



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED
Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082
Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: southernmagnesium@gmail.com
CIN : L27109TG1985PLC005303

To
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Date: 27.06.2020
Place: Hyderabad

SUB: Intimation to BSE about outcome of Board Meeting -Reg

Dear Sir / Madam,

With reference to the above cited subject, Board of Directors of the company at their meeting held on Saturday, 27th June 2020, inter-alia has transacted the following item of agenda:

- Financial Results along with Audit Report have been approved for Quarter and Financial Year ended 31.03.2020.

This is for your information and record.

For Southern Magnesium and Chemicals Limited

N. Rajender Prasad
Joint Managing Director & CFO



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Date: 27.06.2020

To
Department of Corporate Services
BSE Limited,
14th Floor, PJ Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

Sub: Declaration pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Ref: Scrip code: 513498, Scrip ID: SOUTHMG

In terms of Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we confirm that the Statutory Auditors, Brahmayya & co, have issued an Audit Report dated 27.06.2020 with unmodified opinion on the Audited financial results of the company for the quarter and year ended 31.03.2020.

Thanking You,

Yours Faithfully,
For Southern Magnesium and Chemicals Limited

N. Rajender Prasad
Jt. Managing Director and CFO

Southern Magnesium and Chemicals Limited

CIN- L27109TG1985PLC005303

Regd. office : Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad - 500 082

BALANCE SHEET AS AT 31st March, 2020

Particulars	As at 31.03.2020	As at 31.03.2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	55.16	42.12
(b) Other Non Current Assets	1.15	1.17
(c) Deferred Tax Asset	7.03	-
Total non current asset	63.35	43.28
Current assets		
(a) Inventories	234.47	229.36
(b) Financial Assets		
(i) Trade receivables	9.93	26.10
(ii) Cash and cash equivalents	3.74	5.11
(iii) Others bank balances	26.93	62.18
(iv) Others financial assets	5.54	4.92
(c) Other current assets	1.33	10.56
(d) Current tax asset (net)	3.49	-
Total Current Assets	285.43	338.23
TOTAL ASSETS	348.78	381.51
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	300.00	300.00
(b) Other Equity	44.39	21.30
	255.61	278.70
Liabilities		
Non - current liabilities		
(a) Financial Liabilities		
(i) Borrowings	23.90	26.55
(b) Deferred tax liabilities	-	6.07
(c) Provisions	10.59	-
Total Non Current Liability	34.49	32.62
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	48.27	28.30
(ii) Trade payables	-	-
- Total outstanding dues of micro and small enterprises	-	-
- Total outstanding dues of other than micro and small enterprises	-	-
(iii) Other financial liabilities	8.35	20.83
(b) Other current liabilities	2.06	19.86
(d) Current tax liability (net)	-	1.20
Total Current liabilities	58.68	70.19
TOTAL EQUITY & LIABILITIES	348.78	381.51

For Southern Magnesium & Chemicals Limited



Joint Managing Director



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SOUTHERN MAGNESIUM AND CHEMICALS LIMITED CIN: L27109TG1985PLC005303 Regd. office : Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad – 500082 Audited Financial Results for Quarter and the Year Ended 31st March, 2020						
(Rupees in lakhs)						
Sl. No	Particulars	For the Quarter ended			Year Ended	Year Ended
		31.03.2020 (Audited)	31.12.2019 (Un Audited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
I	Revenue From Operations	8.40	64.20	82.68	158.56	441.90
II	Other Income	0.49	0.64	1.12	2.77	4.54
III	Total Income (I+II)	8.89	64.84	83.80	161.34	446.44
IV	EXPENSES					
	Cost of materials consumed	4.57	0.00	10.82	60.81	66.15
	Purchase of stock in trade	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(3.50)	40.44	17.19	2.29	80.64
	Employee benefits expense	28.54	16.44	16.68	75.45	58.15
	Finance costs	2.86	1.40	0.55	8.50	8.00
	Depreciation and amortization expense	2.39	2.37	1.84	9.48	7.18
	Other expenses	3.63	17.91	29.78	39.21	57.52
	Total expenses (IV)	38.50	78.56	76.86	195.73	277.64
V	Profit/(loss) before exceptional items and tax (III- IV)	(29.61)	(13.72)	6.94	(34.39)	168.80
VI	Exceptional items	-	-	-	-	-
VII	Profit/(loss) before tax (V+VI)	(29.61)	(13.72)	6.94	(34.39)	168.80
VIII	Tax expense:					
	Current tax	-	-	31.96	-	31.96
	Relating to earlier years	(6.54)	-	-	(6.54)	-
	Deferred tax	(3.02)	-	-	(4.76)	-
IX	Profit/(Loss) for the period (VII-VIII)	(20.05)	(13.72)	(25.02)	(23.09)	136.84
X	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive income (net of taxes)	(20.05)	(13.72)	(25.02)	(23.09)	136.84
XI	Total Comprehensive Income for the period	(0.67)	(0.46)	(0.83)	(0.77)	4.56
XII	Earnings per equity share- Basic and Diluted	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Weighted Average number of equity shares in nos					

