



# SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5<sup>th</sup> Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082  
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CIN : L27109TG1985PLC005303

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

Date: 06.02.2019  
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 Wednesday, 06<sup>th</sup> February 2019, inter-alia has transacted the following items of agenda:

1. Unaudited Financial Results with Limited Review report have been approved for quarter ended 31.12.2018.
2. Re-appointment of Key Managerial Personnel subject to ratification by members at ensuing Annual General Meeting as mentioned below:
  - i. Mr. Ravi Prasad Nuthakki as Managing Director and Chief Executive Officer for a period of 3 (three) years.
  - ii. Mr Rajender Prasad Nuthakki as Joint Managing Director and Chief Financial Officer for a period of 3 (three) years.

**This is for your information and record.**

**For Southern Magnesium and Chemicals Limited**

**Rajender Prasad Nuthakki**  
**Joint Managing Director & CFO**

## SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

CIN: L27109TG1985PLC005303

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


Unaudited Financial Results for the Quarter / Nine Months ended 31st December, 2018

(Rupees in lakhs)

S.N O	Particulars	For the Quarter ended			Nine Months Ended		Year Ended
		12/31/2018 Unaudited	9/30/2018 Unaudited	12/31/2017 Unaudited	12/31/2018 Unaudited	12/31/2017 Unaudited	3/31/2018 Audited
I	Revenue From Operations	174.68	180.15	10.97	355.98	136.04	161.83
II	Other Income	5.11	0.67	0.83	6.64	2.76	3.62
III	Total Income (I+II)	179.79	180.82	11.80	362.62	138.8	165.45
IV	<b>EXPENSES</b>						
	Cost of materials consumed	42.92	12.41	-	55.33	66.97	77.99
	Purchase of stock in trade	-	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	14.22	48.84	13.32	63.44	50.95	50.00
	Employee benefits expense	13.24	15.90	12.45	41.47	37.71	51.01
	Finance costs	1.61	2.61	2.53	7.45	1.00	9.09
	Depreciation and amortization expense	1.78	1.78	1.79	5.34	2.78	4.57
	Other expenses	12.43	11.24	6.08	27.75	36.34	49.02
	<b>Total expenses (IV)</b>	<b>86.20</b>	<b>92.77</b>	<b>36.17</b>	<b>200.77</b>	<b>195.75</b>	<b>241.68</b>
V	<b>Profit/(loss) before exceptional items and tax (I- IV)</b>	<b>93.59</b>	<b>88.05</b>	<b>(24.37)</b>	<b>161.85</b>	<b>(56.95)</b>	<b>(76.24)</b>
VI	Exceptional Items	-	-	-	-	-	(33.30)
VII	<b>Profit/(loss) before tax (V-VI)</b>	<b>93.59</b>	<b>88.05</b>	<b>(24.37)</b>	<b>161.85</b>	<b>(56.95)</b>	<b>(109.54)</b>
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	(1.72)
IX	<b>Profit (Loss) for the period (VII-VIII)</b>	<b>93.59</b>	<b>88.05</b>	<b>(24.37)</b>	<b>161.85</b>	<b>(56.95)</b>	<b>(107.82)</b>
X	<b>Other Comprehensive Income</b>						
	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	-	-	-	-	-	-
	<b>Total Other Comprehensive income (net of taxes)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XI	<b>Total Comprehensive Income for the period</b>	<b>93.59</b>	<b>88.05</b>	<b>(24.37)</b>	<b>161.85</b>	<b>(56.95)</b>	<b>(107.82)</b>
XII	Earnings per equity share- Basic and Diluted	3.12	2.94	(0.81)	5.40	(1.90)	(3.59)
	Weighted Average number of equity shares in nos	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

**Notes:**

- The unaudited financial results of the Company have been prepared in accordance with the Indian Accounting standards (IND AS) as prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- The above results for the nine months / quarter ended 31st December, 2018, were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on 6th February, 2019 and Statutory Auditors have carried out limited review.
- The Company's business activity falls within a single business segment i.e Magnesium in terms of IND AS 108 on operating segments.
- In view of very limited strength of employees, presently working with the Company, the requirements of Ind AS-19 Employee Benefits in respect of gratuity could not be complied with. However provision for gratuity as required under Payment of Gratuity Act has been provided for and is being paid as and when the liability arises.
- Previous figures have been regrouped or rearranged wherever necessary to confirm current year classification.

