



**SOUTHERN MAGNESIUM AND CHEMICALS LIMITED**

Deccan Chambers, 5<sup>th</sup> Floor, 6-3-666/B, Somajiguda, Hyderabad-500 082  
Phones: 23311789, 23312341, Fax: 040-23319871 E-Mail: [southernmagnesium@gmail.com](mailto:southernmagnesium@gmail.com)  
CIN : L27109AP1985PLC005303

SMCL/BSE/2016-17

28<sup>th</sup> May 2016

To  
The General Manager  
Department of Corporate Services  
BSE Limited,  
1<sup>st</sup> Floor, New Trading Wing,  
Rotunda Building, FJ Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

Dear Sir,

Sub: Audited Financial Results for the Quarter and year ended 31.03.2016  
Ref: Scrip code: 513498, Scrip ID: SOUTHMG

In terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith submitting standalone audited financial results for the quarter and year ended 31.03.2016 along with audit report and Form B thereon duly approved by the Board of Directors at their meeting held on 28.05.2016, which commenced at 11.30 A.M. and completed at 3.00 PM.

We request you to kindly acknowledge the receipt of above referred documents and oblige.

Thanking You,

Yours Faithfully,  
For Southern Magnesium and Chemicals Limited

(N.Ravi Prasad)  
Managing Director

**SOUTHERN MAGNESIUM AND CHEMICALS LIMITED**  
Audited Financial Results for the 4th quarter ended 31<sup>st</sup> March 2016

PART - 1		Rupees (lakhs)					
		Particulars	Quarter Ended			Year Ended	
			31.03.16 Audited	31.12.15 Un-Audited	31.03.15 Audited	31.03.16 Audited	31.03.2015 Audited
						Rs.	
1	<b>Income from operations</b>						
	(a) Net Sales / Income from operations (Net of excise duty)	87.21	62.13	218.81	321.43	546.69	
	(b) Other operating Income	0.00	0.00	0.00	0.00	0.00	
	<b>Total income from operations (net)</b>	<b>87.21</b>	<b>62.13</b>	<b>218.81</b>	<b>321.43</b>	<b>546.69</b>	
2	<b>Expenses</b>						
	a) Cost of raw materials consumed	115.64	10.69	74.57	207.15	205.99	
	b) Changes in inventories of finished - goods and work-in-progress	-95.73	14.55	10.02	(117.03)	4.86	
	c) Employee benefits expense	12.09	11.37	15.08	46.28	43.65	
	d) Depreciation and amortization expense	0.44	0.43	0.43	1.73	1.66	
	e) Other Expenses	7.02	5.49	7.00	32.47	30.45	
	<b>Total Expenses</b>	<b>39.46</b>	<b>42.52</b>	<b>107.10</b>	<b>170.60</b>	<b>286.60</b>	
3	<b>Profit/ (Loss) from operations before other income &amp; finance cost exceptional items (1-2)</b>	<b>47.75</b>	<b>19.61</b>	<b>111.71</b>	<b>150.83</b>	<b>260.09</b>	
4	Other Income	2.00	0.38	0.84	2.66	2.14	
5	<b>Profit/ (Loss) before finance cost &amp; exceptional items (3+4)</b>	<b>49.76</b>	<b>19.99</b>	<b>112.55</b>	<b>153.50</b>	<b>262.22</b>	
6	Finance Cost	2.37	2.89	0.56	9.46	5.99	
7	<b>Profit/(Loss) after finance cost but before exceptional items (5-6)</b>	<b>47.39</b>	<b>17.09</b>	<b>111.99</b>	<b>144.03</b>	<b>256.23</b>	
8	Exceptional items	0.00	0.00	15.02	0.00	**81.10	
9	<b>Profit/ (Loss) from ordinary activities before Tax (7+8)</b>	<b>47.39</b>	<b>17.09</b>	<b>127.01</b>	<b>144.03</b>	<b>337.33</b>	
10	Tax expense (Annualised)	0.00	0.00	0.49	49.69	11.70	
11	<b>Net Profit /(Loss) from ordinary activities after tax (9-10)</b>	<b>47.39</b>	<b>17.09</b>	<b>126.52</b>	<b>94.34</b>	<b>325.63</b>	
12	Extraordinary items	0.00	0.00	0.00	0.00	0.00	
13	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>47.39</b>	<b>17.09</b>	<b>126.52</b>	<b>94.34</b>	<b>325.63</b>	
14	Paid up equity Share Capital (Rs.10/- Share Face value)	300	300	300	300	300	
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year (Capital Reserve)	10	10	10	10	10	
16	<b>Earnings per Share (EPS) (in rupees)(Annualised)</b>						
	a) Basic and diluted EPS. Rs. (before extraordinary items ),	-	-	-	3.14	10.69	
	b) Basic and diluted EPS. Rs. ( after Extraordinary items for the)	-	0.00	0.00	3.14	10.69	

