

# THE UNITED BASALT PRODUCTS LTD AND ITS SUBSIDIARY COMPANIES

## Unaudited Abridged Group Interim Financial Statements

### Quarter and Nine Months Ended March 31, 2022

#### ABRIDGED STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited
	As at March 31, 2022	As at March 31, 2021 Restated	As at June 30, 2021
	Rs. ' 000	Rs. ' 000	Rs. ' 000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>4,588,500</b>	4,059,632	4,037,355
<b>Current assets</b>	<b>2,147,027</b>	1,499,852	1,580,577
<b>TOTAL ASSETS</b>	<b>6,735,527</b>	5,559,484	5,617,932
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to shareholders of the parent	3,591,870	3,374,158	3,556,026
Non-controlling interests	33,412	52,653	41,616
<b>TOTAL EQUITY</b>	<b>3,625,282</b>	3,426,811	3,597,642
<b>Non-current liabilities</b>	<b>1,476,562</b>	1,466,771	1,327,018
<b>Current liabilities</b>	<b>1,633,683</b>	665,902	693,272
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,735,527</b>	5,559,484	5,617,932

#### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Equity attributable to shareholders of the parent							Non-controlling Interests		
	Issued Capital	Share Premium	Associate Companies	Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total	Total	Total
Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
At July 1, 2021	265,100	7,354	109,813	1,874,102	10,980	(16,182)	1,304,859	3,556,026	41,616	3,597,642
Profit for the period	-	-	-	-	-	-	92,669	92,669	11,907	104,576
Other comprehensive income	-	-	-	-	-	14,965	-	14,965	4,825	19,790
Total comprehensive income for the period	-	-	-	-	-	14,965	92,669	107,634	16,732	124,366
Dividend	-	-	-	-	-	-	-	-	(600)	(600)
Change in percentage holding of subsidiary	-	-	-	-	-	-	(71,790)	(71,790)	(24,336)	(96,126)
<b>At March 31, 2022</b>	<b>265,100</b>	<b>7,354</b>	<b>109,813</b>	<b>1,874,102</b>	<b>10,980</b>	<b>(1,217)</b>	<b>1,325,738</b>	<b>3,591,870</b>	<b>33,412</b>	<b>3,625,282</b>
At July 1, 2020	265,100	7,354	109,291	1,848,895	10,355	(12,937)	1,010,772	3,238,830	37,641	3,276,471
- As previously reported	-	-	-	25,207	-	-	-	25,207	-	25,207
- Prior year adjustments	-	-	-	-	-	-	-	-	-	-
As restated at July 1, 2020	265,100	7,354	109,291	1,874,102	10,355	(12,937)	1,010,772	3,264,037	37,641	3,301,678
Profit for the period	-	-	-	-	-	-	109,134	109,134	16,466	125,600
Other comprehensive income	-	-	442	-	-	545	-	987	832	1,819
Total comprehensive income for the period	-	-	442	-	-	545	109,134	110,121	17,298	127,419
Dividend	-	-	-	-	-	-	-	-	(2,286)	(2,286)
At March 31, 2021	265,100	7,354	109,733	1,874,102	10,355	(12,392)	1,119,906	3,374,158	52,653	3,426,811

#### ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited				Audited
	Quarter ended March 31, 2022	Quarter ended March 31, 2021 Restated	9 months ended March 31, 2022	9 months ended March 31, 2021 Restated	Year ended June 30, 2021
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
<b>Continuing operations</b>					
<b>Revenue</b>	<b>896,751</b>	601,930	<b>2,945,468</b>	2,465,888	3,327,914
<b>Operating (loss) / profit</b>	<b>(29,587)</b>	(48,833)	<b>157,305</b>	188,205	268,998
Allowance for expected credit losses on financial assets	(2,063)	(9,404)	(8,221)	(5,909)	2,911
Impairment	-	-	-	-	(4,982)
Finance income	1,192	13	1,396	1,089	2,274
Finance costs	(15,431)	(8,513)	(35,890)	(26,192)	(34,231)
Share of results of associates	1,749	(8,611)	8,945	4,354	7,249
<b>(Loss) / profit before tax</b>	<b>(44,140)</b>	(75,348)	<b>123,535</b>	161,547	242,219
Income tax credit / (expense)	1,851	6,194	(23,431)	(33,497)	(20,583)
<b>(Loss) / profit for the period / year from continuing operations</b>	<b>(42,289)</b>	(69,154)	<b>100,104</b>	128,050	221,636
<b>Discontinuing operation</b>					
Profit / (loss) for the period / year from discontinuing operation	1,875	1,228	4,472	(2,450)	(6,074)
<b>(Loss) / profit for the period / year</b>	<b>(40,414)</b>	(67,926)	<b>104,576</b>	125,600	215,562
<b>Other comprehensive income</b>					
<b>Items to be reclassified to profit or loss in subsequent periods:</b>					
Exchange differences on translation of foreign operations	18,952	(1,643)	19,790	1,377	(3,141)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>18,952</b>	(1,643)	<b>19,790</b>	1,377	(3,141)
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
Net gains on equity instruments	-	-	-	-	625
Re-measurement gains on defined benefit plans	-	-	-	-	213,926
Deferred tax effect on re-measurement gains on defined benefit plans	-	-	-	-	(34,598)
Share of other comprehensive income of associates	-	442	-	442	522
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	442	<b>-</b>	442	180,475
<b>Other comprehensive income for the period / year, net of tax</b>	<b>18,952</b>	(1,201)	<b>19,790</b>	1,819	177,334
<b>Total comprehensive income for the period / year, net of tax</b>	<b>(21,462)</b>	(69,127)	<b>124,366</b>	127,419	392,896
<b>(Loss) / profit for the period / year attributable to:</b>					
Equity holders of the parent	(42,792)	(66,027)	92,669	109,134	196,219
Non-controlling interests	2,378	(1,899)	11,907	16,466	19,343
	(40,414)	(67,926)	104,576	125,600	215,562
<b>Total comprehensive income for the period / year attributable to:</b>					
Equity holders of the parent	(28,472)	(67,838)	107,634	110,121	371,150
Non-controlling interests	7,010	(1,289)	16,732	17,298	21,746
	(21,462)	(69,127)	124,366	127,419	392,896
<b>Earnings per share (Rs)</b>					
Basic, (loss) / profit for the period / year attributable to ordinary equity holders of the parent	(1.61)	(2.49)	3.50	4.12	7.40

#### ABRIDGED STATEMENT OF CASH FLOWS

	Unaudited	
	9 months ended March 31, 2022	9 months ended March 31, 2021
	Rs. ' 000	Rs. ' 000
<b>Net cash flows (used in) / from operating activities</b>	<b>(64,162)</b>	367,226
<b>Net cash flows used in investing activities</b>	<b>(522,897)</b>	(65,862)
<b>Net cash flows from / (used in) financing activities</b>	<b>175,671</b>	(77,667)
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(411,388)</b>	223,697
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		
At July 1,	107,328	(63,097)
Exchange difference	32,255	2,700
(Decrease) / increase in cash and cash equivalents	(411,388)	223,697
Movement from discontinuing operation	(5,199)	-
At March 31,	(277,004)	163,300

#### SEGMENTAL INFORMATION

	Unaudited				Audited
	Quarter ended March 31, 2022	Quarter ended March 31, 2021 Restated	9 months ended March 31, 2022	9 months ended March 31, 2021 Restated	Year ended June 30, 2021
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
<b>Revenue:</b>					
Building materials - Core business	673,089	445,150	2,160,740	1,808,557	2,438,157
Building materials - Retail	266,771	182,701	914,470	734,052	995,398
Agriculture	20,668	19,803	97,408	97,017	114,211
Consolidation adjustments	(63,777)	(45,724)	(227,150)	(173,738)	(219,852)
<b>Total</b>	<b>896,751</b>	<b>601,930</b>	<b>2,945,468</b>	<b>2,465,888</b>	<b>3,327,914</b>
<b>Operating (loss) / profit:</b>					
Building materials - Core business	(22,413)	(34,979)	119,388	191,646	215,260
Building materials - Retail	4,958	(3,255)	61,452	24,194	34,510
Agriculture	(8,274)	(8,368)	(11,980)	(20,966)	(21,883)
Consolidation adjustments	(3,858)	(2,231)	(11,555)	(6,669)	41,111
<b>Total</b>	<b>(29,587)</b>	<b>(48,833)</b>	<b>157,305</b>	<b>188,205</b>	<b>268,998</b>

