



## SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

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CIN : L27109TG1985PLC005303

To,  
The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Date: 28.10.2016  
Place: Hyderabad

### SUB: Intimation to BSE the outcome of board meeting under Reg 30

Sir,

This Intimation is being given under regulation 30 read with Schedule III Part A of SEBI (LODR), 2015 as part of dissemination of information regarding outcome of the board meeting.

Commencement of Board meeting 11:30 AM.

Conclusion of the meeting 12:30 PM.

f) Financial Results along with Limited review report have been approved for quarter ended 30.09.2016.

Regards

For Southern Magnesium and Chemicals Limited

Rajender Prasad Nuthakki  
Joint Managing Director.

**SOUTHERN MAGNESIUM AND CHEMICALS LIMITED**  
Un-audited Financial Results for the 2nd quarter ended 30th Sept 2016

PART - 1

Rupees (lakhs)

	Particulars	Quarter Ended			Half Year Ended		
		30.09.16	30.06.16	30.09.15	30.09.16	30.09.15	31.03.2016
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
							Rs.
<b>1</b>	<b>Income from operations</b>						
	(a) Net Sales / Income from operations (Net of excise duty)	138.35	114.74	107.76	253.09	158.30	321.43
	(b) Other operating Income	0.00	0.00	0.00	0.00	13.80	0
	<b>Total income from operations (net)</b>	<b>138.35</b>	<b>114.74</b>	<b>107.76</b>	<b>253.09</b>	<b>172.10</b>	<b>321.43</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of raw materials consumed	84.33	82.32	8.17	166.65	80.83	207.15
	b) Changes in inventories of finished goods and work-in-progress	(52.84)	(37.77)	32.84	(90.61)	-35.85	(117.03)
	c) Employee benefits expense	12.13	12.16	11.52	24.29	22.83	46.28
	d) Depreciation and amortization expense	0.43	0.43	0.43	0.86	0.86	1.73
	e) Other Expenses	15.35	12.01	6.02	27.36	19.97	32.47
	<b>Total Expenses</b>	<b>59.40</b>	<b>69.15</b>	<b>58.98</b>	<b>128.55</b>	<b>88.64</b>	<b>170.60</b>
<b>3</b>	<b>Profit/ (Loss) from operations before other income &amp; finance exceptional items (1-2)</b>	<b>78.95</b>	<b>45.59</b>	<b>48.78</b>	<b>124.54</b>	<b>83.46</b>	<b>150.83</b>
<b>4</b>	<b>Other Income</b>	<b>1.32</b>	<b>0.60</b>	<b>0.14</b>	<b>1.92</b>	<b>0.29</b>	<b>2.66</b>
<b>5</b>	<b>Profit/ (Loss) before finance &amp; exceptional items (3+4)</b>	<b>80.27</b>	<b>46.19</b>	<b>48.92</b>	<b>126.46</b>	<b>83.75</b>	<b>153.50</b>
<b>6</b>	<b>Finance Cost</b>	<b>2.67</b>	<b>2.72</b>	<b>2.50</b>	<b>5.39</b>	<b>4.20</b>	<b>9.46</b>
<b>7</b>	<b>Profit/(Loss) after financial but before exceptional items (5-6)</b>	<b>77.60</b>	<b>43.47</b>	<b>46.42</b>	<b>121.07</b>	<b>79.55</b>	<b>144.03</b>
<b>8</b>	<b>Exceptional items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>9</b>	<b>Profit/ (Loss) from ordinary activities before Tax (7+8)</b>	<b>77.60</b>	<b>43.47</b>	<b>46.42</b>	<b>121.07</b>	<b>79.55</b>	<b>144.03</b>
<b>10</b>	<b>Tax expense</b>	<b>-26.39</b>	<b>-14.78</b>	<b>0.00</b>	<b>-41.17</b>	<b>0.00</b>	<b>49.69</b>
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>51.21</b>	<b>28.69</b>	<b>46.42</b>	<b>79.90</b>	<b>79.55</b>	<b>94.34</b>
<b>12</b>	<b>Extraordinary items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>13</b>	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>51.21</b>	<b>28.69</b>	<b>46.42</b>	<b>79.90</b>	<b>79.55</b>	<b>94.34</b>
<b>14</b>	<b>No of . Equity shares</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>15</b>	<b>Paid up equity Share Capital (Rs.10/- Share Face value)</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>16</b>	<b>Earnings per Share (EPS) (in rupees)</b>						
	a) Basic and diluted EPS. Rs. (before extraordinary items ),	1.71	0.96	1.55	2.66	2.65	3.14
	b) Basic and diluted EPS. Rs. ( after Extraordinary items for the)	1.71	0.96	1.55	2.66	2.65	3.14

**PART - 2**

**A. Particulars of Shareholding**

S.no	PARTICULARS	Quarter Ended			Half Year Ended		
		30.09.16	30.06.16	30.09.15	30.09.16	30.09.15	31.03.2016
		Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Audited
1	<b>Public Share holding</b>						
	- Number of shares	13,01,200	13,01,200	13,01,200	13,01,200	13,01,200	13,01,200
	- percentage of share holding	43.35%	43.35%	43.35%	43.35%	43.35%	43.35%
2	<b>Promoters and Promoter Group Shareholding</b>	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800
	a) Pledge / encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share Capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	-Number of Shares	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800	16,98,800
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share Capital of the company)	56.65%	56.65%	56.65%	56.65%	56.65%	56.65%

