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/FENAKA/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020
420
Million in MVR

Q1 2021
442
Million in MVR

Q4 2020
444
Million in MVR

Fenaka has ended the first quarter of 2021 with a total revenue of MVR 442 million, which is MVR 2.4 million lower than previous quarter and MVR 22 million higher than the same period of last year. The variations in the revenue is due to changes in usage of customers.

The breakdown of the revenue for the three are as follows;

Revenue	**Q1 2020**	**Q1 2021**	**Q4 2020**
Business	40,750,469	40,433,914	38,983,973
Business Special	23,176,753	22,968,278	22,798,139
Domestic	113,021,731	129,207,751	128,593,362
Government	70,260,939	68,710,150	68,136,456
Tertiary		3,739,565	1,198,343
Water	6,949,333	8,014,310	7,917,801
Others	39,150,952	31,042,266	38,697,921
Tariff Rate Difference	126,817,875	138,380,562	138,582,690
Total	**420,128,052**	**442,496,795**	**444,908,684**

The revenue from company's business segments has improved in Q1 2021. Business segments has recorded an improvement of 4% against previous quarter and business special segment records an increase of 1% against previous quarter. Tariff rate difference stands at MVR 138 million, which is 31% of revenue of the Q1 2021. The significant fall in other revenue is due to less projects awarded in Q1 2021.

Gross Profit

Q1 2020
154
Million in MVR

Q1 2021
196
Million in MVR

Q4 2020
189
Million in MVR

Gross profit of the company has recorded a growth of 3% and 27% compared to Q4 2020 and Q1 2020 respectively. This is because although revenue declined against previous quarter, cost of sales has declined. As a result, gross profit margin has improved to 44% from 43% in previous quarter and 37% in Q1 2020.

Cost of Sales

Cost of Sales	Q1 2020	Q1 2021	Q4 2020
Diesel	188,563,966	194,924,600	199,155,428
Lub Oil	18,646,990	5,699,488	6,974,529
Spares	19,763,229	18,315,581	16,392,606
Cables	11,772,073	7,339,977	6,555,878
Other Fuel and Chemical	204,835	4,876	159,772
Sewerage	556,086	675,755	574,794
Water	437,327	2,439,243	1,696,924
Customer Service	69,309		-
General	1,135,281	1,988,914	1,495,509
Repair and maintenance			-
Land, Building & Infrastr	15,397		36,019
Power Plants, Sewer sys	3,316,949	3,225,512	6,833,676
Other	4,092,101	1,254,103	1,045,086
cost of contracted projects	17,140,654	9,929,259	14,052,438
Total	**265,714,197**	**245,797,307**	**254,972,658**

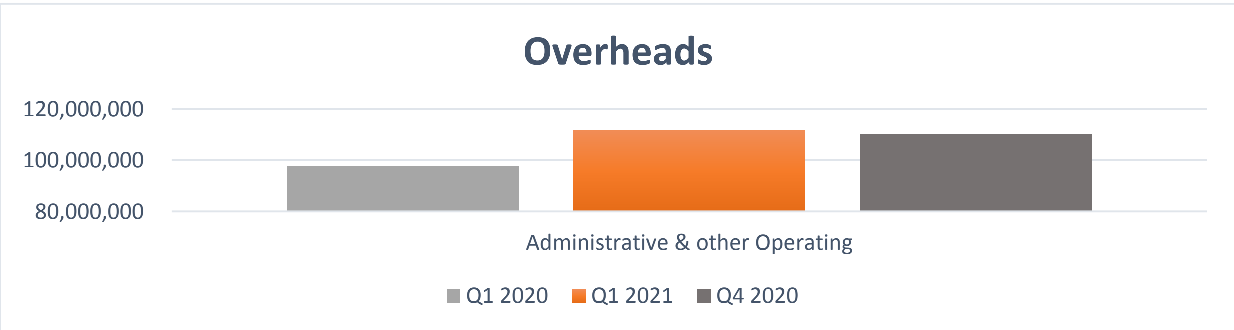
As seen from the table, the major cost savings were seen from cost of diesel, cost of contracted projects and repair and maintenance of power plants, sewer system & waste. On the other hand, cost of spare parts has increased Q1 2021 compared to previous quarter.

When compared to the same period of last year, total cost of sales a recorded a reduction of MVR 19.9 million.

Operating Profit

Q1 2020	Q1 2021	Q4 2020
56.7	85.0	79.7
Million in MVR	Million in MVR	Million in MVR

Fenaka has recorded an operating profit growth of 50% and 6.2% compared to Q1 2020 and Q4 2020 respectively. Thus, the operating profit margin has improved to 19% from 14% in Q1 2020 and 18% in Q4 2020. The overhead of the company is higher in Q1 2021 compared to other two quarters in review.



Total overheads of the company stand at MVR 111.7 million, which is MVR 14 million higher than Q1 2020 and MVR 1.5 million higher than previous quarter. The major administrative cost of the company is staff salary and allowances as it covers 81% of administrative costs. Staff salaries has slightly reduced against previous quarter. The major against previous quarter was recorded by transport expenses and compensation as per legal agreement.

In comparison to the same period of last year, the significant increment was recorded by salaries and allowances. Therefore, the total overheads show an increase of MVR 12.9 million compared to Q1 2020.

Net Profit

Q1 2020	Q1 2021	Q4 2020
7.63	26.1	23.5
Million in MVR	Million in MVR	Million in MVR

Regardless of reduction in revenue against previous quarter, the net profit for the quarter has improved by 10%. This is because of significant saving in cost of sales.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
0.68	0.68	0.68
TIMES	TIMES	TIMES

Company's current ratio indicates that the company is unable to meet its short-term obligations with the current assets. It is noted that company's trade and other receivables covers 36% of its total current assets. The ratio remained same as previous quarter as both current assets and current liabilities has reduced by the same percentage.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
0.32	0.25	0.27
TIMES	TIMES	TIMES

The quick ratio shows company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. However, company's quick ratio of 0.25 which is below 1 indicates inability to meet its short-term liabilities with its most liquid assets. The major current asset of the company is inventory. The inventory at the end of Q1 2021 is MVR 433 million, this is a reduction of MVR 2.3 million compared to previous quarter.

Below table illustrates company's trade and other payables and trade and other receivables within the quarters of Q1 2019, Q3 2020 and Q2 2020.

Trade and other Receivables	**Q1 2020**	**Q1 2021**	**Q4 2020**
Trade Receivables	184,392,281	197,360,929	215,773,759
Other receivables	36,780,844	50,433,571	65,325,103
	221,173,124	**247,794,500**	**281,098,862**
Trade and othe payables			
Trade payables	686,500,537	947,269,203	1,001,685,580

Both trade and other receivables and payables has declined in Q1 2021 compared to previous quarter.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.02	0.01	0.01
TIMES	TIMES	TIMES

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. Fenaka Corporations has very low level of cash compared to their current liabilities. Company's cash and cash equivalents has further decreased in Q1 2021 compared to both the quarters in review. The company has invested MVR 63 million in PPE and MVR 54 million was utilized to payout the payables of the company during the Q1 2021.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
0.09	0.06	0.06
TIMES	TIMES	TIMES

Debt to equity ratio illustrates the degree to which company is financing its operations through debts. The ratio of the company is relatively low as the equity of the company is high relative to borrowings.

It is noted that Fenaka Corporation has an outstanding of accounts payables of MVR 947 million at the end of the Q1 2021. If debt to equity is consider with company's accounts payable, debt to equity ratio results 0.49 times for Q1 2021. Indicating that the company is unable to pay off its outstanding accounts payables for more than 365 days.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.06	0.04	0.04
TIMES	TIMES	TIMES

Debt to Assets ratio defines the total amount of debts relative to its assets. The lower the debt to asset ratio, the less risky the company. Company's debt to asset ratio resulting 0.04 times in Q1 2021 indicates that company is capable to settle their debts as they have fewer debts compared to their assets. The company has not taken any additional borrowing but have repaid MVR 3.3 million during the quarter.

CONCLUSION

Fenaka Corporation has achieved a net profit of MVR 26 million for the first quarter of 2021, which is 10% higher than previous quarter and 242% higher than Q1 2020. However, the revenue for the quarter is MVR 2.4 million lower than previous quarter. The net profit growth was achieved through saving cost of sales.

Company's liquidity position is unfavorable as they have less assets compared to their liabilities. Company's total current assets consists of 36% of receivables and only 1% of cash and cash equivalents. It is also important to highlight that company has significant trade and other payables of MVR 947 million at the end of the Q1 2021. Nevertheless company has settled MVR 54 million payables during Q1 2021. If the company is able to manage their receivables efficiently, it will be easy to minimize their trade payables.

Company's leverage ratios show favorable results as their borrowings remain similar within the quarters and their equity increased. It is noted that company has more assets compared to their borrowings. As a result, company's financial risk is low, and it will boost their investors' confidence.

RECOMMENDATION

For a better liquidity position, company needs to manage their receivables to improve cash and cash equivalents. Further, company need to consider their financial position when making investment decision.

Quarterly review; Quarter 1-2021

HOUSING DEVELOPMENT CORPORATION

HOUSING DEVELOPMENT CORPORATION
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/HDC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
566	101	133
Million in MVR	Million in MVR	Million in MVR

During the first quarter of 2021, HDC has only earned rental income of MVR 101 million, while company has made sale of properties in the previous quarter. However, the rental income of Q1 2021 is higher than that of previous quarter. The significantly higher revenue in Q1 2020 is due to sale of land in that quarter.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
451	101	123
Million in MVR	Million in MVR	Million in MVR

Since the company has not made any sale of property/land, there is no cost of sales. Hence revenue is equal to the gross profit for the quarter.

Operating Profit/Loss

Q1 2020	Q1 2021	Q4 2020
414	33	47
Million in MVR	Million in MVR	Million in MVR

The company has made an operating of MVR 33 million for Q1 2021, which is 30% less compared to previous quarter. Other income has reduced by MVR 4.4 million against previous quarter. Total operating expenses has also reduced by 13% against previous quarter. The loss of operating profit against the same period of last year is MVR 381 million.

Expenses

	Administartive costs	Maintenance Expenses	Selling and Marketing Expenses
Q1 2020	39,131,773	1,801,414	81,304
Q1 2021	69,630,058	7,692,509	1,686,543
Q4 2020	75,471,497	15,465,525	37,786

Both administrative and maintenance expenses have reduced by MVR 5.8 million and MVR 7.7 million respectively compared to previous quarter. The major savings among administrative expenses was seen from other expenses and professional & consultancy fees. From maintenance the highest reduction was recorded by building maintenance and general maintenance expense.

In comparison to the same quarter of 2020, total expenses of the company have increased from MVR 41 million to MVR 79 million mainly from personnel costs (MVR 17.8 million) and other general & administrative expenses (MVR 8.9 million).

Net Profit/Loss

Q1 2020	Q1 2021	Q4 2020
336	7.59	21.9
Million in MVR	Million in MVR	Million in MVR

The company has made a net profit of MVR 7.59 million for the first quarter of 2021, which is 65% less compared to previous quarter. This is mainly due to reduction of revenue and other income compared to previous quarter. In addition, the company has huge borrowings which leads to high finance costs. Finance costs equivalent to 53% of company's revenue of Q1 2021 (44% of revenue in Q4 2020).

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
3.69	3.48	3.34
TIMES	TIMES	TIMES

Current ratio of HDC indicates a healthier liquidity position. Current ratio has further improved in Q1 2021, as current liabilities have significantly reduced. However, it is important to consider the nature of the current assets. The major component of current asset is inventory which comprise 80% of total current assets. HDC's inventory consists of land stock and property, which cannot easily be converted to cash. Since the greater part of inventory is still in work-in-progress it will take time converting inventory into cash.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
0.92	0.71	0.71
TIMES	TIMES	TIMES

The quick ratio shows company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Since, HDC's inventory is the most significant component of its current assets, quick ratio is significantly lower than the current ratio and is below 1 for the three quarters in review.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.04 TIMES	0.02 TIMES	0.03 TIMES

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. Cash balance of the company is very low compared to its current liabilities. Hence, HDC's cash ratio needs careful management in the future. Further, the cash balance has reduced over MVR 37 million compared to previous quarter, resulting a reduction in the ratio. Company have spent MVR 16, 7 million as investment property during Q1 2021 and repaid loans of MVR 403 million.

The decrease in cash and cash equivalents in the recent years is attributed to the huge investment by the Corporation for the ongoing housing and infrastructure development projects in Hulhumale' Phase I and Phase II. Furthermore, as major projects are currently in the construction stage and the Corporation can only expect the revenue once the physical completion and process of selling or allocation are being done. This shows that company's cash position requires quick turnaround in order improve its ability to borrow in the future.

LEVARAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
59%	46%	48%

Debt to equity ratio illustrates the degree to which the company is financing its operations through debt. Total loans and borrowings have reduced by MVR 254 million against previous quarter. Hence, the ratio has declined.

A high debt/equity ratio means that a company has been aggressive in financing its growth with debt. However, when using the debt/equity ratio, it is very important to consider the industry within which the company exists. In the case of HDC, the main business of the company is to establish infrastructure and to provide residential, commercial and industrial developments for sale or lease, which naturally require significant financing. Thus, it is normal for such a company to have relatively high debts. However, when analyzed together with the liquidity ratios, it is important for the company to manage the liabilities prudently and increase core business activities to further generate cash.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
33%	29%	30%

Debt to Assets ratio defines the total amount of debts relative to its assets. Debt to Assets ratio of HDC is relatively low, due to significant assets of the company. The ratio has further reduced in Q1 2021 because of reduction in total borrowings. The main purpose of the loans taken by HDC is for asset creation either as an investment property or inventory.

Debt Capitalization

Q1 2020	Q1 2021	Q4 2020
37%	32%	32%

Debt capitalization ratio measures total amount of outstanding debt as a percentage of the HDC's total capitalization. Debt capitalization ratio of HDC remained same as previous quarter. This is because although total debts reduced the equity has increased. However, high debt capitalization will not be risky for HDC as long as they maintain the same level of sales in order to meet their debt servicing obligations. The acceptable level of total debt for a company depends on the industry in which it operates. Companies in capital-intensive sectors are typically highly leveraged.

Interest Cover

Q1 2020	Q1 2021	Q4 2020
8.51 TIMES	0.62 TIMES	0.89 TIMES

The interest cover ratio measures how many times HDC can cover its current interest payment with its available earnings. The interest cover ratio of HDC is low since interest expense is relatively higher compared to operating profit of the company. However, the company earns significant interest income to pay its interest expenses. The reduction in interest cover id because of reduction in operating profit in Q1 2021.

CONCLUSION

During the first quarter of 2021, HDC has only earned rental income of MVR 101 million. As a result, total revenue is MVR 32 million less against previous quarter. Likewise, net profit of the company is also lower than previous quarter.

Short-term liquidity position of the company is satisfactory based on current ratio. However, since receivables and inventories are the significant components of current assets; the company does not have real funds to settle its liabilities, thus the company might face liquidity issues. Nevertheless, HDC's significant receivables and housing units are deemed to be enough to cater for the loan obligations and on-going projects financed by the company's cash flow.

In terms of financial leverage, the ratios have seen a fall because of reduction in borrowings compared to the previous quarter. Nevertheless, the debt level of the company is significant, hence financial risk of the company is high. However, it is also important to note that HDC earns interest income to settle the interest payments.

RECOMMENDATION

The most concerning issue for HDC is the significant level of borrowings of the company. The finance cost is equivalent to 53% of revenue. Hence, HDC must improve its capacity of loan repayment. In addition, HDC must improve efficiency and fast track project completion to meet debt repayments.

HDC must try to improve its cash flow status most importantly operating cash flow. This could be achieved through collecting their receivables and improving revenue.

To improve the short-term liquidity position, HDC has to make policies on managing receivable and payables of the company in order to manage the cash flow position. In addition, as the company currently holds large inventory of housing units, a way forward on the sale of these units is needed urgently in order to have a sustainable revenue stream.

Quarterly review; Quarter 1-2021

HOUSING DEVELOPMENT FINANCING CORPORATION PLC

HOUSING DEVELOPMENT FINANCING CORPORATION PLC
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/HDFC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

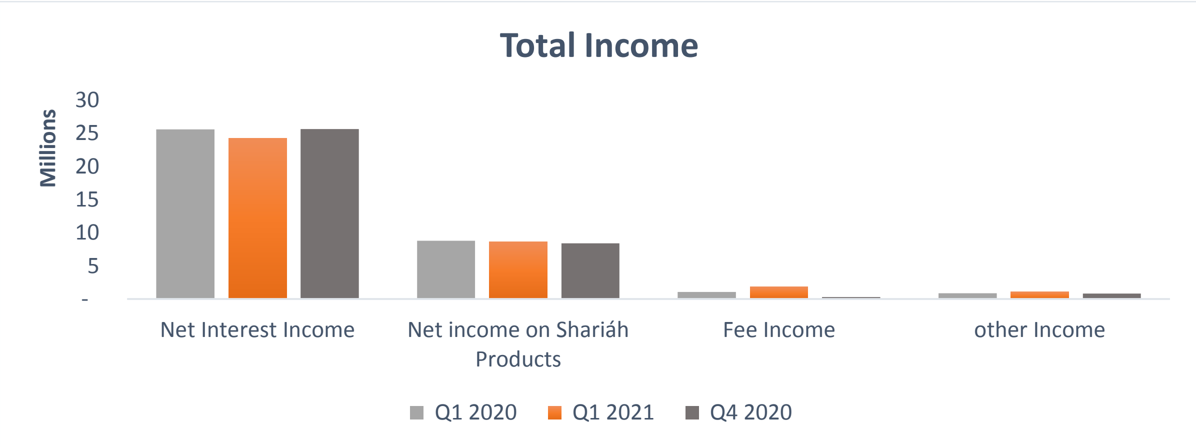
Revenue

Q1 2020	Q1 2021	Q4 2020
50.4	47.8	47.5
Million in MVR	Million in MVR	Million in MVR

HDFC has reported a gross income of MVR 47.8 million for the first quarter of 2021, which is an increment of 0.7% compared to previous quarter and 5% lower to Q1 2020.

HDFC having extended a 06-month moratorium on the repayment of housing loans issued as part of the economic recovery plan aimed to minimize the financial impact on individuals has had its own set of ramifications to the Company.

The total income of HDFC comprises of interest income, Income from Shari'ah products, fee income and other income.



Interest income has declined by 5% in Q1 2021 compared to other two quarters as the loans balance at the end of Q1 2021 has reduced by MVR 32.3 million against previous quarter. However, loans balance at the end Q1 2021 MVR 42 million higher than Q1 2020. On the other hand, Sharia income, fee income and other has improved compared to previous quarter.

Net Interest and Investment Margin

Net interest margin is an indicator in evaluating financial institutions because it reveals an entity's net profit on interest-earning assets, such as loans and investment securities. Investment margin illustrates the net profit on shari'ah products.

Net Interest Margin

Q1 2020	Q1 2021	Q4 2021
1.2%	1.2%	1.2%

Net Investment Margin

Q1 2020	Q1 2021	Q4 2020
1.8%	1.6%	1.6%

A positive net interest/investment margin suggests that the company operates profitably. Since the interest earned on assets is a primary source of revenue for a financial institution, this metric is a good indicator of a company's overall profitability, and higher margins generally indicate a more profitable use of funds.

As per the above ratio, the Shari'ah Products have higher profit margins than conventional loans. The net interest margin investment margin was maintained was similar as previous quarter. However, both earning assets and net interest income has declined compared to previous quarter. On the other hand, total mortgage facilities and investment income shows improvement compared to previous quarter.

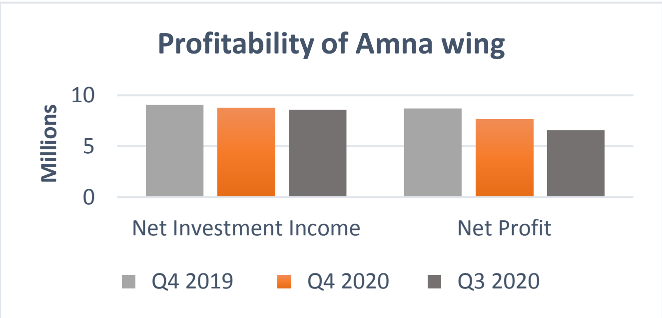
Net Profit

Q1 2020	Q1 2021	Q4 2020
23.7	23.4	21.7
Million in MVR	Million in MVR	Million in MVR

HDFC has made a net profit of MVR 23.4 million for Q1 2021, which is an improvement of 8% compared to previous quarter. Although there was a little improvement in revenue, a significant profit growth was achieved by deducting company's operating expenses.

The net profit in comparison to Q1 2020 is however slightly lower in Q1 2021.

Amna Wing Profit



Total mortgage facilities of Islamic Window have increased from MVR 548 million to MVR 550 million from Q4 2020 to Q1 2021. As a result, net investment income has also increased. Similarly, the net profit has also improved.

CAPITAL MANAGEMENT

Financial institutions are highly-leveraged businesses requiring regulators to dictate minimal capital levels to help ensure the solvency of each institution. Maldives Monetary Authority (MMA) is the regulator of financial sector, who ensure compliance to uphold the soundness and integrity of the financial sector.

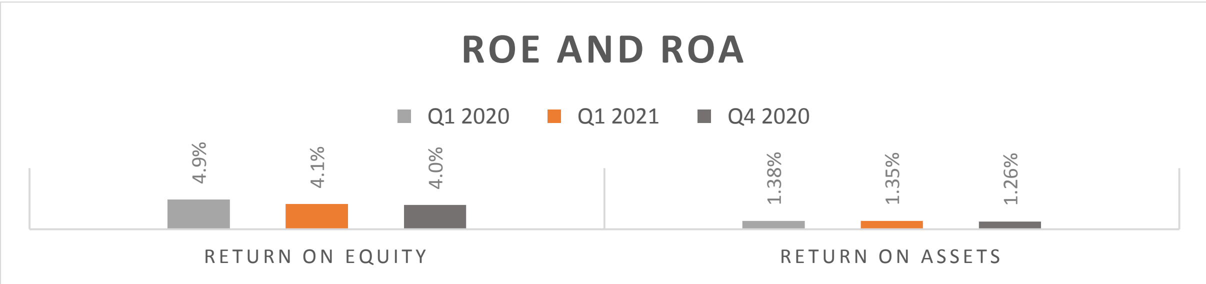
Assets that are available to cover their obligations and liabilities of HDFC for the three quarters in review are below;

Details	Q1 2020	Q1 2021	Q4 2020
Total Liabilities			
Deposits	89,375,407	79,032,448	80,289,957
Borrowings	1,136,451,560	1,038,955,353	1,057,167,319
Other Liabilities	265,026,795	295,936,509	287,353,658
Total Liabilities	**1,490,853,762**	**1,413,924,310**	**1,424,810,934**
Total Assets			
Cash, Short term Funds	114,949,523	40,272,802	50,565,734
Financial assets held to maturity	182,866,787	231,678,468	176,942,661
Loans and advances to customers	1,755,898,783	1,798,361,075	1,830,694,622
Property, Plant and Equipment	1,247,035	1,037,888	1,053,350
Right of use assets	9,838,535	8,738,051	8,738,051
Intangible assets	428,099	194,247	246,724
Deferred tax asset	5,820,179	6,081,337	6,081,337
Other Assets	6,544,309	7,883,738	7,391,939
Total Assets	**2,077,593,250**	**2,094,247,606**	**2,081,714,418**
NET (Assets-Liabilities)	**586,739,488**	**680,323,296**	**656,903,484**

Total assets of HDFC have reached MVR 2.1 billion, an improvement of MVR 12.5 million against previous quarter. However, housing loan/facility portfolio has declined by MVR 32.3 million from Q4 2020 to Q1 2021 and the balance stands at MVR 1.79 billion at the end of Q1 2021.