Place : Hyderabad  
Date : 06-02-2019
  
**N. Rajender Prasad**  
 Joint Managing Director

**Southern Magnesium and Chemicals Limited**

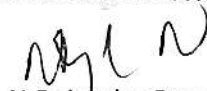
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**Statement of Assets and Liabilities as at 31-12-2018 and 31-03-2018**

Particulars	Note No.	Amount in ₹	
		As at 31.12.2018	As at 31-03-2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	4,387,061	4,907,556
b) Other Non Current Assets	2	117,017	118,303
		<u>4,504,078</u>	<u>5,025,859</u>
<b>Current assets</b>			
(a) Inventories	3	19,381,411	22,715,079
(b) Financial Assets		-	-
(i) Trade receivables	4	2,638,979	2,160,255
(ii) Cash and cash equivalents	5	10,798,581	4,705,003
(iii) Others financial assets	6	123,698	507,177
(c) Other current assets	7	4,868,327	386,039
		<u>37,810,996</u>	<u>30,473,553</u>
<b>Total Assets</b>		<u><u>42,315,074</u></u>	<u><u>35,499,412</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	8	30,000,000	30,000,000
(b) Other Equity	9	373,452	(15,814,076)
		<u>30,373,452</u>	<u>14,185,924</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	2,980,000	2,980,000
(b) Deferred tax liabilities		607,389	607,389
(c) Provisions		-	-
		<u>3,587,389</u>	<u>3,587,389</u>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	-	11,047,769
(ii) Trade payables	12	-	-
Micro and small enterprises		-	-
Creditors other than micro and small enterprises		3,844,952	976,049
(iii) Other financial liabilities	13	1,874,149	922,993
(b) Other current liabilities		2,610,909	4,755,065
(c) Provisions	14	24,223	24,223
		<u>8,354,233</u>	<u>17,726,099</u>
<b>Contingent Liabilities and Commitments</b>			
<b>Total Equity and Liabilities</b>		<u><u>42,315,074</u></u>	<u><u>35,499,412</u></u>

For and on behalf of Board of Directors

  
**N. Rajender Prasad**  
 Joint Managing Director

Place : Hyderabad

Date : 06-02-2019

STATEMENT OF PROFIT AND LOSS FOR NINE MONTHS ENDED DECEMBER 31, 2018

S.NO	Particulars	Note No.	Amount in ₹			
			As per Previous GAAP	Impact of IndAS	Impact of IndAS for April to December	As per IndAS
I.	Revenue from Operations	15	35,597,735	-	-	35,597,735
II.	Other Income	16	664,669	-	-	664,669
III.	<b>Total Income (I + II)</b>		<b>36,262,404</b>	-	-	<b>36,262,404</b>
IV.	<b>Expenses</b>					
	Cost of Materials Consumed	17	5,532,681	-	-	5,532,681
	Purchases of Stock-in-Trade		-	-	-	-
	Changes in inventories of Stock-in-Trade	18	5,376,605	-	-	5,376,605
	Employee Benefits Expense	19	4,146,639	-	-	4,146,639
	Finance Cost	20	744,370	-	-	744,370
	Depreciation and amortisation expense	21	532,995	-	-	532,995
	Other expenses	22	3,740,296	1,286	-	3,741,582
	<b>Total expenses (IV)</b>		<b>20,073,586</b>	<b>1,286</b>	-	<b>20,074,872</b>
V.	Profit before exceptional items and tax (III - IV)		<b>16,188,818</b>	-	-	<b>16,187,532</b>
VI.	Exceptional items (Add/(Less))		-	-	-	-
VII.	Profit before tax		<b>16,188,818</b>	-	-	<b>16,187,532</b>
VIII.	Tax Expenses:					
	a. Current Tax		-	-	-	-
	i. Relating to current period		-	-	-	-
	b. Deferred tax		-	-	-	-
	i. On Temporary Differences		-	-	-	-
	<b>Total Tax Expenses (VI)</b>		-	-	-	-
IX.	<b>Profit for the period (VII - VIII)</b>		<b>16,188,818</b>	-	-	<b>16,187,532</b>
X.	<b>Other Comprehensive Income</b>					
	i. Items that will not be reclassified subsequently to profit or loss		-	-	-	-
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
	<b>Total Other Comprehensive Income for the period (VIII)</b>		-	-	-	-
XI.	<b>Total Comprehensive Income for The Period (VII + VIII)</b>		<b>16,188,818</b>	-	-	<b>16,187,532</b>
XII.	Earnings per equity share from Continuing operations : Basic and Diluted (Not Annualised)	23	5.40		<b>For Southern Magnesium &amp; Chemicals Limited</b>	



CHARTERED ACCOUNTANTS

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

**Limited Review Report – Financial Results**

**To the Board of Directors of Southern Magnesium and Chemicals Limited,**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED** ("the Company") for the quarter and nine months ended 31<sup>st</sup> December, 2018 (the "statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting principles and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 0005135

Place : Hyderabad  
Date : 06.02.2019



*K. Shraavan*  
**(K. SHRAVAN)**  
Partner  
Membership No. 215798