**B. Investor Complaints**

S.no	Particulars	Quarter ended 30.09.2016
1	Pending at the beginning of the quarter	Nil
2	Received during the quarter	Nil
3	Disposed of during the quarter	Nil
4	Remaining unresolved at the end of the quarter	Nil

**STATEMENT OF ASSETS & LIABILITIES**

	Particulars	As at	
		30-09-2015	31-03-2016
		(un-audited)	(audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' funds		
	(a) Share capital	300.00	300.00
	(b) Reserves and surplus	(159.55)	(239.46)
	<b>Sub-total - Shareholders' funds</b>	<b>140.45</b>	<b>60.54</b>
2	Share application money pending allotment	0.00	0.00
3	Non-current liabilities		
	(a) Long-term borrowings	0.00	0.00
	(b) Deferred tax liabilities (net)	8.98	8.98
	(c) Other long-term liabilities	0.00	0.00
	(d) Long-term provisions	0.00	0.00
	<b>Sub-total - Non-current liabilities</b>	<b>8.98</b>	<b>8.98</b>
4	Current liabilities		
	(a) Short-term borrowings	139.86	182.80
	(b) Trade payables	0	0.00
	(c) Other current liabilities	150.43	30.19
	(d) Short-term provisions	41.17	50.10
	<b>Sub-total - Current liabilities</b>	<b>331.46</b>	<b>263.09</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>480.89</b>	<b>332.61</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-current assets		
	(a) Fixed assets - tangible assets	31.66	32.40
	(b) Non-current investments	0.00	0.00
	(c) Deferred tax assets (net)	0.00	0.00
	(d) Long-term loans and advances	0.00	0.00
	(e) Other non-current assets	0.00	0.00
	<b>Sub-total - Non-current assets</b>	<b>31.66</b>	<b>32.40</b>
2	Current assets		
	(a) Current investments	0	0.00
	(b) Inventories	321.84	165.15
	(c) Trade receivables	21.32	101.80
	(d) Cash and cash equivalents	82.40	18.64
	(e) Short-term loans and advances	20.39	13.85
	(f) Other current assets	3.28	0.77
	<b>Sub-total - Current assets</b>	<b>449.23</b>	<b>300.21</b>
	<b>TOTAL - ASSETS</b>	<b>480.89</b>	<b>332.61</b>

1. Figures for the previous quarters/reporting periods have been regrouped to conform with the requirements of the revised Schedule - III to the Companies Act, 2013

Place: Hyderabad

Date: 28.10.2016

Sd/-

(N.Rajender Prasad)

Jt. Managing Director

- The above results have been subjected to Limited review by the Auditor of the Company
- Sales figures are net of duties and taxes
- The above financial results have been taken on record by the Board of Directors at the meeting held on 28.10.2016
- There are no pending shareholders complaints
- The company has not adopted AS-15 Employee Benefits issued by ICAI for providing its liability towards employee benefits. The impact on the above results due to non-adoption of AS-15 "Employee Benefits" could not be ascertained.



**K.S. Rao & Co.**

CHARTERED ACCOUNTANTS

TO  
THE BOARD OF DIRECTORS,  
SOUTHERN MAGNESIUM AND CHEMICALS LIMITED,  
HYDERABAD.

**REVIEW REPORT ON FINANCIAL INFORMATION OF SOUTHERN MAGNESIUM AND CHEMICALS LIMITED FOR THE QUARTER ENDED 30<sup>th</sup> September 2016 TO BE SUBMITTED TO STOCK EXCHANGES.**

1. We have reviewed the accompanying statement of unaudited financial results of **SOUTHERN MAGNESIUM AND CHEMICALS LIMITED**, 6-3-666/B, 5th Floor, Deccan Chambers, Somajiguda, Hyderabad – 500 082, Telangana (“the Company”) for the Quarter ended 30<sup>th</sup> September, 2016 being submitted by the Company pursuant to the regulation 33 of SEBI (Listing Obligations and Disclosure) requirements 2015, Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the terms of regulation 33 of SEBI (Listing Obligations and Disclosures) requirements 2015. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

2. We conducted our review in accordance with Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the 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 of material misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*The Company has not adopted and complied with the requirements of AS-15 ‘Employee Benefits’ in respect of the Gratuity liability, which constitutes a departure from the Accounting standards referred to in section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. In view of this the liability of the company in this regard could not be ascertained. Consequently, we are unable to comment about the impact of this on the profit for the quarter ended 30<sup>th</sup> September 2016, income tax and shareholder’s funds.*





**K.S. Rao & Co.**

CHARTERED ACCOUNTANTS

**Conclusion**

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 accounting standards specified under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 33 of SEBI (Listing Obligations and Disclosure) requirements 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K.S.RAO & CO.,  
Chartered Accountants  
Firm's Regn. No. 003109S

*M. N. Prasad*  
(M. Naga Prasadu)  
Partner

Membership No. 231388



Place : Hyderabad  
Date : 26.10.2016