Total liabilities of the company have recorded a reduction of over MVR 10.8 million compared to previous quarter. Although deposits fall under liabilities, they are critical to the financial institution's ability to lend. If the entity doesn't have enough deposits, slower loan growth might result, or the financial institution might have to take on debt to meet loan demand which would be far costlier to service than the interest paid on deposits. It has to be note that the primary model of HDFC is relying on borrowings to obtain funding for loan portfolio. The borrowings have reduced as HDFC has repaid significant borrowings during the quarter.

Return on Equity (ROE) and Return on Assets (ROA)

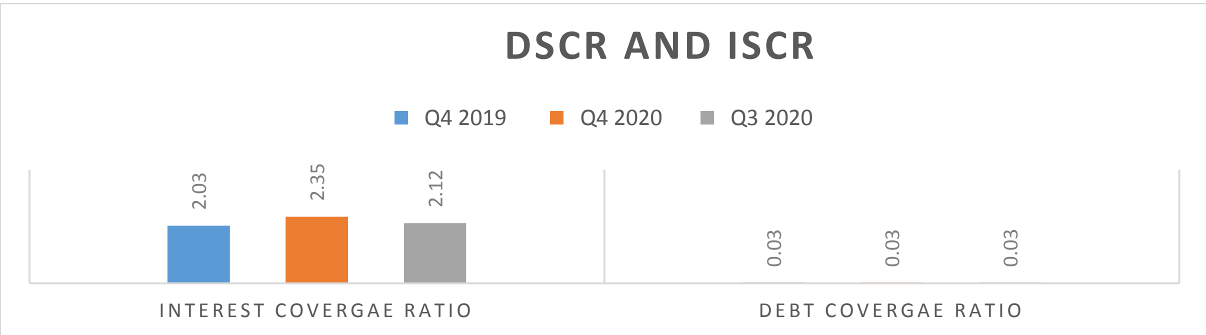


ROE measures the ability of the company to generate profit with the money shareholders have invested. ROA measures how efficiently a company can manage its assets to produce profits during a period.

Both the ratios shows improvement against previous quarter, as operating profit has increased in Q1 2021 compared to Q4 2020.

Debt Service Coverage Ratio (DSCR) and Interest Service Coverage Ratio

The debt-service coverage ratio (DSCR) is a measurement of the cash flow available to pay current debt obligations. The interest coverage ratio is a debt ratio and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.



The interest coverage has improved because operating profit has significantly improved while interest expense recorded a reduction. The company has repaid MVR 47.9 million borrowed funds during the quarter and has borrowed additional MVR 29.7 million. The higher the ratio of EBIT to interest payments, the more financially stable the company. However, it should be noted that this ratio only takes into account interest payments and not payments made on principal debt balances that may be required by lenders. Hence, the debt-service coverage ratio is slightly more comprehensive.

Debt coverage ratio of the company is very low as the ratio is calculation taken into account operating profit for the quarter and the borrowings figure is the total figure. Low debt service coverage ratio indicates that company does not have capacity to cover or pay current debt obligations without drawing on outside sources – without, for example, borrowing more.

CONCLUSION

HDFC has ended the first quarter of 2021 with a gross income of MVR 47.8 million, which an improvement of 0.7% compared to the last quarter of 2020. The net profit has significantly increased by MVR 1.7 million mainly by managing operating expenses of the company.

HDFC total assets reached to MVR 2.1 billion and housing loan/facility portfolio stands at MVR 1.79 billion. Total assets show increment of MVR 12.5 million against previous quarter. The deposits, on the other hand has declined. Hence the net assets of HDFC have improved as at the end of Q1 2021.

RECOMMENDATION

As the company's debt service coverage ratios are quite low, it is important to manage HDFC's borrowing space carefully in order to maintain adequate levels of cash to service debt.

Quarterly review; Quarter 1-2021

ISLAND AVIATION SERVICES LIMITED

Report No: PEM/2021/IASL/Q1

Q1 2021 with Q1 2020 and Q4 2020

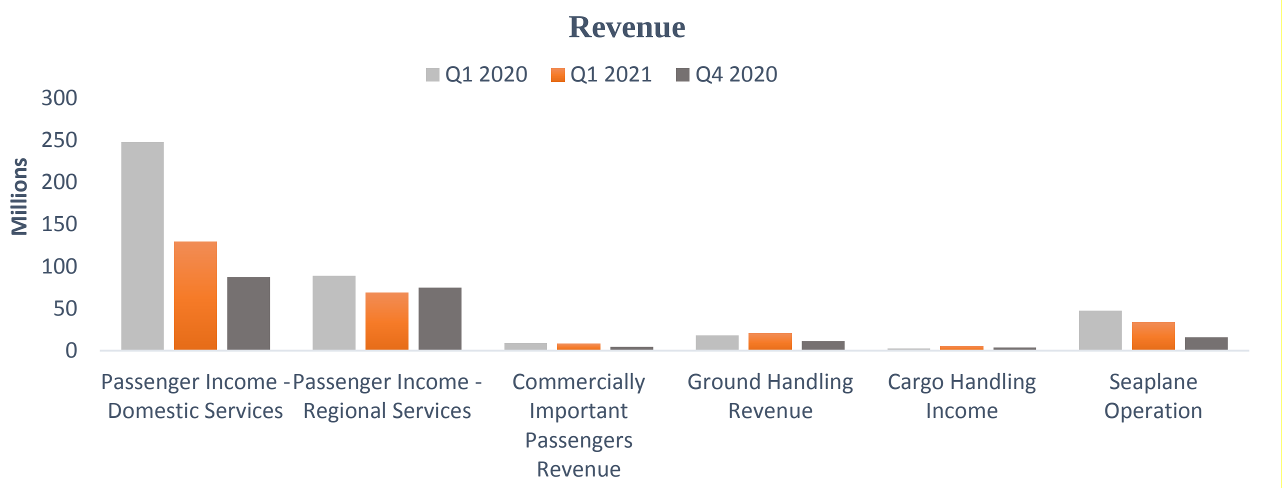
PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
414	265	196
Million in MVR	Million in MVR	Million in MVR

The company has achieved a remarkable revenue growth of 35% (MVR 68.5 million) against previous quarter. All revenue segments have recorded a healthy growth except passenger income from regional services. On the other hand, the revenue of Q1 2021 is MVR 148 million less in comparison to the same period of last year. Nevertheless, the global pandemic has affected the performance of all the business, specifically businesses in airline industry.

The below chart shows the movements in revenue segment over the three quarters in review.



As seen from the table, all the revenue segments have increased in Q1 2021 against Q4 2020 except passenger income from regional services. Passenger income from domestic services has recorded the highest revenue increment (MVR 42 million) in Q1 2021 compared to previous quarter. In addition, revenue from seaplane operation has recorded the highest revenue growth of 114%.

Gross Profit/ (loss)

Q1 2020
98.9
Million in MVR

Q1 2021
67.2
Million in MVR

Q4 2020
41.2
Million in MVR

The company has made a gross profit of MVR 67 million which is 63% higher than previous quarter. This was achieved as a result of the significant revenue growth. Although revenue grew at 35%, direct costs has only increased by 27%. Thus, the gross profit margin has improved to 25% while it was 21% in previous quarter. Among the direct costs, the highest increment was seen from aircraft fuel costs of MVR 32 million. However, it has to be noted that revenue from passenger income far more exceeds its direct cost.

Net Profit/ (loss)

Q1 2020
21.6
Million in MVR

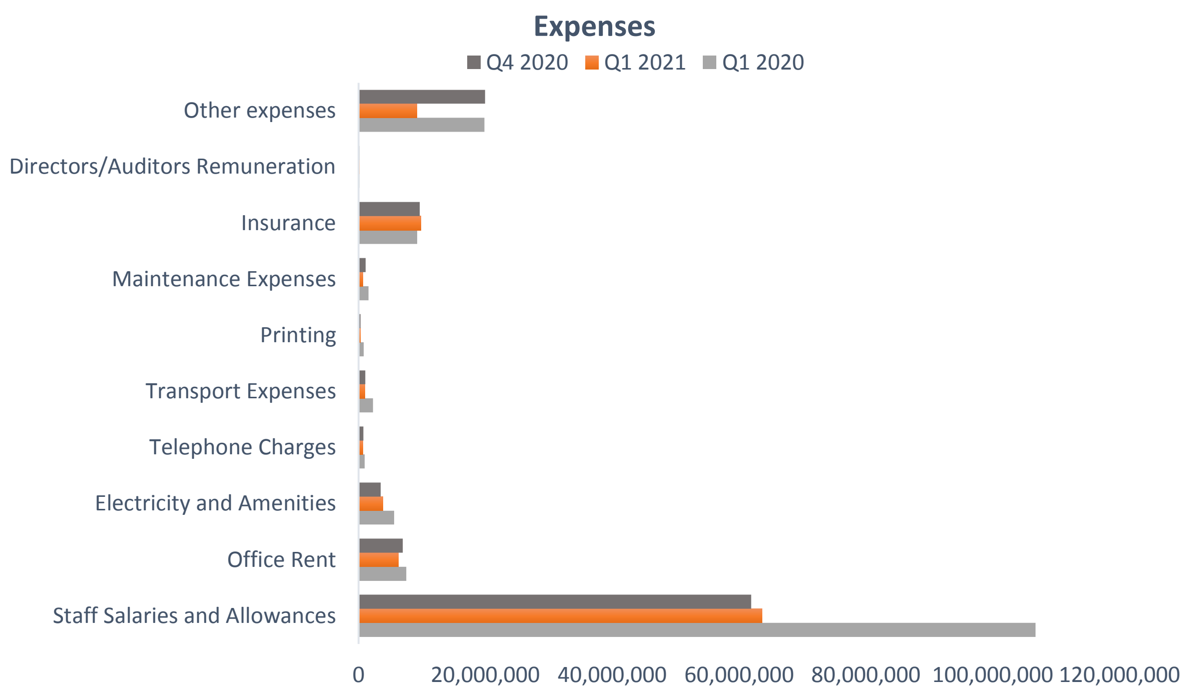
Q1 2021
-25.3
Million in MVR

Q4 2020
-54.1
Million in MVR

The net loss of the company has reduced by 53% in Q1 2021 against previous quarter. This was due to increase in revenue and reduction of administrative expenses. Compared to Q1 2020, net profit was decreased to a net loss, mainly due to significant drop in revenue compared to Q1 2021.

Expenses

Total overhead expenses of IAS have reduced by 38% and 9% compared to Q1 2020 and Q4 2020 respectively. The below table illustrates the major expenses of the company for three quarters in review.



As shown in the table, staff salaries and allowances are the major expense of the company and it has increased by MVR 1.7 million compared to previous quarter. In Q1 2021, company had increased its operations, hence, staff previously on stand-by had been reporting to work which made them eligible for daily allowances which was not given when on standby. Full daily allowance is given only when the staff reports to duty. As a result, salary expenses had increased. On the other hand, other expense has recorded a reduction of MVR 10.7 million against previous quarter.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
0.91 TIMES	0.85 TIMES	0.80 TIMES

The current ratio of the company illustrates that company's current liabilities exceed its current assets. The results have improved against previous quarter. This is because the current assets have increased much higher than company's current liabilities. The current assets of the company consist of inventory, receivables and cash balance. The major current asset of IAS is trade receivables which represents 90% of total current assets. IAS is facing a significant challenge in managing short term payables which currently stands at MVR 1,133 million due to negative impacts of Covid-19.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
0.83 TIMES	0.78 TIMES	0.74 TIMES

The quick ratio shows company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. A quick ratio of below 1 indicates inability to meet its short-term liabilities with its most liquid assets. Nevertheless, the ratio has improved as inventory has increased.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
-0.06 TIMES	0.02 TIMES	0.0001 TIMES

The cash ratio of the company has significantly improved as the cash have increased over MVR 25 million. However, the liabilities of the company are much higher. The ratio indicates that IAS does not have enough cash to cover their short-term obligations. The reported Cash and cash equivalents are the balance is after consideration of bank overdraft of MVR 69.3 million at the end of Q1 2021.

LEVARAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
0.47 TIMES	0.53 TIMES	0.55 TIMES

Debt to equity ratio illustrates the degree to which the company is financing its operations through debt. The financial leverage of the company has reduced to 0.53 times compared to 0.55 times last quarter. This is because of increase in total equity. The loans and borrowing of the remained same as previous quarter.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.17 TIMES	0.19 TIMES	0.19 TIMES

Debt to Assets ratio defines the total amount of debts relative to its assets. As shown in the above chart, Debt to Assets ratio of IAS is relatively low. Generally, companies in airline industries are asset based, thus IAS has a huge asset base of MVR 3 billion, keeping the ratio low. The lower the debt to asset ratio, the less risky the company.

However, when analyzed together with the liquidity ratios, it is important for the company to manage the liabilities prudently and improve core business activities to generate cash.

Debt Capitalization

Q1 2020	Q1 2021	Q4 2019
32%	35%	35%

This ratio helps the investors to gauge the risk of a company based on its financial structure. This ratio measures total amount of outstanding debt as a percentage of the company's total capitalization. Debt capitalization has been kept at a low level, this indicates that IAS is using less leverage and has a stronger equity position. The ratio remained same as the level of borrowing have not changed.

Interest Cover

Q1 2020	Q1 2021	Q4 2020
-3.24 TIMES	-19 TIMES	-181 TIMES

The interest cover ratio measures how many times the company can cover its current interest payment with its available earnings. The ratio is negative as the company has made operating loss. The ratio illustrates that company is not generating enough profit from its operations to meet its interest obligations. It is important to note that the interest cover is calculated based on operating profit and not based on EBITDA.

CONCLUSION

The company has achieved a revenue growth of over MVR 68 million contributed by all revenue generating segments except passenger income from regional services. As a result, the net loss has reduced by 53% against previous quarter.

Liquidity ratios of the company are critical as current liabilities exceed their current assets. However, all the liquidity ratios show improvement in Q1 2021. The negative cash balance of the company has improved; however, the company still have an overdraft facility of MVR 69.3 million at the end of Q1 2021. Further, the company has huge receivables. As a result of weak liquidity position a huge amount is accumulated as payables.

Long term loans and borrowings have remained same as previous quarter. However, due to increase of total equity, debt to equity ratio has improved. With the increasing liabilities and weak liquidity position of the company, the company should change its operating costs management and focus on cost reduction and improvement of top line.

RECOMMENDATION

The operating expenses of the company should be kept at an optimum level. Cost management is an important element for profit maximization. Therefore, IAS should try to achieve efficiency, economy and effectiveness to improve business performance. The company is likely to face challenges due to Covid-19.

The significant receivables of the company are a major concern for the company. Hence, efficiency of credit control department and Proper control mechanisms should be implemented shortly. Flexible terms can be agreed on the existing receivables which could help to collect receivables more swiftly.

Quarterly review; Quarter 1-2021

KAHDHOO AIRPORT COMPANY LTD

KAHDHOO AIRPORT COMPANY LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/KACL/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
2.94	2.36	1.91
Million in MVR	Million in MVR	Million in MVR

KACL has generated a revenue of MVR 2.36 million in Q1 2021, which is an increase of 23% compared to previous quarter. With the ease of Covid-19 pandemic restrictions the flight movements have increased resulting a growth of 30% in aeronautical revenue. Below table shows how the company has generated revenue within the quarters is Q1 2021, Q1 2020 and Q4 2020

Revenue	Q1 2020	Q1 2021	Q4 2020
Aeronautical	2,109,589	1,911,047	1,465,014
Commercial Revenue			
Cargo revenue	11,275	25,162	14,578
CIP revenue	7,676	450	-
Electrcity Charges	187,906	163,538	164,424
Rental Income	173,913	173,913	141,313
Room revenue	301,527	23,650	29,500
Shop Revenue	70,733	54,862	66,307
Other Revenue	81,820	5,206	30,166
Total Commercial Revenue	**834,850**	**446,781**	**446,288**

In comparison to previous quarter, aeronautical revenue, cargo revenue and CIP revenue has increased. However, rental income, room revenue, electricity charges, shop revenue and other revenue has declined.

Compared to the same period last year, total revenue has declined by 20%. The aeronautical revenue records a fall of 9% due to reduction of flight movements because of Covid19. In addition, room revenue has reduced by 92% compared to Q1 2020.

Operating Profit/ (Loss)

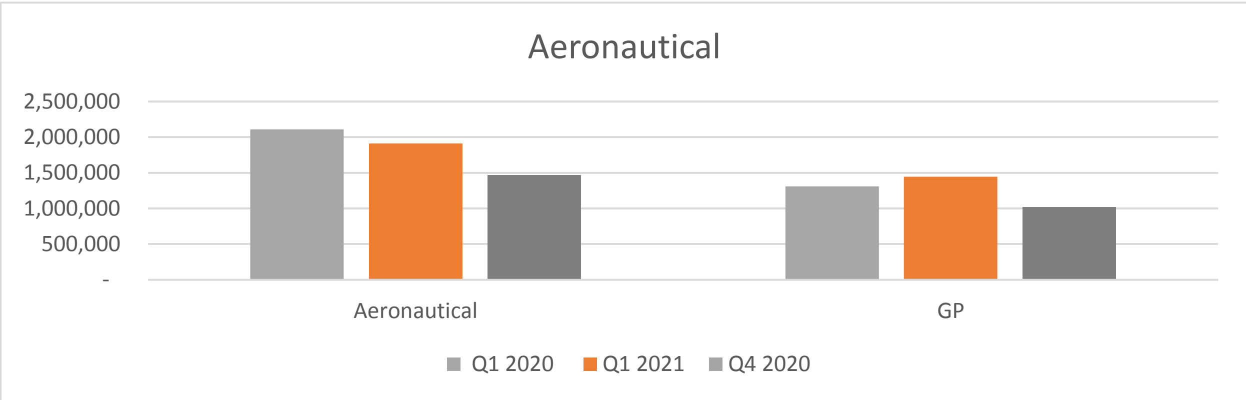
Q1 2020	Q1 2021	Q4 2020
-4.28	-3.65	-4.11
Million in MVR	Million in MVR	Million in MVR

Company has made an operational loss of MVR 3.65 million for the first quarter of 2021. The operating loss of the company has declined in comparison to other two quarters. This is mainly due to increase in revenue and slight reduction of overheads compared to previous quarter. Among operating expenses, government fees and services have increased by MVR 154,096 against previous quarter and repair and maintenance has increased by MVR 92,471. In addition, staff welfare, uniform and fuel expenses has also increased. On the other hand, bank charges, spare part expenses and cost of the shop have declined against previous quarter.

Compared to Q1 2020, the operating loss have declined by 15%. This mainly because operating expense have declined from MVR 7.2 million to MVR 6 million in Q1 2021.

Segmental Profit

Aeronautical



KACL's main revenue generating segment is from aeronautical. Due to the pandemic of Covid-19 with less flight movement's aeronautical revenue decreased by 9% in Q1 2020. However, compared to the last quarter aeronautical revenue increased by 30% with increase in flight movements in Q1 2021.

Company's shop revenue has decreased in Q1 2021 by 22% and 17% compared to Q1 2020 and Q4 2020 respectively.

Net Profit

Q1 2020
-6.07
Million in MVR

Q1 2021
-5.45
Million in MVR

Q4 2020
-5.90
Million in MVR

The net loss of the company for Q1 2021 is MVR 5.45 million, a reduction of 8% agaisnt previous quarter and 10% comapred to Q1 2020. As a result the net loss margin has declined to 231% from 309% in previous quarter and 206% in Q1 2020.

Operating Expenses

KACL's overhead costs for the quarter of Q1 2021, Q1 2020 and Q4 2020 are shown in the following

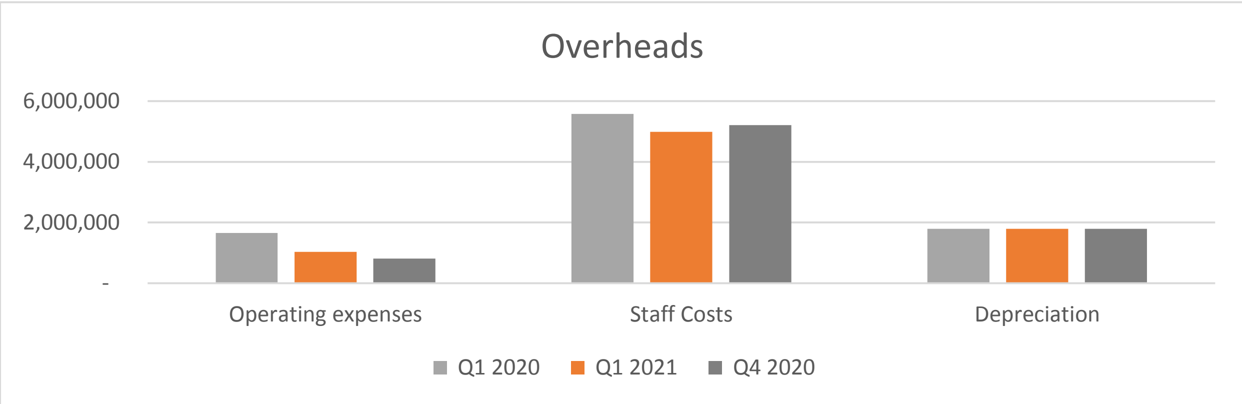


chart.