Notes:

1. The Audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The above audited financial results for the quarter and year ended 31st March, 2020, were reviewed by Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 27th June, 2020. The above results have been audited by the statutory auditors of the Company. An unqualified report has been issued by them thereon.

3. COVID-19 is the infectious disease caused by the most recently discovered coronavirus a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption. The effect of operations of the company for the quarter and year ending 31st March, 2020 is marginal. The company will continue to closely monitor any material changes to future economic conditions.

4. Effective 01st April, 2019, the Company has adopted Ind AS 116 'Leases', using the modified retrospective approach. The adoption of the standard did not have any material impact on the financial results.

5. The Company's business activity falls within a single business segment i.e Magnesium in terms of IND AS 108 on operating segments.

6. Previous figures have been regrouped or rearranged wherever necessary to confirm current year classification.

For and on behalf of the Board of Directors

N. Rajender Prasad
 Joint Managing Director

Place : Hyderabad
 Date : 27th June, 2020

Cash Flow Statement
For the year ended 31st, March, 2020

Particulars	for the Year ended 31st March, 2020	for the Year ended 31st March, 2019
Cash flows from/(used in) operating activities		
Net Profit/ (Loss) before tax	(34.39)	168.80
Adjustments for :	-	-
Depreciation and amortisation expenses	9.48	7.18
Interest earned	(2.65)	(3.60)
Provision written back	-	0.94
Finance costs	8.50	8.00
Operating Profit before working capital changes	(19.07)	181.33
Changes in operating assets and liabilities:	-	-
(Increase) / Decrease in Inventories	(5.11)	(2.21)
(Increase) / Decrease in Trade receivables	16.16	(4.49)
(Increase) / Decrease in financial and non financial assets	8.62	(12.21)
Increase / (Decrease) in Trade payables	-	(9.76)
Increase / (Decrease) in financial liabilities and other liabilities	(30.28)	(16.10)
Increase / (Decrease) in Provisions	10.59	-
Cash generated/(used in) from Operations	(19.08)	136.55
Income tax paid (net of refunds)	6.50	29.19
Net Cash generated from operating activities (A)	(25.57)	107.37
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment	(22.53)	(0.22)
Interest received	2.65	6.52
Movement in other bank balances	35.25	(15.75)
Net Cash generated from/(used in) investing activities (B)	15.37	(9.45)
Cash flows from/(used in) Financing activities		
Repayment of Borrowings	(2.65)	(3.25)
Proceeds/(Repayment) from Current borrowings	19.97	(82.18)
Interest paid	(8.50)	(8.00)
Net cash used in financing activities (C)	8.83	(93.43)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1.37)	4.49
Cash and cash equivalents as at the beginning of the year	5.11	0.62
Cash and cash equivalents as at the end of the year	3.74	5.11

For Southern Magnesium & Chemicals Limited



Joint Managing Director



CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

Independent Auditor's Report on Quarterly and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

To

Board of Directors of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED.**

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED** (the "Company") for the quarter and the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net loss and other comprehensive income and





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other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

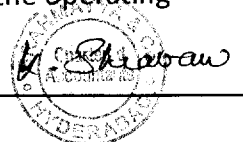
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls





CHARTERED ACCOUNTANTS

VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Date : 27.06.2020

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S



K. Shrawan
(K.SHRAVAN)
Partner

Membership No. 215798

UDIN: 20215798AAAAC25246