The above Unaudited Abridged Group Interim Financial Statements for the quarter and nine months ended March 31, 2022 have been prepared in compliance with International Financial Reporting Standards and on a basis consistent with that of the latest Audited Group Financial Statements for the year ended June 30, 2021.

#### COMMENTS

Our Group revenue for the nine months period ended March 31, 2022 increased by 19.4% (+Rs 479.6 million) compared to that of the same period in 2021. This increase was attributable mainly to the consolidation of Pre-Mixed Concrete Ltd as a subsidiary since November 2021 (+Rs 240.4 million) and to the increased revenue of the other core business and retail segments entities. However, our local sales volume of aggregates was lower than previous year due to the bad weather conditions prevailing during the last quarter ended March 31, 2022 and this despite the impact of the Covid-19 lockdown in March 2021 but bearing in mind that during 2020-2021, there was a positive catching up impact of major projects following the first lockdown in 2020.

Our Group operating profit for the nine months period under review decreased from Rs 188.2 million to Rs 157.3 million, due to a significant increase in our local core business production costs arising mainly from an increase in repairs and maintenance, quarrying costs as well as cement and diesel prices. Conversely, our overseas subsidiaries performed better than in 2021 although the political and economic situation in Sri Lanka is worrying going forward.

Our retail segment also performed better than in 2021 due to significant increase of 24.6% in revenue and a release in stock provision while the operating result of our agricultural segment was positively impacted by the improved performance of our vegetable-growing activities and an increase in the price of sugar compared to 2021.

Our share of results from associates for both the quarter and nine months period improved significantly compared to the same periods in 2021, following the conversion of our ready-mixed concrete entity from associate to subsidiary and this despite the lower performance of our core business entity.

Our finance costs increased significantly for the period under review due to an increase in borrowings resulting from the acquisition of shares in Pre-Mixed Concrete Ltd and Drymix Ltd and an adverse fluctuation in foreign exchange rates.

In the light of the above, our Group profit decreased from Rs 125.6 million for the nine months period ended March 31, 2021 to Rs 104.6 million for the nine months period under review. Earnings per share likewise decreased from Rs 4.12 in 2021 to Rs 3.50 for this period.

#### OUTLOOK

In reference to the cautionary announcement dated April 6, 2022 concerning the potential acquisition of an overseas group of companies operating in a similar line of business of the Company, the due diligence exercise is currently underway.

Our future level of activities and performance are dependent upon the recovery pace of our economy and on the implementation of the announced government measures to boost the construction industry going forward. Based on our revenue forecasts to June 2022 and after taking into consideration the impact of increasing import costs, adverse foreign exchange rates and the due diligence cost referred to above, the net result for the current financial year is expected to be lower than previous year where our performance was boosted by the catching up effect of major projects following the first lockdown in 2020.

#### DIVIDENDS

The Board of Directors has declared a dividend of Rs 3.00 per share in respect of the financial year ending on June 30, 2022, payable on or about June 22, 2022.

#### By Order of the Board

**Bhooneshi Nemchand**  
Company Secretary

May 11, 2022

The above Unaudited Abridged Group Interim Financial Statements are issued pursuant to Listing Rule 12.20 of the Stock Exchange of Mauritius Ltd and to Section 88 of the Securities Act 2005.

The Board of Directors of The United Basalt Products Limited accepts full responsibility for the accuracy of the information contained in these Unaudited Abridged Group Interim Financial Statements.

The statement of direct and indirect interests of insiders required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.