The major expense of the company is staff costs and it has declined compared to other two quarters. Operating expenses, on the other hand has increased compared to previous quarter mainly because of increase in government fees and services. The depreciation cost has recorded a slight increment against other two quarters.

LIQUIDITY

Current Ratio

Q1 2020
24.2
TIMES

Q1 2021
18.7
TIMES

Q4 2020
21.9
TIMES

KACL's has a current ratio of 18.7 times at the end of Q1 2021. High current ratio in the case of KACL does not indicate the company's ability to meet its short term laibilities with short term assets as the receivables which is significant part of the current assets has an aging profile which is longer than 365 days. Current ratio of the company has declined compared to other two quarters because current liabilities of the company has significantly higher than that of current assets. It is noted that 91% of current assets are from trade and other receivables and trade and other receivables represent 1675% of company's revenue. This shows that the company is not able to manage the receivables effectively. KACL's trade and other receivables has been increasing in each quarter. Below table illustrates KACL's cash balances, trade and other receivables and trade and other payables within the quarters of Q1 2021, Q1 2020, Q4 2020.

	Q1 2020	Q1 2021	Q4 2020
Cash and cash equivalents	1,826,154	2,717,315	1,388,563
Trade and other receivables	36,772,522	39,495,647	37,292,034
Trade and other Payables	1,642,353	2,318,851	1,817,202

As per the table all three elements have increased in Q1 2021 compared to other two quaretrs. Trade and other receivables records the highest increment as it has increased by MVR 2.2 million compared to previous quarter . It is important to note that the majority of trade and other receivables is from Island Aviation Services Ltd. In addition, company's trade and other payables has also been increasing due to delay in payments.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
23.5	18.2	21.3
TIMES	TIMES	TIMES

Quick ratio shows a company's ability to meet its short-term obligations excluding inventories. KACL's quick ratio has decreased in Q1 2021 as company's current liabilities grew at a significant rate. Nevertheless, company's current ratio indicates that the company is capable to pay its short-term debts with its most liquid current assets excluding inventories. However, it is noted that majority of current assets is from trade and other receivables.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
1.1	1.2	0.8
TIMES	TIMES	TIMES

KACL's cash ratio has significantly improved and stands above 1 in Q1 2021. This indicates that the company has the capacity to pay its short-term debts by using their cash balances. The improvement in cash balance is due to reduction of net loss and investment in other assets.

CONCLUSION & RECOMMENDATION

KACL has made a net lodd of MVR 5.45 million in the first quarter of 2021, this is a reduction of 8% compared to rpevious qurter. Howver, revenue has improved in in Q1 20210 with the ease of HPA regulations. Hence, company should plan and implement new ways to generate revenue in order to cover up the operating expenses and generate profit.

Although, the liquidity position shows favorable results from current ratio and quick ratio, it is noted that the majority of current assets are trade and other receivables At the end of q1 2021, company has MVR 39.5 million as their trade receivables which is 1675% of their revenue. In addition, company's trade and other payable also keep rising each quarter and has MVR 2.3 million at the end of the Q1 2021. Therefore, in order to improve the liquidity should implement new rules to collect receivable, so that they can payout their trade payables without delaying the payments. In addition, company can find ways to generate revenue and invest their cash balances to minimize the loss incurred. It is important to KACL to negotiate Island Aviation Services on collecting the receivables payments on time as the majority of receivables are from IAS. If KACL and IASL could not come to a proper agreement on receiving the payments KACL should inform the relavant authorities.

Quarterly review; Quarter 1-2021

MALDIVES AIRPORTS COMPANY LIMITED

Report No: PEM/2021/MACL/Q1

Q1 2021 with Q1 2020 and Q4 2020

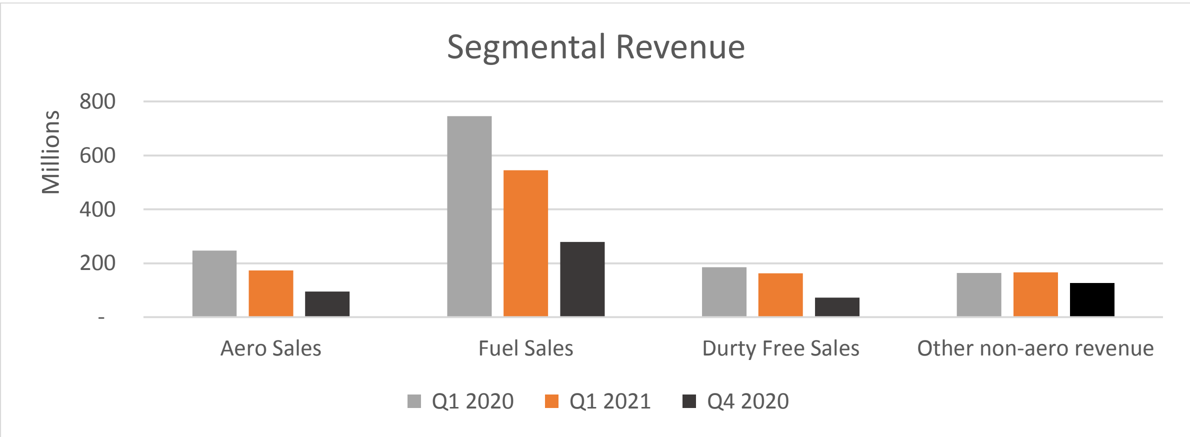
PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
1,342	1,047	573
Million in MVR	Million in MVR	Million in MVR

MACL has achieved a remarkable revenue growth of 83% (MVR 473 million) against previous quarter. The growth was contributed by all the revenue segments of the company.

On the other hand, compared to the same period of last year the revenue recorded in Q1 2021 is less by 22% (MVR 294 million) due to decline of overall operation owing to the Covid-19 pandemic. The below chart shows the breakdown of the revenue for the three quarters.



All segments of revenue have improved in Q1 2021 compared to previous quarter. The highest growth was recorded by duty free sales by 125%. In addition, aero sales, fuel sales and other non-aero revenue have also achieved notable growth by 82%, 95% and 31% respectively. This growth is mainly due to increase is air traffic movements (by 74%) in the Q1 2021, which has led to increase fuel sales (by 87%), and to increase number of passenger movements (by 111%) positively affecting lounge and other revenue.

On the other hand, when Q1 2021 is compared to Q1 2020, it is seen that except for other non-aero revenue, segmental revenue have not reached to the level of previous year since the air traffic movements have not reached to the same level as Q1 2020 (27% less compared to Q1 2020).

Gross Profit

Q1 2020
814
Million in MVR

Q1 2021
667
Million in MVR

Q4 2020
419
Million in MVR

The gross profit has increased by MVR 248 million compared to previous quarter as a result of improvement in revenue. While revenue recorded a growth of 83%, cost of sales has increased by 146%, thus gross profit margin has declined from 73% in Q4 2020 to 64% in Q1 2021. When further analyzed in to segmental performance, the cost of fuel has significantly increased compared the revenue from it, reducing its margin, while duty free segment shows improvement in its gross profit margin. Gross profit is low compared to previous year, however, it is important to note that company was able to improve gross margin (from 61% to 64%) within this comparable period.

Operating Profit

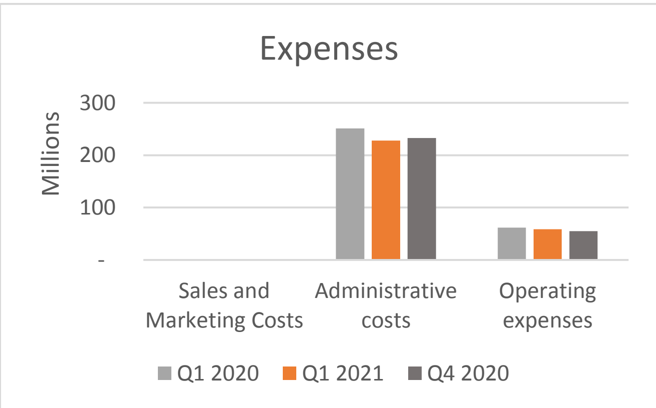
Q1 2020
500
Million in MVR

Q1 2021
381
Million in MVR

Q4 2020
132
Million in MVR

Although operating profit made in Q1 2021 is 24% less than Q1 2020, company has generated a higher return compared to previous quarter by MVR 248 million (189%). The higher return is attributable to the increase in overall revenue, while maintaining its operating expenses lower than previous quarter. Thus, operating margin has increased from 23% to 36% over the period.

Expenses



Total overheads of the company consist of administrative, sales and marketing and operating expenses. The total overhead was slightly decreased by 0.3% compared to previous quarter, indicating that company has managed its overhead while improving revenue.

Administrative costs are the largest overhead area, which has decreased slightly by 2% compared to previous quarter mainly due to decrease in Insurance expense and amortization and depreciation.

Among operating expenses, both fuel and repair and maintenance has increased due to increase in operation while other operating expenses has decreased due to measures taken to reduce operation and expenses.

Sales and marketing cost has slightly increased by 17% compared to previous quarter, due to increase in overall business operation. Compared to the same period of last year, the major savings were seen from employee benefits, fuel consumption and other operating expenses.

Net Profit

Q1 2020	Q1 2021	Q4 2020
422	314	104
Million in MVR	Million in MVR	Million in MVR

MACL was able to increase its net profit by 201% compared to previous quarter with a net profit margin of 30% (18% in Q4 2020 and 32% in Q1 2020). The improvement shown in profit margins is attributable to the fact that company was able to increase its revenue while managing its costs at all the levels from cost of sales to operating expenses.

Finance costs (Interest expense) of the company increased by 20% (MVR 1.8m) compared to previous quarter, because of increasing borrowings by over MVR 487 million.

LIQUIDITY

Current ratio

Q1 2020	Q1 2021	Q4 2020
1.94	1.98	1.35
TIMES	TIMES	TIMES

The current ratio of the company has improved in Q1 2021 due to reduction current liabilities along with improvement in current assets compared to previous quarter. Trade payables have reduced by MVR 294 million compared to previous quarter while total current assets have increased by MVR 370 million.

Quick ratio

Q1 2020	Q1 2021	Q4 2020
1.73	1.77	1.16
TIMES	TIMES	TIMES

The quick ratio reflects company’s short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Quick ratio of MACL has maintained above 1 over the three comparable quarters and more importantly improved compared to both comparable periods. With 35% increase in cash and cash equivalent and 25% increase in receivables compared to previous quarter, this improvement indicates that company has enough liquid assets to cover its current liabilities.

Cash ratio

Q1 2020	Q1 2021	Q4 2020
0.95	1.00	0.61
TIMES	TIMES	TIMES

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. The cash balance of the company has recorded an increment of MVR 286 million (by 35%) compared to previous quarter, thus the ratio has improved. The improvement in the ratio is also attributable to the reduction of current liabilities by 18%.

During the first quarter of 2021, MACL has invested MVR 194 million in capital work-in progress investments and have taken additional borrowings of over MVR 531 million. With the increase in operating profit, company was able to settle a significant amount with suppliers reducing its operating cash flow to MVR 44 million at the end of Q1 2021.

FINANCIAL LEVERAGE

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.44 TIMES	0.51 TIMES	0.50 TIMES

Debt to assets ratio has increased slightly as the company has taken additional borrowings. The borrowings were used to invest in capital assets. The debt to assets ratio of MACL is low as the company has strong asset base.

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
1.01 TIMES	1.28 TIMES	1.30 TIMES

Debt to equity ratio has slightly decreased compared to previous quarter, owing to the increase in equity during the quarter. However, since these borrowings are used to finance the capital projects which are work-in progress, it is likely to increase the scale of operation and revenue in future.

CONCLUSION

The company has achieved a remarkable performance for Q1 2021 in terms of revenue and profit growth. Company was able to increase its revenue while maintaining its costs at all levels during the quarter, ensuring a very positive growth in profit margins.

The short-term liquidity position of the company has also improved as a result of reduction in companies' liabilities, while increase in current assets especially cash and cash equivalents.

Regardless of new borrowings the leverage ratios were maintained at a satisfactory level with high asset base and equity. Huge developmental projects are carried out by the company and majority of these projects are financed through borrowings. With the huge development in the infra-structure and other areas, Business scale is expected increase significantly enabling a better performance both operationally and financially.

RECOMMENDATION

The on-going developmental projects must be managed well since the company has huge development plan. With proper project management company can ensure the projects are completed based on the agreed dates and eliminate any mismanagements. Delay of projects may impact cash flow of the company, and company may lose possible revenue streams.

As the company has been taking significant borrowing for the past quarters, company should be careful about the financial risk that may arise, taking in to consideration the negative impact of the current pandemic.

Quarterly review; Quarter 1-2021

MALDIVES CENETR FOR ISLAMIC FINANCE CORPORATION

MALDIVES CENETR FOR ISLAMIC FINANCE CORPORATION
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MCIF/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
Nil	Nil	0.024
		Million in MVR

The company has not generated any revenue during the quarter as there was no operational activity.

Net Profit

Q1 2020	Q1 2021	Q4 2020
-1.51	-0.96	-1.13
Million in MVR	Million in MVR	Million in MVR

Although there is no business operation, MCIF has a significant net loss of MVR 0.96 million at the end of the first quarter of 2021 due to high overhead costs incurred. Below table shows how company's overhead costs incurred within the quarters.

Overheads	Q1 2020	Q1 2021	Q4 2020
Personnel Expenses	1,156,259	708,318	852,432
Administrative costs	76,351	28,046	29,810
Other Operating expenses	212,647	201,962	237,437
Total	**1,445,257**	**938,326**	**1,119,679**

The major expense of the company personnel expenses which covers 75% of the total overhead costs incurred in the Q1 2021. However, personnel expenses declined in Q1 2021 compared to previous quarter. Similarly, administrative expenses and other operating expenses has also declined compared to previous quarter. Other operating expenses comprise of depreciation and amortization expense. Administrative expenses include utilities, communication expenses, IT expense, cleaning and legal and other fees.

LIQUIDITY

Current ratio

Q1 2020	Q1 2021	Q4 2020
0.29	0.45	0.42
Times	Times	Times

MCIF has a current ratio of 0.45 times which indicates that the company is not capable to meet its short-term obligations with the current assets. The current assets of the company comprise of inventory, trade and other receivables, other current assets and cash and cash equivalents. The major current assets are cash and cash equivalents and other current assets. Other current assets represent the amount to be recovered from MD payroll as from Q4 2020 a fixed amount is deducted from MD monthly pay in accordance with an agreement made between MD and MCIF.

The current liabilities of the company comprise of Trade and other payables and other current liabilities. Other current liabilities have increased compared to previous quarter. Other current liabilities consist of payroll payables, accrued expenses and other payables. It is noted that company's current ratio and quick ratio was relatively same as the company have insignificant inventory.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.03	0.23	0.19
Times	Times	Times

Cash ratio of a company shows whether the company is able to cover its short-term obligations using only cash and cash equivalents. MCIF's cash balance is low compared to its current liabilities. Company has a cash ratio of 0.23 times in Q1 2021 indicating that the company is not able to meet its short-term obligation with their cash balance. The cash balance is the capital contributed by the government. During Q1 2021, government has injected MVR 984,236 as capital.

CONCLUSION & RECOMMENDATION

The company has not generated any revenue in Q1 2021 as there was no business operation. However, due to the high overhead costs incurred in each quarter company is experiencing a huge loss of MVR 0.96 million in the end of first quarter 2021. It is important to note that MCIF has an accumulated loss of MVR 30.5 million at the end of Q1 2021. During the quarter, government has injected MVR 984,236 capital to the company and total share capital stands at end of Q1 2021 at MVR 30.7 million.

Based on the current status of the business operations, it can be concluded that they are not operating in a self-sufficient business model. Government has decided to liquidate the company as the company is not creating value addition to the shareholder and is not generating revenue from its core business. Hence, MCIF is now in the liquidation process.

Quarterly review; Quarter 1-2021

MALDIVES FUND MANAGEMENT CORPORATION LIMITED

MALDIVES FUND MANAGEMENT CORPORATION LIMITED
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MFMC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
Nil	Nil	Nil

The company has not generated any revenue since its inception. However, company has recorded a cost of sales of MVR 15,000 in Q1 2021. This is regarding the investment commitment remuneration.

Net Profit

Q1 2020	Q1 2021	Q4 2020
-2.26	-1.70	-1.57
Million in MVR	Million in MVR	Million in MVR

MFMC has ended the first quarter of 2021 with a net loss of MVR 1.70 million. Total overheads of the company stand at MVR 1.58 million for the quarter, which is just 1% higher than previous quarter. The following table shows the overheads of the company.

Administrative Costs		Q1 2021	Q4 2020
Rent Expenses	120,000		
Repairs and Maintenance	5,527	3,736	1,409
Stationery and Office Supplies	27,387	16,524	23,374
Pantry Expenses	2,071		5,304
Bank Charges	485	265	195
Training and Development			2,592
Travel Expenses	305,363	36,962	
Consultancy Fees	89,899	19,500	4,333
Legal Fees		60,000	
Utilities	100,939	81,609	30,250
IT Expenses	36,552	9,069	99,246
Transporation and Handling	21,388		7,912
*Directors Remuneration	351,738	302,333	260,413
*Payroll Expenses	682,460	811,770	811,770
Dep of PPE	31,096	96,564	31,199
Dep. of Right of Use Assets	144,846	137,829	285,014
Meetings and Entertainment	18,248		
Sales and Marketing	257,455	3,600	5,778
Total Expenses	**2,195,453**	**1,579,761**	**1,568,788**

The payroll expenses are the major expense of the company and it has remained same as previous quarter. IT expenses, depreciation, transportation & handling and office supplies has declined compared to previous quarter. On the other hand, legal fees, utilities, director's remuneration and travel expenses has increased. Nevertheless, the total increment is MVR 10,972 compared to previous quarter.

Compared to Q1 2020, total overheads are 28% lower in Q1 2021.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
7.5	0.9	19.0
TIMES	TIMES	TIMES

The current ratio measures MFMC's ability to pay short-term obligations or those due within one year. The current ratio of the company is has significantly dropped in Q1 2021. This is due to increase in both current assets and current liabilities. The liabilities of the company are MVR 1.3 million higher than current assets. The reason for the growth in current assets and liabilities is due to investment in subsidiary i.e. Agro National. Current assets were increased mainly due to a loan to Agro National, which is recorded as a related party receivable. The liabilities were increased from capital payable to the Agro National.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
7.4	0.04	12.1
TIMES	TIMES	TIMES

Cash ratio calculates company's ability to repay its short-term debt with cash or near-cash resources. The cash ratio has significantly dropped as previously mentioned the current liabilities of the company have recorded an increase of MVR 15 million compared to previous quarter. Further, the cash balance of the company has declined mainly due to a loan of MVR 8 million given to Agro National.

CONCLUSION

The company has not started generating revenue. Hence, the operational expenses are funded through government capital contributions. At the end of Q1 2020, the company has recorded a net loss of MVR 1.7 million. During the quarter, the company has been doing the financial feasibility of the applicants of SME Innovation Fund Project.

RECOMMENDATION

The recurrent expenses of the company are relatively high compared to the activity level. Hence the company should try to eliminate unnecessary costs. In order to operate smoothly MFMC needs to find revenue generating options and formulate practical business models to convince investors to invest in funds formulated by the company.

Quarterly review; Quarter 1-2021

MALDIVES HAJJ CORPORATION LTD

MALDIVES HAJJ CORPORATION LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MHCL/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q4 2019	Q4 2020	Q3 2020
5,125	525	225
MVR	MVR	MVR

MHCL recorded revenue of only MVR 525 in Q1 2021 through ihram sales. As the usual Umra trip in March/April has not yet resumed due to Covid-19 pandemic, company's business operation has been on halt and as a result are unable to generate any revenue. It is important to create adequate level of revenue generating units is to ensure company operates for the foreseeable future without shareholders assistance.

Gross Profit/Loss

Q1 2020	Q1 2021	Q4 2020
-112,400	275	-12,557
MVR	MVR	MVR

Unlike the other comparable quarters, company was able to maintain its cost of sales parallel to the revenue generated in Q1 2021, which is insignificant as there was no operational revenue generated.

Income from Investment

Q1 2020	Q1 2021	Q4 2020
1.52	1.60	1.51
In Millions MVR	In Millions MVR	In Millions MVR

Income on financial assets sees an overall growth of 6% when compared to both the comparable periods. Investments to these financial assets are made from the advance received from customers for Hajj services.

Income on financial assets held as investments	Q1 2020	Q1 2021	Q4 2020
HDFC Wakalah (60m)	1,120,409	1,120,408	1,120,594
HDFC Sukuk 1 (1m)	20,760	20,620	20,640
DHFC Sukuk 3 (20m)	255,000	375,500	375,500
BML GIA	80,219	-	-
MIB GIA	44,161	90,705	-
Total	**1,520,549**	**1,607,233**	**1,516,734**

Net loss

Q1 2020	Q1 2021	Q4 2020
-789	-286	-338
Thousands in MVR	Thousands in MVR	Thousands in MVR

Company has incurred an operating expense of over MVR 1.6 million for the quarter. As a result, MHCL has made a net loss of MVR 286 thousand which is 15% less than the loss incurred in previous quarter. The net loss is mainly attributable to the administrative expenses of the company.

Total overheads show increase of 3% (MVR 55,642) compared to previous quarter. Since the company did not generate revenue, the operational expenses are funded through the capital injections by the government and the finance income received from investments made by the company.

Administrative costs comprise 96% of total overheads as such has increased by 3% compared to previous year. Main admin expenses include payroll (74%), depreciation (22%) and bank service charge (2%). Payroll expenses has increased by MVR 131 thousand in Q1 2021, due to new recruitments of staffs, appointment of new board of director, and Ramadan allowance paid during the quarter.

Selling and marketing has maintained more or less at some level as company spends fixed amount to its marketing campaigns.

Other operating expenses has increased by MVR 19, 772 (140%) compared to previous quarter mainly due to increase in office repair and maintenance work.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
1.4	2.9	2.5
TIMES	TIMES	TIMES

The current ratio of the company has improved in Q1 2021 compared to previous quarter. This is because current assets of the company recorded an increase of MVR 9.32 million, while current liabilities have declined. However, it must be noted that the increment of current asset is mainly from advance collected from customer and cash realized from investment account.

It is important to note that over 90% of current asset includes Hajj and Umra related fund, which is to be utilized within a long-term, thus it is not ideal to utilize these funds to settle short term liabilities of the company.

Cash Ratio

Q1 2019	Q1 2021	Q4 2020
0.60	1.42	0.62
TIMES	TIMES	TIMES

The cash balance reflects the capital injection by the government and the advance payments received from customers, those which shall not solely be utilized in day to day operation but rather should be invested to earn returns from it.

The cash balance has increased by MVR 24.3 million compared to previous quarter, which has led the ratio to improve.

As the cash and cash equivalent is the collection from pilgrims as advance hajj or Umra payment (to be utilized within a long-term), it is not ideal to utilize these funds to settle short liabilities of the company.

Hence, if the advance cash received from customers are excluded to assess current ratio, the ratio drops to 0.003 indicating serious liquidity issues.

CONCLUSION

MHCL has not generated any revenue for Q1 2021 as Umra planned for the quarter was cancelled due to the COVID 19 pandemic. As such, company concluded the quarter with an operating loss of Mvr 286,813.

When Hajj and Umra fund is excluded, liquidity position of the company is low as trade and other payables exceeds its receivables.

RECOMMENDATION

As the company is unable to generate any operational revenue due to cancellation of Umra, the company should try to reduce and maintain its overheads to an optimum level.

In addition, the company must find ways to generate revenue other than the main business operation, which will reduce dependency on government assistance. Increasing the investment base through marketing to enroll more people in the saving scheme will also help the company to earn more finance income. Further, a company with a huge fund portfolio could look in to areas where they could invest and generate a higher return, enabling to become a profitable company.

Quarterly review; Quarter 1-2021

MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION

MALDIVES INTERGRATED TOURISM DEVELOPMENT CORPORATION
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MITDC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
45	Nil	45
Thousands in MVR		Thousands in MVR

The company has not recorded any revenue in Q1 2021, as the L. Baresdhoo Caretaking Agreement has ended on December 2020. The new caretaker agreement will be signed on March 2021.

Net Loss

Q1 2020	Q1 2021	Q4 2020
-5.63	-5.59	-5.49
Million in MVR	Million in MVR	Million in MVR

The net loss of the quarter Q1 2021 is MVR 5.59 million which is 2% higher than previous quarter as company has not earned any revenue during Q1 2021. In addition, the operating expense has recorded a growth of 3% against previous quarter. The increment of 3% of operating expense is mainly attributable to the increase in legal and professional fees from internal audit service, and increase in license and permits due to Zoho email subscription and increase in internet expenses.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
0.01	0.02	0.02
TIMES	TIMES	TIMES

Current ratio of the company is below 1 for three quarters in review, indicating unsatisfactory short-term liquidity position. The current liabilities of the company exceed its current assets. The current asset of the company consists of trade and other receivables and cash and cash equivalents.

The company has made an allowance for the advance payment to suppliers.

Trade and othe receivables	Q1 2020 (MVR)	Q1 2021 (MVR)	Q4 2020 (MVR)
Accounts Receivable	2,887	34,687	82,387
Other Receivable	60,000	60,000	74,032
GST refundable	565,896	603,125	575,022
Advance payments to suppliers	15,034,500	15,034,500	15,034,500
Allowance for impairment	(15,034,500)	(15,034,500)	(15,034,500)
Total	**628,783**	**697,812**	**731,441**

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.01	0.01	0.01
TIMES	TIMES	TIMES

MITDC's cash ratio is significantly low and are in a high-risk position. The cash balance of the company stands at MVR 1.5 million, most of this reflects capital injection by the government.

The current liabilities of the company consist of trade and other payables and short-term borrowings. The short-term borrowing of MVR 15.42 million is the loan taken from MOF for integrated tourism development projects on the island of Kaashidhoo in Male' Atoll. The trade and other payables comprise of the following;

Trade and other payables	Q1 2020 (MVR)	Q1 2021 (MVR)	Q4 2020 (MVR)
Trade Payables	14,051,445	14,246,154	14,019,245
Accrued Expenses	35,537	553,886	530,206
Advance rent- Baresdhoo Rent Model	4,972,836	4,972,836	4,972,836
Advance rent- Baresdhoo LAC Model	26,985,000	26,985,000	26,985,000
Refund Payable	13,347,200	12,812,640	13,020,810
Accrued Interest	2,192,845	3,104,627	2,879,804
Other Payables	-	208,933	
CSR Funds	1,921,887	1,921,887	1,921,887
Total	**63,506,750**	**64,805,963**	**64,329,788**

The major components of trade and other payables are advance rent for Baresdhoo rent model and LAC model. In addition, trade and other payables are also significant. Total trade and other payables increased against previous quarter.

CONCLUSION

The company has not earned any revenue during the quarter as L. Baresdhoo Caretaking Agreement. This agreement has ended. The company has made a net loss of MVR 5.6 million in Q1 2021.

The short-term liquidity position of the company is very poor as the current liabilities are relatively higher than its current assets. MITDC depends on the shareholder assistance to meet all their operational expenses.

RECOMMENDATION

The company should try to achieve the budgeted revenue for the year. And should be working more actively to implement the business plan of the company. Further, managing operating expenses are also an important factor to reduce the loss of the company and so to its sustainability.

The company should formulate strategies in receivable collection to enhance the liquidity position. Rent receivables and account receivables need to be collected and relevant authorities must be informed, and actions should be taken accordingly. Consequently, payables management is also important which includes maintaining a good relationship with the suppliers to increase the credit limits and obtain goods or services at better terms.

Quarterly review; Quarter 1-2021

MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION

MALDIVES MARKETING & PUBLIC RELATIONS CORPORATION

Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MMPRC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
40.8	40.4	0.77
Million in MVR	Million in MVR	Million in MVR

MMPRC has reported a revenue of MVR 40.4 million for the first quarter of 2021. The significant revenue growth against previous quarter is mainly because, in Q1 2021 MMPRC has received government approved budget for the quarter (government grant of MVR 38,550,000) which was not received in Q4 2020 and some Fairs and Roadshow was conducted. The government grant is a large component of company's income and it represent 99% of company's revenue of Q1 2021. Hence, if the grant income is removed the income from fairs and roadshows has declined compared to previous quarter.

Due to covid-19 pandemic most of fairs got cancelled or postponed, hence there is no participation fee. Nevertheless, through the marketing activities the visibility of the Maldives as a destination continues to be prominent within the top markets.

Gross Profit/ (loss)

Q1 2020	Q1 2021	Q4 2020
0.61	15.5	-6.6
Million in MVR	Million in MVR	Million in MVR

The company has recorded a gross profit of MVR 15.5 million mainly due to grant from government. While the revenue increased by MVR 39.7 million, costs of sales increased by MVR 17.6 million compared to previous quarter.

In comparison to the same period of last year, MMPRC has recorded a gross profit growth of MVR 14.8 million. While the revenue was almost similar, cost of sales of Q1 2021 is 38% lower than Q1 2020.

Net Profit/ (loss)

Q1 2020	Q1 2021	Q4 2020
-6.03	10.8	-12.5
Million in MVR	Million in MVR	Million in MVR

MMPRC has made a net profit of MVR 10.8 million in Q1 2021. The overheads of the company record an increment of MVR 367,077 compared to previous quarter. Compared to Q1 2020, overheads are MVR 2.57 million less in Q1 2021.

LIQUIDITY

Current ratio

Q1 2020	Q1 2021	Q4 2020
1.04 TIMES	1.07 TIMES	1.06 TIMES

Current ratio measures the ability of MMPRC to pay short-term obligations or those due within one year. Although, in theory a ratio of above 1 indicate that the company has more assets than its liabilities, the greater portion of MMPRC's current assets are trade and other receivables which represent 96% of total current assets. The Majority of receivables and payables constitute acquisition cost related to resort. The company should assess the likelihood of recovering the amounts. Both current assets and current liabilities has improved because increment is current assets is higher than that of current liabilities. The current ratio stands at 13 after removing acquisition cost payables and receivables, which shows favorable liquidity position.

Cash ratio

Q1 2020	Q1 2021	Q4 2020
0.09 TIMES	0.04 TIMES	0.06 TIMES

Cash ratio calculates ability to repay its short-term debt with cash or near-cash resources. The cash ratio of the company is very critical as it can only cover 4% of company's current liabilities. Compared to previous quarter, the cash balance has reduced by MVR 28 million mainly because of increase in receivables by MVR 36 million. Based on current condition the majority of cash inflow is the government assistance. To shows a more realistic picture, we have calculated cash ratio excluding acquisition cost payable and the result is 3.1, which is an acceptable level.

The current liabilities of the company are trade and other payables, most of them are related to the corruption case being investigated. Therefore, it is unlikely that these amounts would be received unless these cases are resolved.

CONCLUSION

The performance of the company was severely affected by the global pandemic and had to change the methods and the marketing plan of promoting Maldives to digital, online and to social media platforms. Due to the global pandemic some of the fairs were postponed or were carried out virtually.

During the first quarter of 2021, a total of 34 marketing campaigns, 9 fairs and virtual events, 4 roadshows, 10 FAM trips, 13 PR and media coverage were held. The operational revenue records a significant growth due to government grant income. As a result, MMPRC has ended the quarter with a net profit of MVR 10.8 million.

MMPRC has high long-standing receivables and it is noted that, there are ongoing court cases and the cases are being investigated by the asset recovery commission.

The short-term liquidity position of MMPRC is satisfactory if payables and receivables of past is adjusted based on the corruption case related numbers. There are significant receivables and payables in the company's financial position, most of these figures are related to past corruption cases which is unlikely to be collected unless resolved.

MMPRC is a nonprofit making company, as the company mandated to provide the service of promoting Maldives as the most preferred a tourist destination. Hence, considering the nature of the company it is still maintaining a strong cash balance, however cash balance does not reflect this as trade payables includes significant amounts related to the lease of islands which are under investigation.

RECOMMENDATION

MMPRC has significant long-standing receivables therefore it is important to take all necessary action to recover all receivables. The company will not be able to repay amount related to acquisition cost unless they could recover related receivables.

Quarterly review; Quarter 1-2021

MALDIVES TRANSPORT AND CONTRACTING COMPANY LTD

MALDIVES TRANSPORT AND CONTRACTING COMPANY LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MTCC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

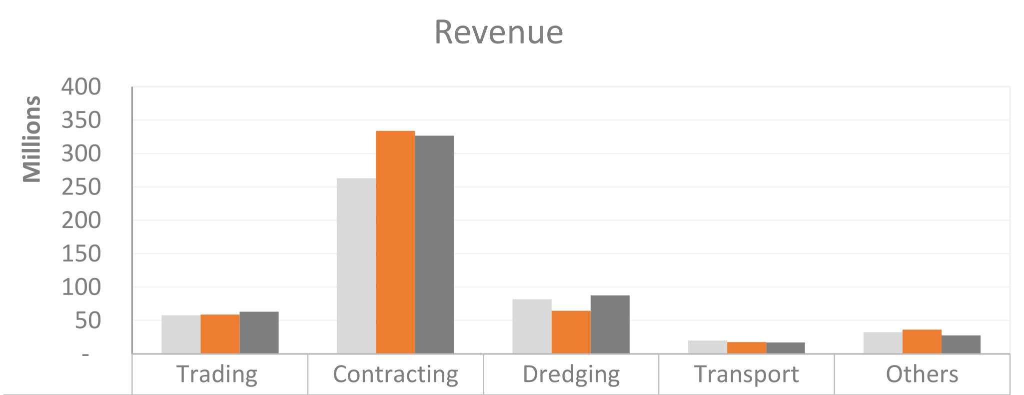
Revenue

Q1 2020	Q1 2021	Q4 2020
353	423	408
Million in MVR	Million in MVR	Million in MVR

MTCC has reported revenue of MVR 423 million in Q1 2021 which is a growth of 20% compared to the same quarter of last year and a 3% increase compared to previous quarter. The main revenue source to the company is contracting segment comprising over 65% of total income. The significant increase in total revenue compared to previous year's quarter one is attributable to the increase in revenue from contracting segment by 27%.

It is important to note that revenue from trading and dredging has dropped by 6% and 26% respectively compared to Q4 2020. Restrictions and pandemic situation across the world caused delays in receiving and delivery of spares and other trading products on time affecting the performance of trading by 6% compared to Q4 2020. Overall revenue from spares has also reduced due to travel restrictions, slowing down the vessel movements reducing the demand.

Below chart illustrates how MTCC generated revenue within the quarters Q4 2020, Q1 2021 and Q4 2020.



	Trading	Contracting	Dredging	Transport	Others
Q1 2020	58,027,933	263,069,737	81,939,775	19,990,331	32,255,321
Q1 2021	58,909,197	333,802,666	64,652,530	17,694,698	36,144,279
Q4 2020	62,973,158	326,870,726	87,346,223	17,286,234	27,521,121

As seen from the above chart, contracting and 'others' segment has seen revenue growth compared to two comparable periods. Ease in Covid-19 restriction has reduced the problems caused due to delay in material supply to project sites, improving project projects progress. And revenue recognized from ship agency services in Q1 2021, along with revenue from docking services has increased revenue for the 'other revenue 'segment. Transport service increased by 2% compared to previous quarter due to increase in passenger movements with the ease in Covid-19 restrictions.

Revenue from dredging segment decreased by 26% compared to previous year, mainly due to Maha Jarraf (dredging facility) being on repair and maintenance during month of February 2021 which reduced dredging activities for Q1 2021. Maha Jarraf and dredging income is highly dependent on the contracting projects carried out by the company. Revenue from trading also decreased by 6% as sales were high during previous quarter with "Maabodahves Agu Heyovejje Campaign".

Gross Profit

Q1 2020	Q1 2021	Q4 2020
79.6	84.5	117.9
Million in MVR	Million in MVR	Million in MVR

Company has reported a gross profit of MVR 84.5 million in Q1 2021 which is a growth of 6% compared to Q1 2020, however is 28% less compared to previous quarter. In Q1 2021 company's gross profit margin was maintained at 20% (Q1 2020: 23% and Q4 2020: 28%) which is low compared to other two quarters. This indicates cost of sales has increased above the optimum level where it was maintained in previous quarters.

Company's cost of sale increased by 24% and 16% in Q1 2021 compared to Q1 2020 and Q4 2020 respectively, due to increase in material supply to projects and new recruitments due to increased number of projects as well as increased allowances due to salary increments. Direct cost mainly includes cost of goods sold, contract related expenses and salary and allowances direct to the contracts.

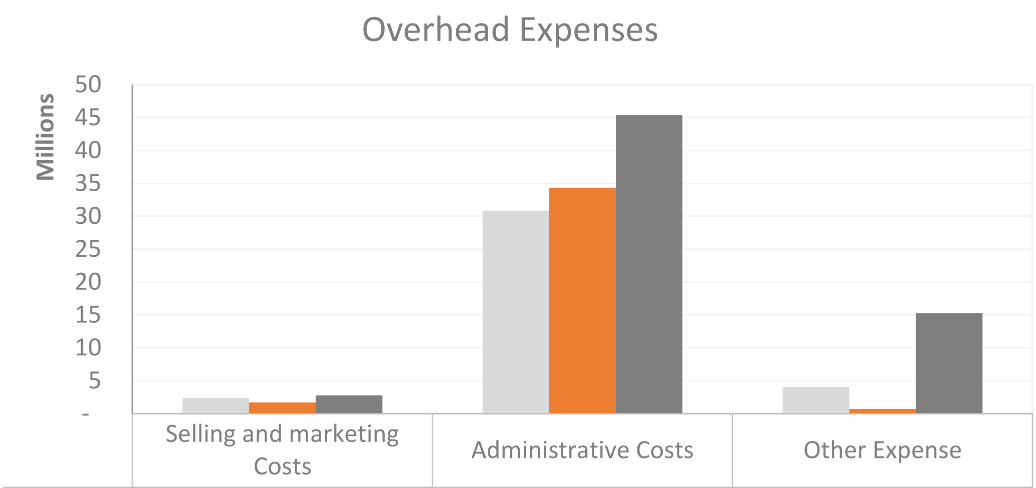
Operating Profit

Q1 2020	Q1 2021	Q4 2020
72.4	82.3	98.7
Million in MVR	Million in MVR	Million in MVR

Compared to previous year (Q1 2020), the growth in operating profit is attributable to the increase in revenue in the current period. However, compared to previous quarter operating profit has decreased by 17% mainly due to decrease in gross profit. Although company was able reduce its operating expenses by MVR 26 million, gross profit was decreased by MVR 33 million which led to decrease in operating profit. Other income also decreased by 22% during this comparable period.

Operating profit margin has also decreased to 19.5% compared to Q1 2020 (23%) and Q4 2020 (24%), indicating that level of operating expenses maintained as a percentage of revenue is lower compared to other periods, due to factor mentioned above.

Below chart illustrates company's overhead expenses incurred within the quarters Q1 2021, Q1 2020 and Q4 2020.



	Selling and marketing Costs	Administrative Costs	Other Expense
Q1 2020	2,390,653	30,831,681	4,034,837
Q1 2021	1,664,392	34,309,894	718,396
Q4 2020	2,746,002	45,355,778	15,268,926

Company's selling and marketing costs has decreased by 30% and 39% in Q1 2021 compared to Q1 2020 and Q4 2020 due to provision made for impairment on trade and other receivables, which was accounted considering the potential impact of Covid-19. An administrative expense is 11% higher than Q1 2020 but 24% less than Q4 2020 results. The increase in previous quarter expenses is mainly due to provision made in Q4 2020 for retirement benefit and overall expenses such as utility and stationary expenses were higher in previous quarter.

Net Profit

Q1 2020	Q1 2021	Q4 2020
52.9	61.6	67.8
Million in MVR	Million in MVR	Million in MVR

MTCC has performed well in all the three comparable quarters generating over MVR 50 million as net profit in each quarter.

Company has generated a net profit of MVR 61.6 million in Q1 2021, which is a growth of 16% compared to Q1 2020. Company's net profit was decreased by 9% compared to Q4 2020. In addition, company's net profit margin remained same compared to Q1 2020 (15%) but decreased compared to Q4 2020 from 17% mainly due to decrease in gross profit in Q1 2021.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
1.44	1.60	1.59
TIMES	TIMES	TIMES

Current ratio of the company has improved compared to both the quarters of Q1 2020 and Q4 2020. Company has more current assets compared to its liability which indicates that the company is able to pay its short term obligations with current assets. However, it has to be noted that company's current assets is mainly from trade receivables which is increasing in each quarter and in Q1 2021 receivables covers 72% of its current assets. In Q1 2021 trade and other receivables increased by 35% and 17% compared to both the quarters of Q1 2020 and Q4 2020 due to increase in revenue from projects.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
1.1	1.26	1.2
TIMES	TIMES	TIMES

Company's quick ratio has increased in Q1 2021 by 18% and 2% compared to both the quarters of Q1 2020 and Q4 2020 respectively, resulting a quick ratio of 1.26 times in Q1 2021. This indicates that the company is capable to cover its short term debts excluding inventories. Inventory of the company has increased in Q1 2021 by 14% and 8% compared to Q1 2020 and Q4 2020.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.04	0.11	0.13
TIMES	TIMES	TIMES

Cash ratio shows whether the company is capable to pay its short-term obligations through its cash. Company has a cash ratio of 0.11 times in Q1 2021 which is 190% higher compared to Q1 2020 but 13% less than Q4 2020. Company's cash and cash equivalent has increased by 252% compared to Q1 2021 but decreased by 2% compared to Q4 2020.

It is noted that company's operating cash flow was decreased in Q1 2021 by 67% compared to the previous quarter. However, with the overdraft facilities the cash and OD position at the end of the quarter was maintained at a positive and adequate level.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2021
0.49	0.43	0.47
TIMES	TIMES	TIMES

Debt to equity ratio illustrates the degree to which MTCC is financing its operations through debts. Higher debt to equity ratio indicates a company with higher risk. MTCC's debt to equity ratio has decreased in Q1 2021 by 13% and 8% compared to Q1 2020 and Q4 2020 respectively.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.23	0.20	0.22
TIMES	TIMES	TIMES

Debt to asset ratio defines the total amount of debts relative to its assets. The lower the debt to asset ratio indicates the less risky the company. MTCC's debt to asset ratio has decreased in Q1 2021 by 14% and 9% compared to Q1 2020 and Q4 2020 respectively. It has to be noted that the borrowings of the company has increased by 2% compared to previous year but sees a decline by 3% compared to previous quarter.

Interest Cover Ratio

Q1 2020	Q1 2021	Q4 2020
7.17	8.44	5.4
TIMES	TIMES	TIMES

Interest cover ratio measures how many times MTCC can cover its current interest payment with its available earnings. Company's finance cost has decreased in Q1 2021 by 3% and 47% compared to both the quarters of Q1 2020 and Q4 2020. MTCC's interest coverage ratio has resulted improve indicating that the company have enough earnings to cover its interest payments. A company's ability to meet its interest obligations is an aspect of its solvency and is thus a very important factor in the return for shareholders.

CONCLUSION & RECOMMENDATION

MTCC has reported a profit of MVR 61 million in the first quarter of 2021 and are able to maintain its net profit level above MVR 50 million per quarter. This was achieved by continuous improvement in revenue over the quarters. Revenue from most of the segments has improved compared to last year (Q1 2020) after the adverse effects of Covid-19. The profitability on the other hand has slightly deteriorated in Q1 2021, due to increase in its direct cost which needs to be improved and maintained to an optimum level.

MTCC's has more current assets compared to its liabilities and company's liquidity position shows favorable results. However, it has to be noted that company does not have enough cash to pay its short-term obligations and has high receivables which has been increasing in each quarter. Therefore, company should improve its credit collection policies and focus on receivables collection in order to improve cash flow.

MTCC's debt to equity ratio has improved compared to both the quarters of Q1 2020 and Q4 2020. Company's leverage ratio shows a favorable result indicating company is less risky and is capable to cover their interest payments through their earnings.

Quarterly review; Quarter 1-2021

MALDIVES TOURISM DEVELOPMENT CORPORATION

MALDIVES TOURISM DEVELOPMENT CORPORATION
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MTDC/Q1

Q1 2021 with Q1 2020 AND Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
13.8	14.3	15.4
Million in MVR	Million in MVR	Million in MVR

The company is engaged in subleasing islands allotted to the company by the Government of the Maldives for resort development, hence the only source of revenue is subleasing income. Company's portfolio of islands has remained same for the period in review.

Gross Profit

Q1 2020	Q4 2021	Q4 2020
9.1	7.2	4.9
Million in MVR	Million in MVR	Million in MVR

The direct cost for the quarter has reduced by 32% compared to previous quarter. As a result, the gross profit has increased by over MVR 2 million. In comparison to the same period of last year net profit of Q1 2021 is 22% less.

Net profit

Q1 2020	Q1 2021	Q4 2020
3.7	5.7	1.8
Million in MVR	Million in MVR	Million in MVR

The company has recorded other income of MVR 6.8 million and the expenses of the company has reduced by 31% against previous quarter. Thus, net profit has recorded a growth of 3.9 million (213%) compared to Q4 2020. The other income represents gain on lease liability. MTDC has not recognized any provision for impairment on lease rental receivables in Q1 2021.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
2.4	2.2	2.0
TIMES	TIMES	TIMES

The current ratio measures MTDC's ability to pay short-term obligations or those due within one year. The current ratio of the company illustrates that company has high level of current assets compared to its liabilities. The current ratio has improved in Q1 2021 compared to previous quarter as current liabilities has significantly reduced mainly from lease liability. The current liabilities of the company comprise of lease liability, other trade payables and BPT payable.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.27	0.13	0.15
TIMES	TIMES	TIMES

Cash ratio calculates company's ability to repay its short-term debt with cash or near-cash resources. The cash balance of the company has declined in Q1 2021 compared to previous quarter. The cash ratio of the company shows that MTDC does not have enough to cash to cover its liabilities. MTDC has invested in fixed deposit amounting to MVR 16 million in Q1 2021. The cash ratio including the fixed deposit stands at 1.1.

CONCLUSION

MTDC is only engaged in sub leasing of the islands, hence the company is earning a fixed income from subleasing. Therefore, the gross profit and net profit of the company will remain at same level until an additional property is added to their portfolio. However, the company can increase its revenue through other models of operation.

Short term liquidity position of MTDC is favorable with more current assets relative to their current liabilities. Although, the cash ratio of the company is lower than an acceptable level, with the inclusion of fixed deposit the ratio above 1.

RECOMMENDATION

Since the company’s current business model involves sub leasing the islands to third parties, the company’s ability to grow revenue is capped at the number of islands available for sub leasing. Increasing revenue through other sources within the mandate of the company should be looked into in order to increase share value.

MTDC has huge amounts of payables, hence it needs to be reduced to improve the liquidity position of the company. However, to do that the company should reduce receivables and collect as per the agreement and take necessary actions without any delay.

Quarterly review; Quarter 1-2021

MALE' WATER AND SEWERAGE COMPANY PVT LTD

MALE' WATER AND SEWERAGE COMPANY PVT LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MWSC/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

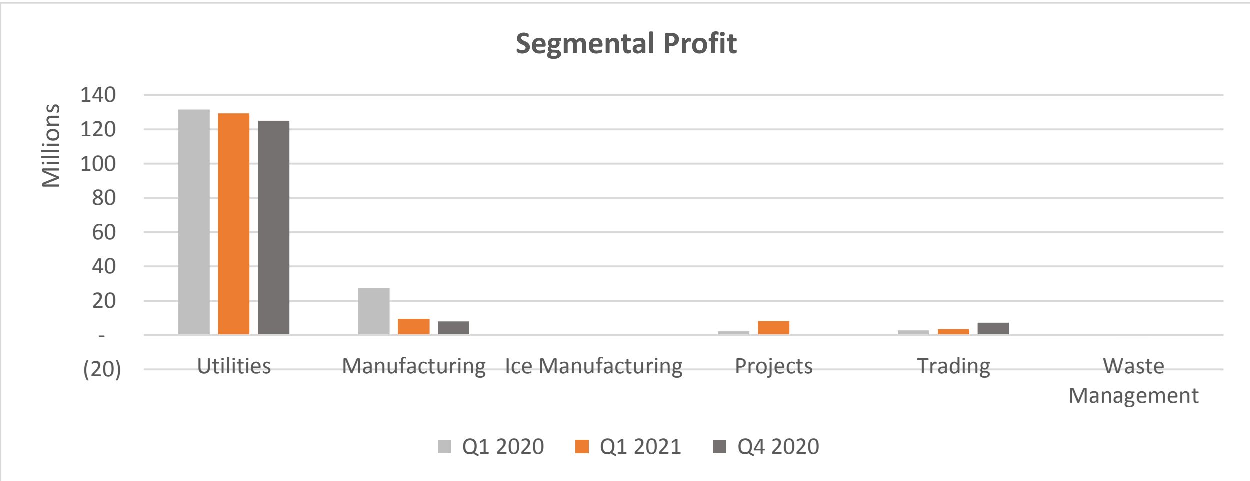
Q1 2020	Q1 2021	Q4 2020
261	258	225
Million in MVR	Million in MVR	Million in MVR

MWSC has reported a revenue of MVR 258 million for the first quarter of 2021, which is 14% higher compared to previous quarter and 1% less compared to Q1 2020. The growth against previous quarter was mainly contributed by the project's revenue. In addition, revenue from utilities have also recorded notable growth against previous quarter.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
163	150	139
Million in MVR	Million in MVR	Million in MVR

The company has recorded a gross profit growth of 7% compared to previous quarter. However, gross profit margin has declined from 62% to 58% as the cost of sales has increased much higher than revenue. The following table illustrates the segmental gross profits.



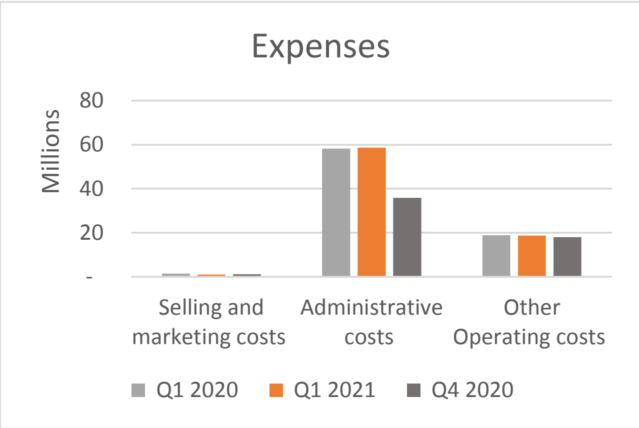
All the revenue segments except waste management have made profit in Q1 2021. The highest growth was recorded by projects segment.

Net Profit

Q1 2020	Q1 2021	Q4 2020
81	64	85
Million in MVR	Million in MVR	Million in MVR

Although MWSC has achieved a remarkable revenue growth, net profit of the company has declined in Q1 2021 because administrative costs of the company has drastically increased. As a result, the net profit margin has declined to 25% while it was 38% in previous quarter and 24% in previous quarter.

Expenses



Administrative expenses have increased from MVR 35 million in Q4 2020 to MVR 58 million in Q1 2021. The most significant increment was recorded in Salaries (MVR 9.2 million). This is because in Q1 2020 almost all the staff were required to attend office which made them eligible for daily allowances. In addition to that, the staff costs increased due to yearly promotions and increments. In addition, training expenses has also increased in Q1 2021 as many of the staff training planned in 2020 which was not conducted due to covid-19 was started during the quarter. Insurance expenses has also recorded a high jump due to insurance renewal for, vehicles, other properties and staff insurance.

In comparison to the same period of last year, the total expenses were maintained at a similar level.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
1.66	1.62	1.31
TIMES	TIMES	TIMES

The current ratio of the company has improved in Q1 2021, because movements in working capital was favorable during the quarter. The current assets of the company have increased while current liabilities declined against previous quarter. The majority of current assets comprise of inventory, trade receivables and cash balance. In addition to that current assets includes advance payments, other receivables and unrealized interest. The major increments were seen from other receivables and advance payments.

The most significant current liability of the company is dividend payable which represents 91% of current liabilities and remained same as previous quarter. Nevertheless, the current ratio of the company illustrates that company has adequate levels of current assets to set off its short-term liabilities.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
1.19	1.24	0.94
TIMES	TIMES	TIMES

Quick ratio shows company's availability of most liquid assets to service current liabilities. Quick ratio of the company has improved and is above 1, which is favorable liquidity position. The ratio has improved against previous quarter because both inventory and current liabilities has significantly declined in Q1 2021.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.38	0.43	0.39
TIMES	TIMES	TIMES

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. The cash balance of the company has slightly reduced compared to previous quarter. However, the ratio has improved as the current liabilities has reduced compared to previous quarter. Considering the level of operation, the company is maintaining a strong cash balance. During Q1 2021, the company has invested MVR 24 million in Property plant and Equipment and repaid MVR 13 million loans and borrowings.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
0.12	0.09	0.11
TIMES	TIMES	TIMES

Company's debt levels remain relatively low with adequate cash generated from operating activities. Therefore, the company still has ample space to raise debt from banks and expand the business if the need arises. Total debts of the company have reduced over MVR 15.6 in Q1 2021, while equity has improved. Hence the ratio has declined. MWSC is using a relatively low debts to finance its operations, hence financial risk of the company is very low.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.08	0.06	0.07
TIMES	TIMES	TIMES

The company has not taken any additional borrowings in the quarter, and has repaid MVR 13.1 million loans in Q1 2021. As a result, the ratio has further reduced. The company has space to raise further debt to expand business.

CONCLUSION

The company has achieved a significant revenue growth of MVR 32.5 million against previous quarter. However, net profit of the company has declined as company's administrative companies has increased significantly.

The short-term liquidity position of the company has improved in Q1 2021. The company holds enough current assets and the current liabilities of the company has declined. It is also important to note that the company's holding of cash and cash equivalents are significant.

The company's leverage ratios are comparatively lower in relation to the asset base. Moreover, MWSC have capacity to invest in future projects as the company has a huge reserve. It is also important for the company to focus on finishing the on-going projects.

RECOMMENDATION

It is advisable for the company to complete the on-going projects without further delay in order to eliminate the avoidable costs and generate revenue as early possible.

The largest payable of MWSC is dividend, hence company should settle payables in order to improve the liquidity position.

Quarterly review; Quarter 1-2021

MALDIVES PORTS LIMITED

MALDIVES PORTS LIMITED
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MPL/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
188	168	132
Million in MVR	Million in MVR	Million in MVR

The company has reported a total revenue of MVR 168.8 million for the first quarter of 2021, which is an increment of 28% compared to previous quarter and 10% less compared to Q1 2020.

The table shows operational income of the company for the three quarters in review.

Operational Income	Q1 2020	Q1 2021	Q4 2020
Handling	28,136,437	24,512,607	20,191,246
Wharfage	18,285,370	15,604,916	12,781,255
Stevedoring	68,072,497	51,681,627	39,676,586
Storage/Demurage	7,728,533	4,776,151	3,566,130
Empty Container Storage	4,988,645	5,138,583	5,154,472
H-Pontoon Service Charges	68,715	156,050	82,902
Shifting	1,241	8,796	4,547
Sorting of Mixmark	52,712	54,881	49,586
Measuring Charges	119,207	84,271	111,034
Lashing / Unlashing	496,018	464,140	399,545
Pilotage	2,503,972	10,070,451	5,238,631
Berthing/Quaywall	2,092,298	1,848,570	1,739,148
Port Dues	338,800	973,624	893,695
Express Clearance Charges	1,807,000	2,338,885	1,135,734
Vessel & Vehicle HireCharges	1,328,886	6,901,947	3,500,212
Cargo Gear Hire Charges	2,640	-	2,488
Documents Amendment Charges	133,897	91,982	63,264
Electricity Charges	4,722,246	3,511,042	2,639,780
Water Sale	21,540	22,362	20,407
Container Movement Charges	323,241	273,089	301,725
Hulhumale Income	16,450,471	10,177,296	6,592,332
Bond Income	7,723,756	8,362,342	8,448,826
T- Jetty Income	7,945,692	6,891,524	5,817,248
STL Income	2,126,763	1,129,711	1,833,393
MNH	1,477,201	1,521,737	1,378,111
MIP	14,908	27,220	11,672
MRTD	3,551,261	3,641,445	2,991,607
TLF	461,911	19,076	44,901
HTL	41,642	15,396	12,250
Total	**181,017,499**	**160,299,721**	**124,682,727**

The highest revenue increment of MVR 12 million was recorded by stevedoring. Handling income has also increased by over MVR 4 million against previous quarter.

While most of the income segments shows improvement against previous quarter there are few income groups which has declined. The revenue from empty container storage, measuring charges, container movement charges STL income and TLF income has slightly declined.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
188	168	132
Million in MVR	Million in MVR	Million in MVR

The company does not record any direct costs, hence revenue is equal to the gross profit of the quarter.

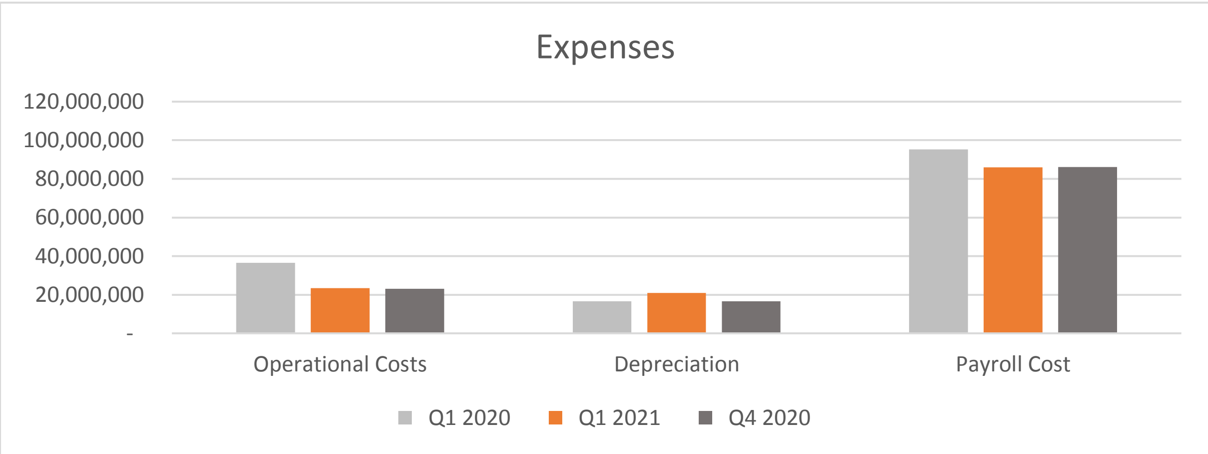
Net Profit

Q1 2020	Q1 2021	Q4 2020
31.6	23.9	2.66
Million in MVR	Million in MVR	Million in MVR

The net profit of the company has significantly increased by over MVR 21 million against previous quarter. This remarkable result was achieved because of increase in revenue. While revenue increased by 28%, expense of the company has only increased by 4% compared to previous quarter. As a result, net profit margin has increased from 2% in Q4 2020 to 14% in Q1 2021.

Expenses

The expenses of the company are categorized into operational costs, depreciation and payroll cost.



Payroll costs of the company is the major expense, which has recorded a minimal reduction compared to previous quarter. Depreciation expenses has increased by MVR 4 million as company has acquired new property plant and equipment. Operational expenses have only increased by 2% compared to previous quarter.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
2.60	2.03	2.10
TIMES	TIMES	TIMES

The current ratio measures a company's ability to pay short-term obligations or those due within one year. The results of MPL is favorable with a high current ratio. The higher the current ratio, the more capable a company is at paying its obligations because it has a larger proportion of short-term assets relative to the value of its short-term liabilities.

Compared to previous quarter, the current ratio has declined current liabilities has increased much higher than company's current assets. The most significant component of current assets is inventory due to inclusion of Social Housing (Hiya) project.

The trade and other receivables have declined by MVR 17 million compared to previous quarter. The receivables of PORTS are quite high as it is 103% of sales (Q4 2020) and 21% current assets.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
1.05	0.84	0.82
TIMES	TIMES	TIMES

The quick ratio reflects company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Quick ratio of MPL is below 1 for the past two quarters as company's inventory increased. This represents that current assets (less inventory) is insufficient to cover its current liabilities.

Inventory has grown significantly over the recent quarters; however, the significant portion of the inventory is the working progress of Social housing project rather than spare parts.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.42	0.23	0.08
TIMES	TIMES	TIMES

The cash ratio has significantly improved compared to previous quarter because cash balance of the company has recorded an increment of MVR 66.7 million against previous quarter.

Nevertheless, a cash ratio of less than 1 shows insufficient cash on hand exists to pay off short-term debt. This may not be bad news if the company has conditions that enable this, such as lengthier-than-normal credit terms with its suppliers, efficiently-managed inventory, and very little credit extended to its customers. Considering the level of Operation Company's level of cash is satisfactory.

LEVARAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
0.18	0.22	0.22
TIMES	TIMES	TIMES

Debt to equity ratio has remained same as previous quarter. The loans and borrowings as well as equity has increased at relatively same level. Nevertheless, the company's debt to equity is satisfactory in terms of financial risk.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.11	0.12	0.12
TIMES	TIMES	TIMES

Debt to Assets ratio defines the total amount of debts relative to its assets or assets finance by debt. A ratio less than one means MPL owns more assets than liabilities and can meet its obligations with their assets. The current debt to asset ratio of MPL is quite satisfactory in terms of financial risk.

Debt Capitalization

Q1 2020	Q1 2021	Q4 2020
31%	34%	34%

Investors use the debt-to-capital metric to gauge the risk of a company based on its financial structure. A low metric indicates that MPL raises its funds through current revenues or shareholders, therefore with a low debt capitalization ratio, MPL would be able to attract more funds into the company as it shows company is financially stable.

Interest Cover

Q1 2020	Q1 2021	Q4 2020
10.5	6.5	1.4
TIMES	TIMES	TIMES

The interest cover ratio measures how many times MPL can cover its current interest payment with its available earnings. A positive interest cover illustrates that the company have enough profits available to service the debt. A company's ability to meet its interest obligations is an aspect of its solvency and is thus a very important factor in the return for shareholders. The ratio has increased as the operating profit of the company has significantly increased in Q1 2021 compared to previous quarter.

CONCLUSION

The company's performance for Q1 2021 has significantly improved in terms of revenue and profitability compared to the previous quarter. The total revenue of the company has shown an improvement of MVR 36 million and net profit increased by MVR 21.3 million compared to previous quarter.

In terms of short-term liquidity position, the company's liquidity position is at a satisfactory level being able to meet the short-term obligations. However, it must be noted that the largest components of current assets are inventory and receivables. Further, the receivables of the company are significant compared to the revenue generated, thus company must manage its receivable collection to improve cash flow of the company. The cash ratio of the company has also improved as a result of increment in cash balance of the company.

Although company has long term loans, the financial risk of the company is satisfactory as equity and asset levels of MPL is quite high.

RECOMMENDATION

Receivables of the company is significant compared to its operation. Hence, to improve the liquidity position of the company, the company needs to establish effective receivable collection policies and procedures.

Quarterly review; Quarter 1-2021

MALDIVES POST LTD

MALDIVES POST LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/POST/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
10.6	2.5	5.1
Million in MVR	Million in MVR	Million in MVR

Post Limited has recorded revenue of MVR 2.5 million in the first quarter of 2021. The main revenue generating segment in the first quarter of 2021 is from sales from postage and stamp sales which cover 42% of total revenue. It is noted that in the first quarter of 2021 revenue was decreased compared to both the quarters of Q1 2020 and Q4 2020 by 77% and 51% respectively. Below table illustrates how Post Limited has generated revenue within the quarters of Q1 2020, Q1 2021 and Q4 2020.

Revenue	**Q1 2020**	**Q1 2021**	**Q4 2020**
Sales from postage and stamp sales	1,659,617	1,044,565	409,272
Commission Income	156,760	15,053	12,428
Terminal Dues, EMS & Parcel Post Income	8,301,876	974,479	4,367,176
E-commerce	262,664	322,277	237,638
Post Shop	198,451	108,693	33,771
Total	**10,579,368**	**2,465,067**	**5,060,285**

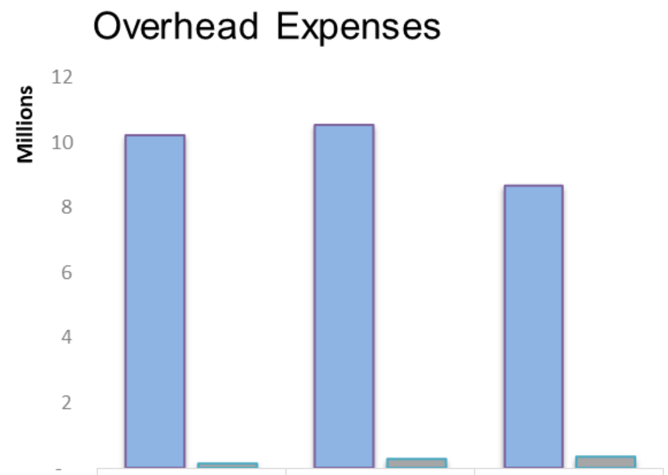
As seen from the above table, revenue from E-commerce was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 23% and 36%. However, revenue from all the other segment of post limited was low in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020.

Operating Profit / (Loss)

Q1 2020	Q1 2021	Q4 2020
0.3	-8.1	-3.6
Million in MVR	Million in MVR	Million in MVR

Post Limited's operating loss was increased due to the less revenue generated in the quarter of Q1 2021.

Although, Post limited generated an operating profit in Q1 2020, due to less revenue generated in Q1 2021, Post Limited has faced a huge operating loss in Q1 2021. It is noted that operating loss of the company was increased in Q1 2021 compared to the last quarter by 127%. Although, the direct costs of the company decreased by 48% in Q1 2021 compared to Q1 2020, it is noted that compared to Q4 2020 direct costs was increased by 55%. It is also important to note that company's overhead costs was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020.



	Q1 2020	Q1 2021	Q4 2020
Administrative Costs	10,238,753	10,547,136	8,670,575
Marketing Expenses	133,886	265,133	327,580

Post Limited has total operational costs of MVR 10.8 million in Q1 2021, which exceeds the operational revenue of the first quarter of 2021. Company's overhead costs are mainly from administrative costs which covers 98% of total overhead costs in the first quarter of 2021. It is important to highlight that the administrative costs of the company has been increasing in each quarter. Compared to the last quarter, administrative costs of the company was increased by 22% in Q1 2021.

Net Profit/loss

Q1 2020	Q1 2021	Q4 2020
0.2	-7.3	-3.5
Million in MVR	Million in MVR	Million in MVR

Post limited has experienced a huge loss of MVR 7.3 million in the first quarter of 2021. Net loss of the company was increased in Q1 2021 by 109% compared to the previous quarter.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
1.27	1.17	1.12
Times	Times	Times

Post Limited has higher current assets compared to its current liabilities. Hence, company has a favorable current ratio in Q1 2021 resulting 1.17 times in the quarter. Current ratio of the company was decreased in Q1 2021 compared to Q1 2020 by 8%. However, when compared to the previous quarter, company's current ratio increased by 4% in Q1 2021. It is noted that 59% of current assets are from trade and other receivables in Q1 2021 and receivables of the company exceed the revenue generated in the quarter. Receivables of the company were decreased in the end of first quarter 2021 by 39% and 26% compared to Q1 2020 and Q4 2020.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.18	0.48	0.17
Times	Times	Times

Cash ratio shows whether the company is able to cover its short-term obligations using only cash and cash equivalents. Company's cash ratio of 0.48 times in Q1 2021 indicates that there are more current liabilities than cash and cash equivalents, meaning insufficient cash in hand to pay off short term debts. Cash ratio of the company was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 163% and 174% respectively.

CONCLUSION & RECOMMENDATION

Post Limited has generated revenue of MVR 2.5 million at the end of Q1 2021, which is lower revenue in compared to both the quarters of Q1 2020 and Q4 2020. Due to low revenue and high overhead costs the company has experienced a net loss of MVR 7.3 in Q1 2021.

As the loss of the company is increasing, it is important that the company to focus on the areas to minimize operational costs and eliminate costs where possible. In addition company should plan and implement new ways to generate revenue in order to minimize the loss.

Post Limited has high current assets compared to its current liability. Hence, current ratio shows favorable results. However, company has high trade and other receivables compared to the revenue generate in the quarter. Therefore, company needs to monitor accounts receivables effectively and implement new rules for receivables collection in order to receive prompt payments. Company has less cash compared to its current liabilities. Hence cash ratio of the company has unfavorable results which can also be improve by receivable collections.

Quarterly review; Quarter 1-2021

MALDIVES SPORTS CORPORATION LTD

MALDIVES SPORTS CORPORATION LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/MSCL/Q1

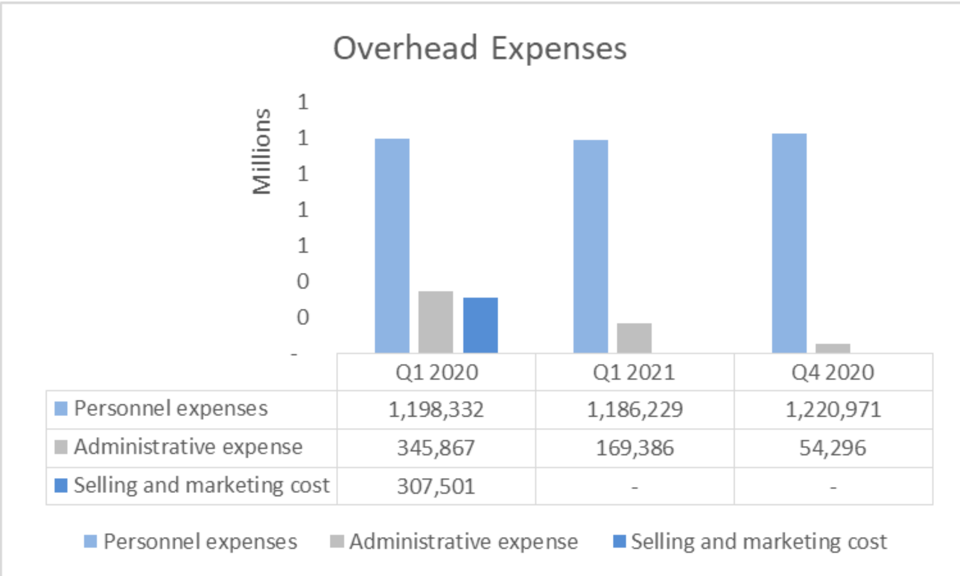
Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Net Loss

Q1 2020	Q1 2021	Q4 2020
(0.99)	(1.36)	(0.09)
Million in MVR	Million in MVR	Million in MVR

MSCL has not generated any revenue as they did not run any revenue generating project in the first quarter of 2021. Hence, the company has experienced a huge net loss of MVR 1.36 million in the end of first quarter of 2021. This is due to the high overhead costs incured in the quarter. Net loss of the company was increased in Q1 2021 by MVR 0.37 million (37%) compared to the same quarter of last year. Compared to the previous quarter net loss of the company was increased by MVR 1.27 million (1385%) in Q1 2021. Below chart illustrates how MSCL's overhead costs incurred within the quarter of Q1 2020, Q1 2021 and Q4 2020.



	Q1 2020	Q1 2021	Q4 2020
Personnel expenses	1,198,332	1,186,229	1,220,971
Administrative expense	345,867	169,386	54,296
Selling and marketing cost	307,501	-	-

As seen from the above chart, Personnel Expenses is the main segment of overhead expenses as it covers 88% of total overhead costs. Personnel expenses of the company was decreased in Q1 2021 compared to bothe the quarters of Q1 2020 and Q4 2020 by 1% and 3%. Admnistrative costs was also decreased in Q1 2021 by 51% compared to Q1 2020. However, administrative costs increased in Q1 2021 by 212% compared to the previous quarter.

LIQUIDITY

Current Ratio

Q1 2020
13.6
TIMES

Q4 2021
10.2
TIMES

Q4 2020
7.9
TIMES

MSCL's current ratio was decreased in Q1 2021 compared to the same quarter of last year by 25% and 29%. However, current ratio increased in Q1 2021 compared to the previous quarter by 29%. Company's current ratio resulting 10.2 times in Q1 2021 indicates that the company has high current assets compared to its liabilities. Current assets of the company was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 64% and 12%. This is mainly due to decreased in trade and other receivables in Q1 2021. Trade and other receivables was decreased in Q1 2021 compared to Q1 2020 and Q4 2020 by 100% and 69% respectively. It has to be noted that 97% of current assets are from cash and cash equivalents. Nevertheless, cash and cash equivalent reflects the capital injection by the government. Current liability was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 52% and 32% respectively.

Quick Ratio

Q1 2020
13.5
TIMES

Q1 2021
9.9
TIMES

Q4 2020
7.7
TIMES

The quick ratio shows company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Company's quick ratio has decreased in Q1 2021 compared to Q1 2020 by 26%. However, compared to the previous quarter quick ratio of the company was increased in Q1 2021 by 30%. MSCL's quick ratio resulting 9.9 times in Q1 2021indicates that the company is capable to meet its short-term obligations with its most liquid assets excluding inventory.

Cash Ratio

Q1 2020
3.6
TIMES

Q1 2021
9.9
TIMES

Q4 2020
7.6
TIMES

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. MSCL's cash ratio for the first quarter of 2021 was 9.9 times. Cash ratio of the company was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020. Cash and cash equivalent of the company was increased in Q1 2021 by 33% compared to Q1 2020. However, compared to the previous quarter, cash and cash equivalent decreased by 11% in Q1 2021.

Operational Highlights and On-Going Projects

- Signed MOU with Ungoofaaru and Naifaru Council to collaborate on sports infrastructure development.
- Business concept and financial feasibility for following projects were shared with Ministry of Finance for capital requisition.
  - Naifaru Volleyball Court Development Project
  - Ungoofaaru Football Stadium Development Project
  - Retail Store Development Project
  - Sports Corporation Head office Development Project
  - Water and Air Sports Development Project

CONCLUSION & RECOMMENDATION

SportsCo was unable to run any project in the first quarter of 2021 due to the set policies of Ministry of Finance that has rejected funding or budgeting for the proposed revenue based projects by the compny to be included in the 2021 budget. It is also noted that, company has not been allocated land for development by the government yet.

In addition, due to high overhead costs incurred in Q1 2021, company has faced a huge net loss of MVR 1.36 million. Overhead costs are mainly incurred for personnel costs and it is noted that, the company has high current and quick ratio due to lack of liabilities. This personnel cost is a recurrent expense that has been continued from the past years. Nevertheless this can be offset provided if Ministry of Finance had approved the proposed revenue based projects for the respective years for the company run its business.

It is important to note that, if Ministry of Finance does not approve any of the revenue based projects for the company to do business, it will negatively reflect in its financial reports for the years to come. This will also have a negative impact on the company's performance evaluation and is deemed considered very unfair for the company.

Sports Corporation since inception has made numerous efforts to obtain the assets (land and facilities) granted to the company by the Sports Act. However, so far these efforts have remained unsuccessful as adequate support has not been received by the state agencies involved. Currently, SportsCo has submitted several quotations, business concepts, financial feasibility of several business initiatives in aligned with our strategic business plan and road map to relevant government organization to enhance its business and financial performance. The Board of Directors and Management remain optimistic over the future performance of the company in terms of its financial sustainability and meeting the objectives of the company as cited in the Sports Act.

Quarterly review; Quarter 1-2021

PUBLIC SERVICE MEDIA

PUBLIC SERVICE MEDIA
Q1 2021 PERFORMANCE ANALYSIS

Report No: Report No: PEM/2021/PSM/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
25.7	23.2	24.9
Million in MVR	Million in MVR	Million in MVR

PSM has reported a total revenue of MVR 23.2 million for Q1 2021, which is 7% and 10% lower compare to Q4 2020 and Q1 2020.

Revenue	Q1 2020	Q1 2021	Q4 2020
Airtime	453,195	238,879	135,645
Advertisement	943,746	1,011,723	1,328,872
Announcement Total	335,870	514,800	580,000
Program Sponsorship	2,685,382	708,749	1,401,361
News Sponsorship	526,777	475,680	1,017,483
Video Link	25,500	10,100	-
Other Income	4,635		-
Archive Materials	15,952	5,195	13,942
Rentals	36,200	76,054	24,520
SMS income	10,077	8,331	14,423
Production Income	167,030	161,976	141,052
Training Income	59,146	87,150	33,450
Cable TV Income	85,551	131,397	87,368
Total Operation Income	**5,349,061**	**3,430,034**	**4,778,116**
Government grant	20,000,000	19,416,667	19,966,667
Government Aid	348,811	392,597	162,289
Total Government Support	**20,348,811**	**19,809,264**	**20,128,956**
Total	**25,697,872**	**23,239,298**	**24,907,072**

As seen from the table compared to the, the operational income has declined by 28% (MVR 1.35 million) compared to previous quarter. Revenue from program and news sponsorship revenue has significantly declined against previous quarter. In addition, the government grant income is also lower than previous quarter.

In comparison to the same period of last year, operational revenue is 36% (MVR 1.9 million) lower in Q1 2021. The major revenue fall was recorded program sponsorship.

Gross Profit/ (Loss)

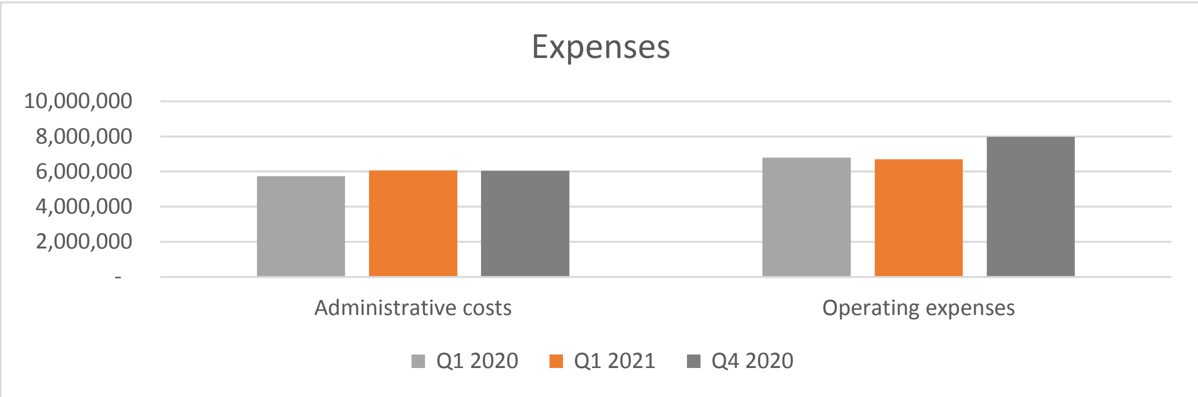
Q1 2020	Q1 2021	Q4 2020
8.03	9.24	10.9
Million in MVR	Million in MVR	Million in MVR

PSM's gross profit has decreased by 16% in compared to previous quarter due to loss of revenue. On the other hand, gross profit is 15% higher compared to the same period of last year.

Net Profit/ (loss)

Q1 2020	Q1 2021	Q4 2020
-4.49	-5.04	-3.04
Million in MVR	Million in MVR	Million in MVR

With the decline in the revenue of the company, PSM has faced huge loss in all three quarters. The loss has increased compared to previous quarter is due to loss of revenue. The overhead of the company has declined in Q1 2021 compared to previous quarter. Below chart illustrates company's overhead expenses for the quarters of Q1 2021, Q1 2020 and Q4 2020.



As seen from the above chart, administrative costs increased by only 1% in Q1 2021 compared to the previous quarter. On the other hand, operating expenses has reduced by over MVR 1.2 million against Q4 2020, mainly because of reduction if electricity expense. In comparison to the same period of last year, total overheads are 2% higher in Q1 2021, mainly because of redundancy packages in Q1 2021.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
0.19	0.08	0.11
TIMES	TIMES	TIMES

The current ratio of the company indicates that the company is unable to meet the short-term obligations with its current assets. The ratio has further declined in Q1 2021, because company's current assets have declined while current liabilities has increased. It is noted that trade and other receivables of the company has decreased by MVR 1.4 million compared to previous quarter. In addition, company's current liabilities have increased by MVR 4.7 million compared to previous quarter.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.016	-0.012	-0.002
TIMES	TIMES	TIMES

Cash ratio shows whether the company is able to cover its short term obligations using only cash and cash equivalents. The results of cash ratio of the company show the shortfall to cover the company's short-term obligations. The cash balance of the company has been negative for the past 2 quarters.

LEVARAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
0.18	0.21	0.18
TIMES	TIMES	TIMES

Debt to equity ratio illustrates the degree to which PSM is financing its operations through debt. Debt to equity ratio of PSM has remained low over the comparable periods. The increase in ratio against previous quarter is due to increase in loans and borrowing by MVR 9.2 million.

Debt to Assets

Q1 2021	Q1 2021	Q4 2020
0.13	0.15	0.13
TIMES	TIMES	TIMES

Debt to Assets ratio defines the total amount of debts relative to its assets. The lower the debt to asset ratio, the less risky the company. PSM's debt to assets ratio resulting 0.15 times indicate that the company is able to meet its obligations compared to the assets they own. The increase in ratio against previous quarter is due to increase in loans and borrowing.

CONCLUSION & RECOMMENDATION

The operational income of the company has declined resulting loss of gross profit and increasing the net loss for the quarter. Nevertheless, the operational expenses have declined by MVR 1.2 million.

Company's current liability are higher than current assets; as a result, the company has a poor liquidity position. Therefore, company needs to monitor accounts receivable effectively to ensure billing payments on time and receiving prompt payments. Company needs to implement new ways and apply new rules to improve receivables collection.

Quarterly review; Quarter 1-2021

REGIONAL AIRPORTS COMPANY LTD

REGIONAL AIRPORTS COMPANY LIMITED
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/RACL/Q1

Q1 2021 with Q1 2020 and Q4 2020

Revenue

Q1 2020	Q1 2021	Q4 2020
NIL	3.11	NIL
Million in MVR	Million in MVR	Million in MVR

Regional Airports Company Ltd (RACL) was Incorporated and Registered at Ministry of Economic Development on 11 January 2021. Since; the company is in the inception stage RACL was unable to run any project in the first quarter of 2021 however, at the end of the first quarter 2021 company has generated a revenue of MVR 3.11 million from airports land charges.

Net Loss

Q1 2020	Q1 2021	Q4 2020
NIL	1.43	NIL
Million in MVR	Million in MVR	Million in MVR

RACL was able to generate a net profit of MVR 1.43 at the end of first quarter 2021. Company has incurred overhead costs of MVR 1.67 in Q1 2021. Below table illustrates how RACL's overhead costs incurred in Q1 2021.

Overhead Expenses	Q1 2021
Administrative costs	1,541,025
Other Operating expenses	130,069
Total Overhead Expenses	**1,671,094**

As seen from the table 92% of overhead costs are from administrative costs in the first quarter of 2021. Below table shows how company's administrative costs incurred in Q1 2021.

Administrative Costs	Q1 2021
Personnel Expenses	503,337
Board Allowance	146,336
Rent or Lease Expense	212,708
Printing & Stationaries	3,644
Rent Advance Deposit	675,000
Total	**1,541,025**

As it was the inception stage of the company the main administrative costs were incurred for rent advance deposit which is 44% of total administrative costs. In addition, 33% of administrative costs are from personnel expenses of the company.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
NIL	42.2	NIL
TIMES	TIMES	TIMES

RACL has a current ratio of 42.2 times in Q1 2021. Current ratio of 2 is ideal. Having high current ratio indicates that the company is not using its current assets efficiently. It is noted that the company has high current assets compared to its current liabilities and 44% of current assets are from trade and other receivables.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
NIL	23.7	NIL
TIMES	TIMES	TIMES

RACL's cash and cash equivalent covers 56% of the total current assets. However, it is noted that the cash and cash equivalent of the company is the capital injected by the government.

CONCLUSION & RECOMENDATION

RACL has generated revenue of MVR 3.11 million from airports land charges and has incurred operational costs of MVR 1.67 million in the end of the first quarter 2021. Hence, company has experienced a net profit of MVR 1.43 million in Q1 2021. Since, this is the inception stage of the company, it is important to plan and implement ways to generate revenue in order to be more profitable.

Company's liquidity position shows favorable results in Q1 2021. However, it is noted that the cash balance is the capital injected by the government.

Quarterly review; Quarter 1-2021

ROAD DEVELOPMENT CORPORATION LTD

ROAD DEVELOPMENT CORPORATION LTD
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/RDC/Q1

Q1 2020 with Q1 2020 and Q4 2020

Road Development Corporation (RDC) has been incorporated in late 2019, with the primary objective of promoting the construction of rigid and flexible development of roads, repair and maintenance of bridges, building of highways and causeways, with construction materials and reinforced landscaping. Within a few months after inception, the company has increased their product portfolio taking on infrastructural projects.

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
0.44	16.96	18.64
Million in MVR	Million in MVR	Million in MVR

RDC has generated revenue of MVR 16.96 million in the first quarter of 2021. Revenue of the company rose significantly in Q1 2021 by 3790% compared to Q1 2020 as Q1 2020 was the first stage of inception. Revenue was decreased in Q1 2021 by 9% compared to the previous quarter mainly due decrease in revenue segment, labor management facility in the first quarter of 2021. Revenue from the segment, labor management facility was decreased in Q1 2021 by 95% compared to previous quarter. Below table illustrated how RDC generate revenue in the quarters of Q1 2020, Q1 2021 and Q4 2020.

Revenue	Q1 2020	Q1 2021	Q4 2020
Project Revenues	-	14,204,734	9,041,130
Product Sales	436,005	2,427,132	2,717,342
Labour Management Facility	-	329,850	6,882,214
Total current assets	**436,005**	**16,961,716**	**18,640,686**

As seen from the table 84% of the revenue was from project revenue segment. RDC did not generate any revenue from project revenue segment. However, in Q1 2021 RDC has generated project revenue of MVR 14 million which is an increase in revenue by 57% compared to the previous quarter. Revenue from product sales increased in Q1 2021 by 457% compared to Q1 2020. However, revenue from product sales decreased in Q1 2021 by 11% compared to Q4 2020.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
-0.31	10.76	8.09
Million in MVR	Million in MVR	Million in MVR

Although, RDC has a gross loss in Q1 2020, the company was able to generate a gross profit of MVR 10.76 million in Q1 2021. This is mainly due to increase in revenue in Q1 2021. Gross profit of the company was increased in Q1 2021 by 33% compared to previous quarter due to decrease in direct costs in Q1 2021. Direct cost of the company was decreased in Q1 2021 by 41% compared to Q1 2020. With the increase in gross profit of the company, gross profit margin increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 134% and 20%.

Operating Profit

Q1 2020
-8.8
Million in MVR

Q1 2021
-12.2
Million in MVR

Q4 2020
-13.3
Million in MVR

Although the company increased gross profit, the company incurred significant loss of MVR 12.2 million at the end of the first quarter of 2021. Company's operating loss increased in Q1 2021 compared to the same quarter of last year by 38% due to increase in operational expenses in Q1 2021. However, compared to the previous quarter, operating loss was decreased in Q1 2021 by 8%. It is noted that 98% of the operating expenses are from administrative expenses of the company in Q1 2021. Below table shows how company's operating expenses incurred in the quarters of Q1 2020, Q1 2021 and Q4 2020.

Operating expenses	Q4 2019	Q4 2020	Q3 2020
Selling and Marketing Costs	175,227	362,353	292,167
Administrative Expenses	8,349,994	22,625,572	21,105,765
Total Revenue	**8,525,221**	**22,987,925**	**21,397,932**

RDC's administrative cost was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 171% and 7% respectively. Selling and marketing costs of the company was also increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 107% and 24% respectively.

Net Profit

Q1 2020
-8.8
Million in MVR

Q1 2021
-12.2
Million in MVR

Q42020
-13.5
Million in MVR

Due to the high operating expenses company was unable to generate any profit for the quarter. Hence, company faces a huge loss of MVR 12.2 million in the end of the quarter of 2021.

LIQUIDITY

Current Ratio

Q1 2020
0.85
Million in MVR

Q1 2021
0.62
Million in MVR

Q4 2020
0.58
Million in MVR

Current ratio of above 2 is normally considered as ideal; however, RDC's current ratio of 0.62 times in Q1 2021 indicates that the company is not capable to pay off its short-term obligations with its current assets. Current ratio of the company decreased in Q1 2021 compared to Q1 2020 by 27%. However, current ratio increased in Q1 2021 compared to the previous quarter by 6%. Company has fewer current assets compared to its current liabilities in Q1 2021. It is noted that company's current assets and current liabilities increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020. Below table illustrates company's current assets and current liabilities for the quarters Q1 2020, Q1 2021 and Q4 2020.

Current assets	Q1 2020	Q1 2021	Q4 2020
Inventories	6,492,144	22,296,218	13,109,180
Trade and other receivables	16,569,196	40,101,093	36,650,126
Cash and cash equivalents	15,054,199	13,616,938	2,795,563
Total current assets	**38,115,539**	**76,014,249**	**52,554,869**
Current Liabilities	**Q1 2020**	**Q1 2021**	**Q4 2020**
Advance Receipts	37,557,091	86,111,313	74,569,423
Trade and other payables	7,307,645	37,002,771	15,804,845
Total current liabilities	**44,864,736**	**123,114,084**	**90,374,268**

Current assets of the company were increased in Q1 2021 compared to Q1 2020 and Q4 2020 by 99% and 45%. It is noted that 53% of current assets are from trade and other receivables in Q1 2021. Trade and other receivables were increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 142% and 9% respectively. In addition cash and cash equivalents were decreased in Q1 2021 compared to Q1 2020 by 10%. However, cash and cash equivalents increased in Q1 2021 compared to the previous quarter by 387%.

Current liabilities of the company increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 174% and 36% mainly due to increase in trade and other payables. Trade and other payables of the company were increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 406% and 134% respectively. In addition, advance receipts of the company were also increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 129% and 15% respectively.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
0.70	0.44	0.44
Million in MVR	Million in MVR	Million in MVR

Quick ratio of a company shows short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. RDC's quick ratio results 0.44 times in Q1 2021 indicate that the company is not capable to meet its short-term liabilities with its most liquid assets. Quick ratio of the company was decreased in Q1 2021 compared to Q1 2020 by 38%. However, quick ratio of the company remains unchanged in Q1 2020 and Q1 2021.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.34	0.11	0.03
Million in MVR	Million in MVR	Million in MVR

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. Company's cash ratio resulting 0.11 times in Q4 2020 indicate that the company was not able to pay –off its short-term liabilities with its cash balance. Cash ratio of the company was decreased by 67% in Q1 2021 compared to Q1 2020. However, cash ratio of the company increased in Q1 2021 compared to previous quarter by 258%.

CONCLUSION & RECOMMENDATION

RDC has two revenue segments in their business concept; Block and precast sales as well as implemented road and infrastructure projects.

RDC has generated revenue of MVR 16.96 million in Q1 2021. Company has generated a gross profit of MVR 10.76 million in Q1 2021.

RDC has faced a huge loss of MVR 12.2 million at the end of the first quarter of 2021 due to high overhead costs incurred in Q1 2021. Company's overhead cost was MVR 22.99 million at the end of the first quarter of 2021. Therefore, RDC should focus on the areas where the administrative costs can be reduced in order to reduce the loss which is increasing each quarter.

RDC's liquidity position shows unfavorable results in terms of current ratio, quick ratio and cash ratio. Company has fewer current assets compared to its current liabilities and it shows the inability of the company to pay off its-short term obligations with current assets. It is important to note that RDC has MVR 40 million in trade and other receivables which is increasing in each quarter. Therefore, company should plan and implement new rules for receivables collection.

It is also important to note that, company has MVR 123 million in current liabilities at the end of the first quarter of 2021. Current liability of the company was increasing in each quarter. Since company's current liabilities consist of trade and other payables, delay in settling supplier payments could be risky for the company, as suppliers and creditors may refuse to offer trade credit in the future. If the company is able to collect the receivables on time, trade and other payables could be paid out without any difficulty. Therefore, RDC should manage its short term liquidity position in order to stay solvent. RDC's management of liquidity has to be focused on the both timing of project payments as well as cost reductions related to projects.

Quarterly review; Quarter 1-2021

SME DEVELOPMENT FINANCE CORPORATION

SME DEVELOPMENT FINANCE CORPORATION
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/SDFC/Q1

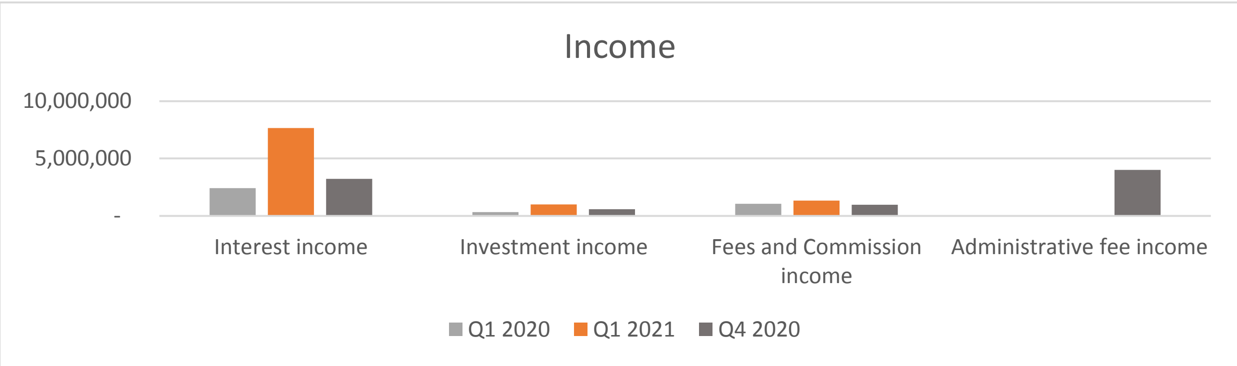
Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Income

Q1 2020	Q1 2021	Q4 2020
3.79	9.97	8.76
Million in MVR	Million in MVR	Million in MVR

The loan portfolio of the company has reached MVR 411 million as at the end of Q1 2021, this is 28% higher than previous quarter. The total income has recorded a growth of MVR 1.2 million, contributed by 137% growth from interest income, 76% growth from investment income and 37% growth from fee and commission income compared to previous quarter.



Net Interest Margin

Q1 2020	Q1 2021	Q4 2020
1.51%	1.86%	1.01%

Net interest margin is an indicator in evaluating financial institutions because it reveals an entity's net profit on loans and investment securities.

A positive net interest margin shows that the company operates profitably. Since the interest earned on assets is a primary source of revenue for a financial institution, this metric is a good indicator of a company's overall profitability, and higher margins generally indicate a more profitable use of funds.

The interest margin shows improvement compared to previous quarter because of increase in both interest income and earning assets.

Profitability

Net Profit

Q1 2020
-2.78
Million in MVR

Q1 2021
3.10
Million in MVR

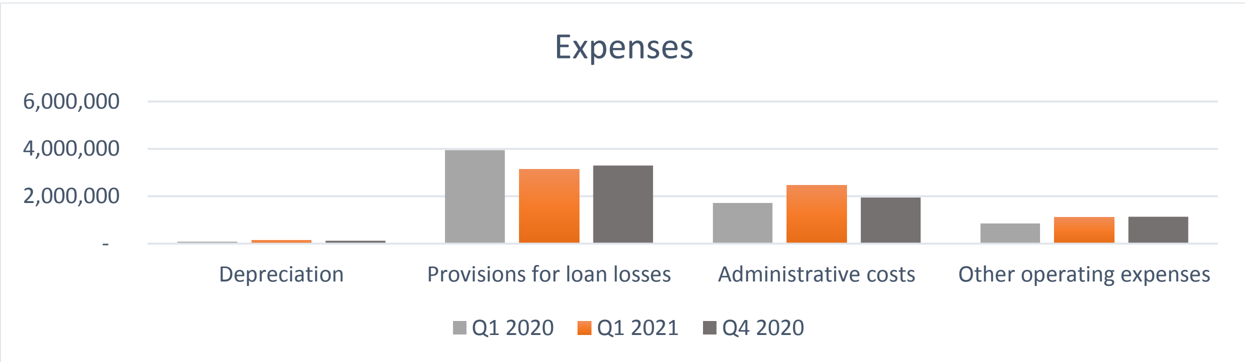
Q4 2020
2.14
Million in MVR

The company has achieved a net profit growth of 45% against Q4 2020.

Expenses

SDFC has recorded total overheads of MVR 6.8 million in Q1 2021, which is 6% higher compared to previous quarter. Administrative costs represent Staff related expenses which contribute to 36% of total overheads. Staff related expenses has increased from MVR 1.9 to MVR 2.4 million in Q1 2021. This is due to revised salary structure which was effective from Feb 2021. In addition, number of staffs also increased from 29 at start of Q4 2020 to 44 end of Q1 in 2021. Among, other operating expenses, marketing and promotion expense has recorded a growth of 67% against previous quarter from designing, layout and printing charges for the annual report.

On the other hand, Provision for loan losses has slightly reduced compared to Q4 2020 which is the largest expense of the company.



Capital Management

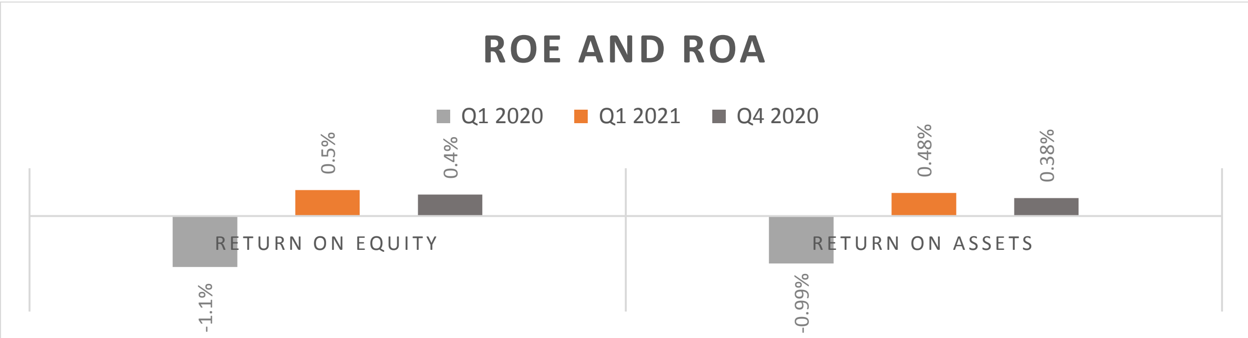
Financial institutions are a highly-leveraged business requiring regulators to dictate minimal capital levels to help ensure the solvency of each institution. Maldives Monetary Authority (MMA) is the regulator of financial sector, who ensure compliance to uphold the soundness and integrity of the financial sector.

Assets that are available to cover their obligations and liabilities of SDFC for the three quarters in review are below;

Details	Q1 2020	Q1 2021	Q4 2020
Total Liabilities			
Trade and other payables	19,470,888	71,463,989	91,310,132
Total Liabilities	**19,470,888**	**71,463,989**	**91,310,132**
Total Assets			
Trade and other receivables	12,297,693	59,919,339	63,938,670
Loans and advances	160,582,227	411,223,157	320,081,205
Cash and cash equivalents	1,699,016	71,664,629	77,794,596
Financial asset held to maturity	98,473,722	94,403,341	99,466,013
Other Assets	6,130,487	4,597,866	4,981,021
Property plant and Equipment	1,545,526	2,471,476	2,036,152
Total Assets	**280,728,671**	**644,279,808**	**568,297,657**
NET (Assets-Liabilities)	**261,257,783**	**572,815,819**	**476,987,525**

Total Assets of the company has increased by MVR 75.9 million, while total liabilities have declined over MVR 19.8 million. Thus, net asset of the company has improved. The liability of the company is trade and other payables only.

Return on Equity (ROE) and Return on Assets (ROA)



ROE measures the ability of the company to generate profit with the money shareholders have invested. ROA measures how efficiently a company can manage its assets to produce profits during a period.

Both ROE and ROA has improved as the operating profit has increased in Q1 2021.

CONCLUSION

The company has achieved revenue growth and net profit growth in Q1 2021. This was attributable to the increase in revenue for the quarter.

The loan portfolio has reached MVR 411 million, which is an increment of MVR 91 million compared to previous quarter. Therefore, careful management of the non-performing loan portfolio is very important for a sustainable business model of the bank.

The company’s investment in government treasury bills enhances the cash flow of the business. It is expected that SDFC will become self-sufficient through their operations, reducing the dependency on shareholders.

RECOMMENDATION

As the loan portfolio is increasing, the company should manage the loan commitments based on the collection schedule and forecasts to avoid any liquidity problem. And considering the moratorium periods granted as part of Covid-19 reliefs, the company should be cautious about its implications and manage its cash flow.

In addition, in order to minimize defaults and non-performing assets the company should be focusing on strengthening the recovery function of the company and establish effective policies and procedures.

Quarterly review; Quarter 1-2021

STATE ELECTRIC COMPANY LTD

Report No: PEM/2021/STELCO/Q1

Q1 2021 with Q1 2020 and Q4 2020

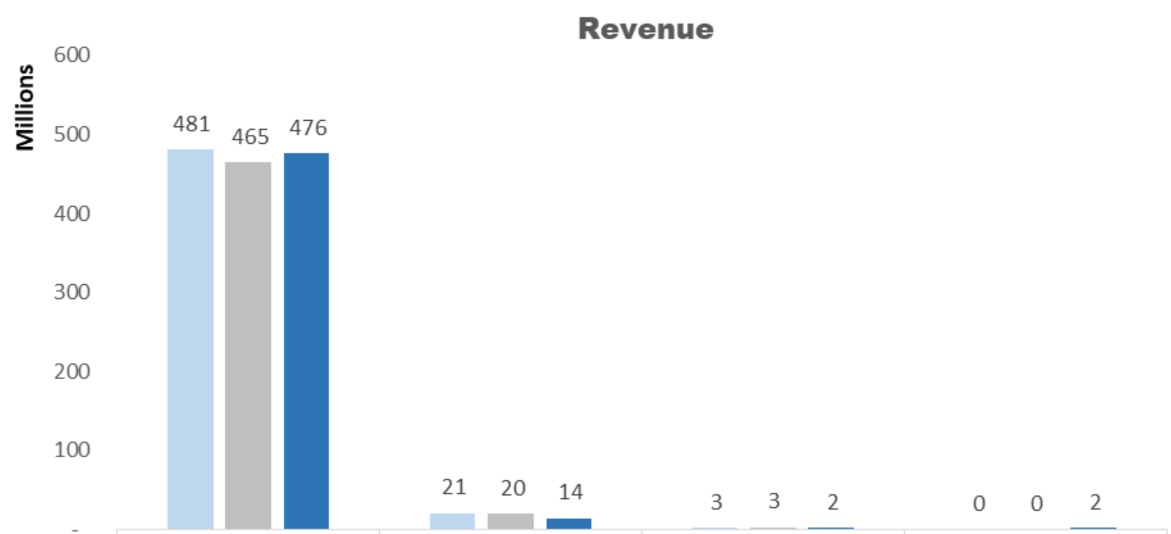
PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
504	487	494
Million in MVR	Million in MVR	Million in MVR

STELCO has reported revenue of MVR 487 million in the first quarter of 2021. It is noted that revenue of the company was decreased in the first quarter of 2021 compared to both the quarters Q1 2020 and Q4 2020 by 3% and 1% respectively. Revenue was decreased mainly due to decrease in the revenue generated from electricity segment.

Below chart illustrates how company has generated revenue within the quarters of Q1 2020, Q1 2021 and Q4 2020.



	Electricity	Non-electricity sales	Water fee	Water bottling
Q1 2020	480,618,403	21,046,162	2,744,306	87,441
Q1 2021	464,620,840	19,763,369	2,992,390	259,270
Q4 2020	476,163,760	14,458,022	1,966,329	2,021,235

Q1 2020 Q1 2021 Q4 2020

As seen from the above chart, Stelco's revenue generating segments are electricity, non-electricity, water fee and water bottling. Revenue from electricity was decreased in Q1 2021 compared to both the quarters Q1 2020 and Q4 2020 by 3% and 2%. Company's non-electricity sales was decreased in the first quarter of 2021 compared to the same quarter of 2020 by 6%. However, growth in non-electricity sales in Q1 2021 compared to the last quarter of 2020 by 37%.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
98.9	108	169
Million in MVR	Million in MVR	Million in MVR

Although, the company's revenue decreased in Q1 2021, company was able to generate a gross profit of MVR 108 million at the end of the first quarter 2021. This is mainly due to decrease in the direct costs in the first quarter 2021. Company's gross profit was increased in Q1 2021 compared to Q1 2020 by 10%. However, compared to the last quarter, gross profit was declined by 36% in Q1 2021. This is due to increase in the direct cost in Q1 2021 compared to Q4 2020. Likewise, gross profit margin was increased in Q1 2021 by 3% compared to Q1 2020 and gross profit margin decreased in Q1 2021 by 12% compared to Q4 2020.

Below table shows how company's direct cost incurred in Q1 2020, Q1 2021 and Q4 2020.

Cost of sales as a percentage of sales has declined compared to previous quarter indicating company has managed its direct cost efficiently compared to previous quarter.

Cost of Sales	Q1 2020	Q1 2021	Q4 2020
Cost of fuel and lub oil	302,728,597	278,577,384	239,778,790
Cost of power purchase	2,599,121	2,280,492	2,574,049
Cost of sales of goods	(71,526)	247	335
Cost of sales - sales centre	7,234,596	9,501,105	2,193,372
Customer service expense	2,962,383	1,747,022	3,083,820
Repairs & maintenance - PP & distribution	19,416,021	14,850,192	489,248
Employee benefit expenses	38,348,316	39,834,986	44,318,058
Depreciation	31,543,199	31,878,606	32,322,831
Water supply expenses	610,710	322,619	54,304
Water bottling expenses	230,803	338,765	527,847
Total Cost of Sales	**405,602,220**	**379,331,418**	**325,342,654**

As seen from the table, it is noted that company was able to manage to decrease the direct costs in Q1 2021 compared to the same quarter of last year by 6%. Total cost of sales was decreased mainly from cost of fuel and lub oil by 8% which is MVR 24 million. However, Total cost of sales was increased in Q1 2021 compared to Q4 2020 by17% due to increase in cost of fuel and lube oil by 16% which is 38.8 million.

Operating Profit

Q1 2020	Q1 2021	Q4 2020
60.7	61.8	43.9
Million in MVR	Million in MVR	Million in MVR

Stelco has a growth in operating profit in the first quarter 2021 compared to both the quarters of Q1 2020 and Q4 2020. Compared to the same quarter of last year, operating profit of the company was increased in Q1 2021 by 2% mainly due to decrease in the direct cost by 6% in the first quarter of 2021. However, operating profit of the company was increased in Q1 2021 compared to Q4 2020 by 41% due to significant decrease in operating expenses by 61% in Q1 2021. Below table illustrates the company's operating profit incurred for the quarters of Q1 2020, Q1 2021 and Q4 2020.

Other Operating Expenses	**Q1 2020**	**Q1 2021**	**Q4 2020**
Personnel expenses - Staff Expenses	15,547,764	15,758,215	17,531,661
Human resources development	577,830	149,774	543,472
Travelling expenses	883,683	424,366	315,235
Transport and hiring charges	599,602	484,783	494,242
Repair and maintenance expense	2,289,610	3,037,314	4,463,062
Office expenses	11,913,394	21,445,453	13,120,892
Depreciation	8,860,331	8,944,466	9,121,797
Lease rent	-	-	10,190,042
Impairment loss on amount due from	-	-	65,000,000
Employment Retirement Benefit	-	-	7,500,000
Total Cost of Sales	**40,672,214**	**50,244,371**	**128,280,403**

As seen from the table, other operating expenses was increased in Q1 2021 due to increase in office expenses by MVR 9.5 million which is 80% growth compared to the same quarter of last year. However, it is noted that company's operating profit was decreased in the first quarter 2021 compared to Q4 2020 due to additional costs in Q4 2020 from lease rent, impairment loss and employment retirement benefit expense. In addition, company has manage to decrease the costs from all the areas except office expense in Q1 2021. Office expense was increased in Q1 2021 compared to Q4 2020 by 63%.

Net Profit

Q1 2020	Q1 2021	Q4 2020
32.9	27.9	-23.5
Million in MVR	Million in MVR	Million in MVR

Although, Stelco faced a net loss in Q4 2020, company has managed to generate a net profit of MVR 27.9 million at the end of the first quarter 2021. With the decrease in operating expenses in Q1 2021 compared to Q4 2020, company's finance costs was also decreased in Q1 2021 by 10% compared to Q4 2020. However, it is noted that net profit of the company was decreased in the first quarter 2020 compared to the same quarter of last year.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
3.65	3.09	3.78
TIMES	TIMES	TIMES

Stelco has a current ratio of 3.09 times in Q1 2021 indicating that the company is capable to meet its short-term obligations. Current ratio of the company was decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 15% and 18%. Company has high level of current assets compared to their current liabilities. However, it is noted that current assets comprises of inventories, trade receivables, advance tax and cash and cash equivalents where trade and other receivables covers 60% of company's total current assets. It is also important to note that trade and other receivables are 130% high than the company's revenue in the first quarter 2021. Company's current assets was increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 42% and 26% respectively. Likewise, company's current liabilities was also increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 68% and 54% respectively.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
2.91	2.33	3.28
TIMES	TIMES	TIMES

Quick ratio shows company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. Company has a quick ratio of 2.33 times at the end of the first quarter 2021. It is noted that quick ratio of the company was decreased in the first quarter of 2021 compared to Q1 2020 and Q4 2020 by 20% and 29%.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.39	0.45	0.37
TIMES	TIMES	TIMES

The cash ratio of the company is quite low as compamy's cash balance is relatively small compared to current liabilities of the company.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
4.14	3.88	3.76
TIMES	TIMES	TIMES

Stelco's debt to equity ratio was declined in the first quarter of 2021 compared to the same quarter of last year by 6% resulting debt to equity ratio of 3.88 times. However, debt to equity ratio increased in Q1 2021 compared to Q4 2020 by 3%. It is noted that the company has MVR 2.8 billion at the end of first quarter 2021. Loans and borrowings of the company were decreased by MVR 54.7 million in Q1 2021 compared to Q1 2020. In addition, equity and reserves of the company was MVR 968.9 million at the end of Q1 2021. Equity and reserves were increased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 16% and 2% respectively.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.77	0.74	0.75
TIMES	TIMES	TIMES

Debt to equity ratio of Stelco was result 0.74 times in the end of Q1 2021 and debt to equity ratio was decreased in Q1 2021 compared to Q1 2020 and Q4 2020. It is noted that the company's total assets are higher compared to its total debts. Total assets of the company was increased n Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 by 12% and 7% respectively. On the other hand, company's debt was decreased in Q1 2021 compared to Q1 2020 by 2% and compared to Q4 2020.

CONCLUSION

Company's revenue was declined in the end of the first quarter 2021 compared to both the quarters, resulting a revenue of MVR 487.6 million. Although, the company faced a net loss in the previous quarter, company has managed to decrease the operating expenses and has generate a net profit of MVR 27.9 million. However, net profit was declined in Q1 2021 compared to Q12020 by 15%.

Although short term liquidity position of the company shows favorable results in terms of current and quick ratio, it is important to highlight that the majority of current asset is trade receivables, which the company finds difficult to collect due to the nature of the transactions, thus STELCO may face liquidity risk in the short-term, affecting sustainability.

Financial leverage ratios of STELCO are significantly high with over MVR 2.89 billion accounted as total borrowing, when equity and reserves stands at MVR 968.9 million in Q1 2021. This is a clear indication that company is facing financial risk. Since most of the loan arrangements are repaid by government, the loan portfolios impact on the company's cash flow is less significant.

RECOMMENDATION

To maintain the sustainability of the company, STELCO must ensure both direct and indirect costs are efficiently managed without compromising its quality of service.

Liquidity position of the business must be closely monitored as it is not reasonably maintained at a satisfactory level. Time taken for inventories and receivables to actually turn in to cash must be looked in to and corporate customers with lower credit quality must be assessed and monitored more carefully.

As noted above the company's current loan portfolio consists of on-lending arrangement by the government for various infrastructure related projects. Hence, it is important that company negotiate with shareholder (Government) to transfer debts for some portion of equity in order to re-structure its total capitalization. It is also important to carryout expansion projects based on the result of feasibility studies, as non-value adding projects effect company's stability in future.

Quarterly review; Quarter 1-2021

STATE TRADING ORGANIZATION PLC

STATE TRADING ORGANIZATION PLC
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/STO/Q1

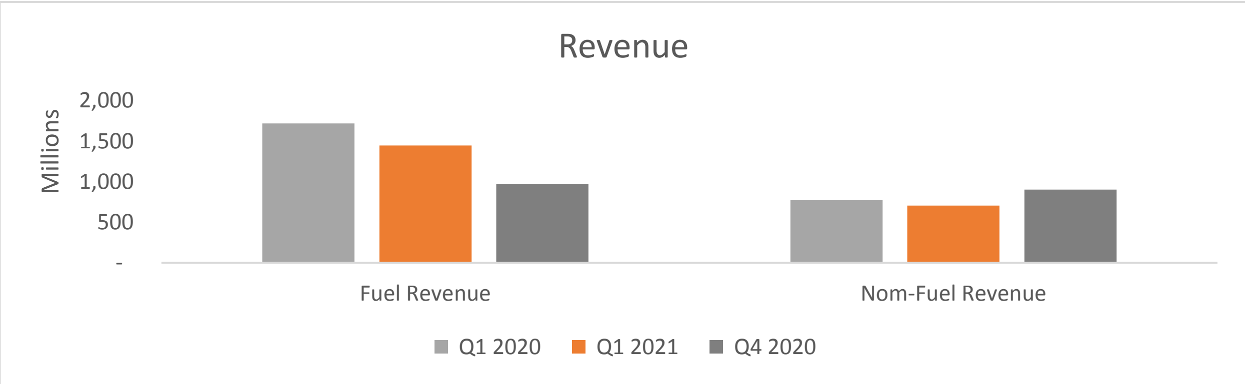
Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
2.49	2.15	1.87
Billion in MVR	Billion in MVR	Billion in MVR

STO has reported a total revenue of MVR 2.15 billion for the first quarter of 2021, which is 15% higher than previous quarter, but 13% lower than the same period of last year. The increment in revenue against previous quarter was attributable to the growth of fuel revenue.



STO's revenue is divided into fuel revenue and non-fuel revenue. Non-fuel revenue includes construction, medical services and people's choice shop. Fuel revenue is the main revenue generating segment, and it has improved compared to previous quarter. On other hand, fuel revenue is lower than Q1 2020 because of reduction of fuel selling price in Q1 2021 compared to the same period of last year.

Among non-fuel revenue, only revenue from medical services has improved against previous quarter due to medical items brought for Covid-19. Revenue from construction and people's choice has declined compared to previous quarter. Compared to the same period of last year, non-fuel revenue is 9% lower in Q1 2021.

Gross Profit

Q1 2020
357
Million in MVR

Q1 2021
368
Million in MVR

Q4 2020
378
Million in MVR

STO's has generated gross profit of MVR 368 million for the first quarter of 2021. Although the company's revenue increased compared to previous quarter, the net profit of the company has declined because the cost of sales grew at 20%. Compared to the same period of last year, gross profit has recorded a growth of 3% (MVR 11.3 million).

Net Profit

Q1 2020
114
Million in MVR

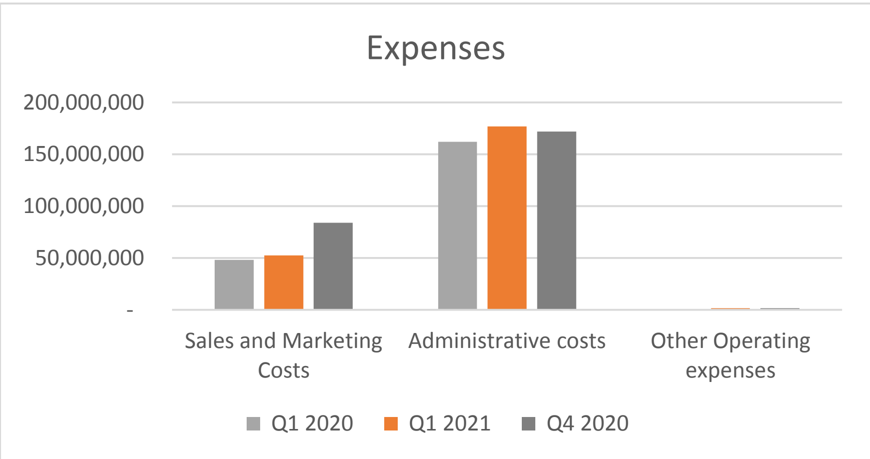
Q1 2021
108
Million in MVR

Q4 2020
90
Million in MVR

STO has reported a net profit of MVR 108 million for Q1 2021, which is 20% higher than previous quarter. Although company's gross profit for the quarter was low, STO has managed to improve in net profit by reducing the overhead expenses. In addition, the finance cost of the company has significantly reduced in Q1 2021 compared to previous quarter. It is also important to note other income of the company has recorded a fall of MVR 15 million mainly from sale of fixed assets.

In comparison to the same period of last year, the net profit is MVR 5.5 million lower in Q1 2021. This is mainly because of lower revenue and high operating expenses in Q1 2021 compared to Q1 2020.

Expenses



As seen from the chart, administrative costs are the main overhead costs of the company. Administration costs covers 77% of total overhead costs and it has increased by 3% against previous quarter mainly due to increase in staff cost inventory provision. On the other hand, sales and marketing expense has declined by MVR 31.5 million, mainly due to significant reduction of bad debt provision & written off. Similarly, other operating expense has also declined in Q1 2021 compared to Q4 2020.

In comparison to the same period of last year, total overheads have grown by MVR 19.9 million (9%). The increments were seen from three category of expenses. Among admin expenses staff cost has recorded the highest increase of MVR 14.8 million. The increase in sales and marketing expense is due rebate on fuel which was not recognized in Q1 2020. In addition, due to increase CSR expense, other operating expenses has increased.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2020	Q3 2020
1.12 TIMES	1.14 TIMES	1.15 TIMES

STO has a current ratio of 1.14, it indicates that the company is able to pay off its short-term liabilities with its current assets. Both current assets and current liabilities has increased in Q1 2021. Trade and other receivables are the main component of current assets which covers 70% of total current assets. It is important to note that compared to Q4 2020 Company's revenue increased by 15% and trade and other receivables has also increased by 10%. Trade and other receivables increased mainly due to increase in receivables from health sector entities and utility companies.

Quick Ratio

Q1 2020	Q1 2021	Q4 2020
0.89 TIMES	0.93 TIMES	0.90 TIMES

The quick ratio shows company's short-term liquidity position and ability to meet its short-term obligations with its most liquid assets i.e. excluding inventories. STO's quick ratio for the fourth quarter of 2020 was 0.93 times which is below 1 and it shows the inability of the company to pay-off its short-term liabilities with its liquid assets excluding inventories. Quick ratio of the company has improved in Q1 2021 compared to other two quarters. This is because company's inventory has declined. STO has inventory of MVR 893 million at the end of the Q1 2021 mainly from medical, as equipment's brought for Covid-19 and 4 hospital projects.

Cash Ratio

Q1 2020	Q1 2021	Q3 2020
0.02 TIMES	0.12 TIMES	0.10 TIMES

Cash ratio calculates a company's ability to repay its short-term debt with cash or near-cash resources. STO's cash ratio of 0.12 shows that the company has very less cash balance compared to its current liabilities. STO's cash and cash equivalents has increased by MVR 106 million against previous quarter. Cash and cash equivalent have increased from treasury bills. It is also important to note that STO's current liabilities has been increasing in each quarter. In the fourth quarter of 2020 company's current liabilities has increased due to short term borrowings.

It is important to note that 39% of current liabilities was from trade and other payables. Hence, delay in settling supplier payments could be risky for the company.

LEVERAGE

Debt to Equity

Q1 2020	Q1 2021	Q4 2020
0.96 TIMES	0.94 TIMES	0.79 TIMES

Debt to equity ratio illustrates the degree to which STO is financing its operations through debts. Higher debt to equity ratio indicates a company with higher risk. However, STO's debt to equity ratio has further increased in Q1 2021 due to increase in borrowings. STO loans and borrowing has increased by MVR 485 million compared to previous quarter.

Debt to Assets

Q1 2020	Q1 2021	Q4 2020
0.38 TIMES	0.36 TIMES	0.30 TIMES

Debt to Assets ratio defines the total amount of debts relative to its assets. The lower the debt to asset ratio; less risky the company. STO's debt to asset ratio is 0.36 times in Q1 2020. The increase in debt to assets ratio was attributable to the increase debts of the company.

Debt Capitalization

Q1 2020	Q1 2021	Q4 2020
0.49 TIMES	0.49 TIMES	0.44 TIMES

Investors use the debt-to-capital metric to gauge the risk of a company based on its financial structure. Company's debt to capital ratio has increased to 0.49 times as both debts and equity has increased compared to previous quarter.

Interest Cover

Q1 2020	Q1 2021	Q4 2020
7.41 TIMES	6.68 TIMES	4.26 TIMES

The interest cover ratio measures how many times STO can cover its current interest payment with its available earnings. Company's interest coverage ratio has improved in Q1 2021. This is because while company's operating profit has increased the finance cost has also significantly reduced favoring the ratio. It is important to note that STO have more than enough earnings to cover its interest payments. Hence, company is capable to meet its interest obligations.

CONCLUSION & RECOMENDATION

The company has achieved a significant revenue growth from fuel compared to previous quarter. However, the cost of sales has declined, hence company has achieved a growth in gross profit. In addition, the net profit of the company has recorded a growth of 20% compared to previous quarter.

STO has more current assets compared to its current liabilities indicating that the company is able to meet its short-term obligations with its current assets. However, it is important to note that 71% of current assets are composed of trade and other receivables from government and SOE's. In terms of Quick ratio, company is unable to meet the short-term obligations with its most liquid assets excluding inventories. In addition, company has less cash and cash equivalent compared to its current liabilities. Hence, receivables collection is an important aspect in order to improve the cash flow of the company. Improving receivables collection will also improve the payables of the company as the company can settle its current liabilities. Therefore, in order to stay solvent, it is vital that STO improve its credit collection policies by implementing different credit policies for different class of customers according to the goods/services provided. Regular customers with good credit ratings can be given greater flexibility period for payment. Also, credit policies can be made according to the customer type, whether it is an individual or government institute.

STO's leverage position shows that relative to the equity of the company, the debt levels are quite significant. Nevertheless, debt to assets are relatively low since company has total assets of over MVR 7 billion at the end of Q1 2021. With high operating profit company is capable of paying its interest payments.

Quarterly review; Quarter 1-2021

TRADENET MALDIVES CORPORATION LIMITED

TRADENET MALDIVES CORPORATION LIMITED

Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/TMCL/Q1

Q1 2021 with Q1 2020 and Q4 2020

PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
NIL	0.30	0.79
Million in MVR	Million in MVR	Million in MVR

TradeNet has generated revenue for the first time from the inception of the company. Company has recorded revenue of MVR 0.30 million in the first quarter of 2021. Although, revenue was recorded in the previous quarter, it has to be noted that revenue recorded was government support to run the business. Therefore, total revenue recorded was decreased in Q1 2021 as government grant was not received in the quarter.

Operating Profit/Loss

Q1 2020	Q1 2021	Q4 2020
-1.43	-2.12	-1.35
Million in MVR	Million in MVR	Million in MVR

Since the company has high overhead costs compared to the revenue, TradeNet has made an operational loss of MVR 2.12 million in the first quarter of 2021. Company's operational loss has increased in the first quarter of 2021 by 49% and 57% compared to both the quarters of Q1 2020 and Q4 2020. Below table illustrates the overhead expenses incurred within the quarters of Q1 2020, Q1 2021 and Q4 2020.

Overhead Expenses	**Q1 2020**	**Q1 2021**	**Q4 2020**
Personnel Expenses	-	1,640,285	-
Administrative Costs	1,426,086	782,564	2,136,250
TOTAL	**1,426,086**	**2,422,849**	**2,136,250**

As seen from the table 68% of overhead costs are from staff costs as additional staff recruited in the first quarter of 2021. There was no staff costs recorded in Q1 2020 and Q4 2020 as only 6 staff recruited and staff costs was recorded under administrative costs. Likewise, administrative costs were decreased in Q1 2021 compared to both the quarters of Q1 2020 and Q4 2020 as staff costs was recorded separately under personnel expenses.

Net Profit

Q1 2020	Q1 2021	Q4 2020
-1.43	-2.12	-1.35
Million in MVR	Million in MVR	Million in MVR

TradeNet has faced a huge net loss of MVR 2.12 million due to high overhead expenses. Hence, company has a negative net profit margin of 698% for the first quarter of 2021.

LIQUIDITY

Current Ratio

Q1 2020	Q1 2021	Q4 2020
4.09	18.9	36.75
TIMES	TIMES	TIMES

TradeNet has a current ratio of 18.9 times in Q1 2021. Current ratio of 2 is ideal. Having high current ratio indicates that the company is not using its current ratio efficiently. Current ratio of the company was increased in Q1 2021 compared to the same quarter of last year by 362%. However, compared to the previous quarter current ratio was decreased in Q1 2021 by 49%. It is noted that the company has high current ratio compared to its current liabilities. Current assets of the company were increased in Q1 2021 compared to Q1 2020 by 26%. However, current assets decreased in Q1 2021 compared to the previous quarter by 24%. Current liabilities of the company were decreased in Q1 2021 compared to Q1 2021. However, current liabilities were increased in Q1 2021 compared to Q4 2020 by 48%. It is noted that, in the end of first quarter 2021, government has injected capital of MVR 1.9 million to the company. Hence, 83% of current assets are from cash and cash equivalents which is the capital injected by the government.

CONCLUSION & RECOMENDATION

With the establishment of TradeNet's first operational contact center, company was able to generate their first income in Q1 2020. However, company was unable to generate any profit due to high overhead costs with the operational contact center. Revenue generated from each contact center must create additional value and must exceed the cost and overhead incurred for that contact center. Main overhead costs were incurred to the recruitment of staff. Company must use their staffs efficiently, to minimize staffs cost. The Company expects the portal to be rolled out in the year 3 after which it will be able to generate revenues as per limitations set and instructed by the Economic Council and the government. Single window trade portal being the core objective, the company is waiting for its rebidding process to complete. TradeNet has deployed necessary resources required for its commencement. In order to run the business self-sufficiently company needs to implement new ways to generate revenue and should focus on reducing the unnecessary costs.

Quarterly review; Quarter 1-2021

WASTE MANAGEMENT CORPORATION

WASTE MANAGEMENT CORPORATION
Q1 2021 PERFORMANCE ANALYSIS

Report No: PEM/2021/WAMCO/Q1

Q1 2021 with Q1 2020 and Q4 2020

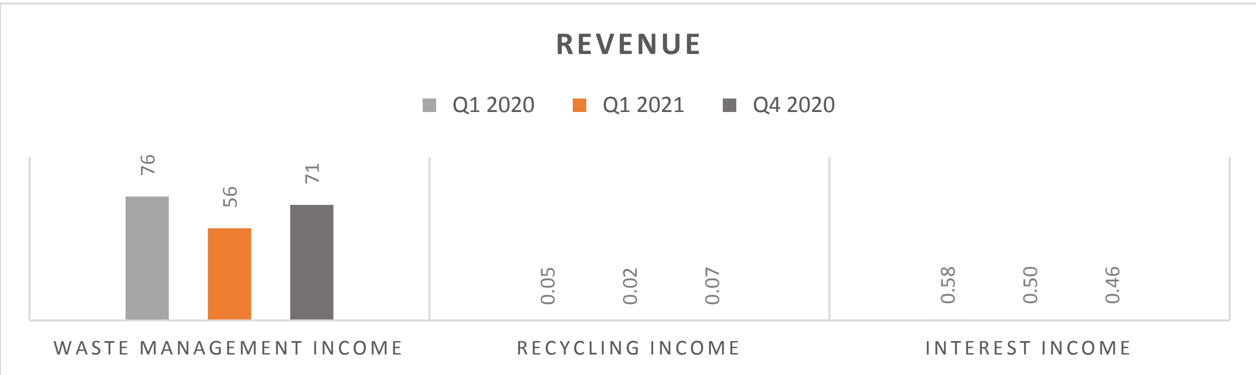
PROFITABILITY

Revenue

Q1 2020	Q1 2021	Q4 2020
76.3	56.8	71.2
Million in MVR	Million in MVR	Million in MVR

During the first quarter of 2021 WAMCO has generated revenue of MVR 56.8 million, a reduction of 20% and 26% compared to previous quarter and Q1 2020.

The revenue segments are shown in the bellow chart. *(figures are in millions)*



Waste management income has significantly decreased in Q1 2021 compared to other two quarters in review. Waste management income is the main revenue generating segment which contributes approximately 99% of the total revenue. Recycling income has also declined in Q1 2021 against other two quarters. On the other hand, interest has recorded a slight improvement.

Company's ability to generate revenue from waste collection is limited due to issues in registration of households and businesses. Company would be able to solve this issue through incorporating the waste management fee into a utility bill.

Gross Profit

Q1 2020	Q1 2021	Q4 2020
31.5	12.6	32.2
Million in MVR	Million in MVR	Million in MVR

Since the revenue has declined in Q1 2021, gross profit of the company has seen a steep fall compared to other two quarters. While revenue reduced by 20% the direct costs have increased by 13% compared to previous quarter. Compared to Q1 2020, the revenue declined by 26% and cost of sales reduced by 1%. As a result, the gross profit margin has fallen to 22% in Q1 2021 while it was 45% in previous quarter and 41% in Q1 2020. The direct costs of the company consist of direct salaries and other direct costs, both of these expenses have grown compared to previous quarter.

Net Profit/ (Loss)

Q1 2020
9.61
Million in MVR

Q1 2021
-12.1
Million in MVR

Q4 2020
3.22
Million in MVR

With significant loss of revenue and high direct costs the company has ended Q1 2021 with a net loss of MVR 12.1 million. However, total Overheads of the company have reduced compared to previous quarter. The major operational expenses for the three quarters in review are shown below.

Expenses	Q1 2020	Q1 2021	Q4 2020
Staff salaries	9,589,099	10,270,983	14,178,706
Pension	931,064	1,476,229	1,423,237
Staff welfare	1,558,744	1,973,251	1,553,392
Advertising and promotional e	371,673	207,434	187,821
Directors' salaries	138,400	80,064	81,564
Rent	1,057,639	873,320	1,057,639
Water and electricity	1,418,126	1,531,145	2,195,032
Communication expense	395,297	457,710	1,077,316
Printing and stationary	183,466	277,319	103,843
License and permits	2,000	247,500	157,508
professional fee	106,418		189,891
insurance charges	26,400	28,050	104,500
travelling expenses	563,181	726,896	994,315
Bank charges	162,500	281,459	300,298
Depreciation and ammortization	3,848,981	3,378,520	3,611,838
Repair and maintenance	1,293,603	2,169,393	1,354,383
Dues and Subscription	15,618	148,646	
Sundry expenses	258,903	528,053	335,896

Total expenses of the company for Q1 2021 is MVR 24.7 million, which is 15% (MVR 4.2 million) lower than previous quarter. Staff salaries is the major expense of the company and it has recorded a reduction of MVR 3.9 million compared to previous quarter. However, staff welfare and repair and maintenance expenses have increased by 27% and 60% respectively against previous quarter. The expenses have reduced from water and electricity, communication expense, travelling expenses, depreciation and amortization and professional fee.

Compared to Q1 2020, total expenses have increased by 13% (MVR 2.7 million). The major increments were recorded by staff salaries, pension, staff welfare, repair and maintenance, sundry expenses, license and permits and travelling expenses.

LIQUIDITY

Current Ratio

Q1 2020
1.91
Times

Q1 2021
1.33
Times

Q4 2020
1.52
Times

WAMCO's current assets are maintained above its current liabilities. However, current assets comprise mainly of trade receivables which has been increasing each quarter and has been outstanding for a long time. Collection of receivables is a major problem faced by WAMCO. However, trade receivables have recorded a reduction of MVR 1.8 million compared to previous quarter. Trade payables on the other hand have increased significantly by MVR 14.5 million. Thus, the current ratio has declined in Q1 2021.

Overall liquidity position of the company is unsatisfactory since the company has significant cash tied up in the form of receivables which has been difficult to collect. Therefore, company needs to verify the validity of the receivables and also lobby to include the waste management fee in the utility bills.

Cash Ratio

Q1 2020	Q1 2021	Q4 2020
0.25 Times	0.12 Times	0.09 Times

Cash ratio calculates ability to repay its short-term debt with cash or near-cash resources. The cash balance of the company is relatively low compared to its current liabilities. The cash and cash equivalents have increased by MVR 5.1 compared to previous quarter. Thus, the ratio has improved since cash growth is higher than the growth of current liabilities. It has to be noted that the company is dependent on capital injected by the government for the day to day operations as WAMCO is not self-sufficient.

CONCLUSION

The company has recorded a loss of revenue of MVR 14.4 million (20%) compared to previous quarter. In addition, the cost of sales increased reducing the profitability of the company. Although overheads of the company declined, WAMCO ended Q1 2021 with a net loss of MVR 12.1 million.

The short-term liquidity position of the company is unsatisfactory as huge portion of current assets consists of receivables which has not been collected. Moreover, based on the cash ratio, the liquidity position is low as the company does not generate cash through their operations to meet the operational expenses. The current ratio have further reduced in Q1 2021 since current declined while current liabilities have significantly increased. However, cash ratio shows improved with the growth in cash balance.

RECOMMENDATION

Receivable collection is the major issue for WAMCO. A huge sum of cash has been tied up in the form of receivables. Proper policies need to be set and implemented to collect the receivables and necessary policies need to be made against unrecovered receivables. Inclusion of waste management fee in utility bill would enable company to collect the revenue more efficiently. In addition, WAMCO need to reduce their overhead expenses.