\*\* Gain on sale of Assets

**STATEMENT OF ASSETS & LIABILITIES**

	Particulars	As at	
		31.03.2016 (Audited)	31.03.2015 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	(a) Share capital	300	300
	(b) Reserves and surplus	(239.46)	(333.66)
	<b>Sub-total - Shareholders' funds</b>	<b>60.54</b>	<b>(33.66)</b>
		<b>0.00</b>	<b>0.00</b>
2	<b>Share application money pending allotment</b>		
3	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	0.00	0.00
	(b) Deferred tax liabilities (net)	7.99	8.40
	(c) Other long-term liabilities	0.00	0.00
	(d) Long-term provisions	1.00	1.00
	<b>Sub-total - Non-current liabilities</b>	<b>8.99</b>	<b>8.40</b>
4	<b>Current liabilities</b>		
	(a) Short-term borrowings	182.80	233.91
	(b) Trade payables	-	-
	(c) Other current liabilities	30.19	22.54
	(d) Short-term provisions	50.10	6.53
	<b>Sub-total - Current liabilities</b>	<b>263.09</b>	<b>262.98</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>332.61</b>	<b>237.72</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Fixed assets –tangible assets	32.40	33.61
	(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>32.40</b>	<b>33.61</b>
2	<b>Current assets</b>		
	(a) Current investments	165.14841	79.28
	(b) Inventories	101.80165	81.49
	(c) Trade receivables	18.6393	28.42
	(d) Cash and cash equivalents	13.85035	13.25
	(e) Short-term loans and advances	0.77516	1.68
	(f) Other current assets		
	<b>Sub-total - Current assets</b>	<b>300.21</b>	<b>204.11</b>
	<b>TOTAL - ASSETS</b>	<b>332.61</b>	<b>237.72</b>

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 : 28.05.2016  
Notes :

Sd/-  
(N.Rajender Prasad)  
Jt.Managing Director

1. Sales figures are net of duties and taxes

2. The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 28.05.2016

3. The figures for the quarter ended of March 31st 2016 and March 31st 2015 are the balancing figures between audited figures in respect of the full financial year ended March 31st 2016 and March 31st 2015 and the published year to date figures upto third quarter ended 31st December of the relevant financial year.

4. There are no pending shareholders complaints.

5. 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.

**FORM B**

**(for audit report with modified opinion)**

1.	Name of the Company	Southern Magnesium and Chemicals Limited
2.	Annual Financial Statements for the Year ended	31 March 2016
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	a) Repetitive for the last 8 years and first time appeared in the year 2007-08 as stated in para 3 under the heading " <b>Basic for qualified opinion</b> " of independent Auditor's report.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	In view of the accumulated losses of the company, the board has taken decision to provide for gratuity when it materializes.
6.	Additional comments from the Board/Audit Committee Chair:	Nil

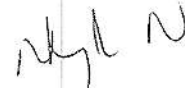
Signed by

For Southern Magnesium and Chemicals Ltd

For Southern Magnesium and Chemicals Ltd



N. Ravi Prasad  
Managing Director and CEO



N. Rajender Prasad  
Joint Managing Director and CFO



For K S Rao & Co  
Chartered Accountants  
Firms' Regn. No.003109S

For Southern Magnesium and Chemicals Ltd

Place: Hyderabad  
Date: 28.05.2016.

G. Raghavendra Rao  
G. Raghavendra Rao  
Audit Committee Chairman



**Auditor's Report on Quarterly Financial Results and Year to Date Results of Southern Magnesium and Chemicals Limited Pursuant to the Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015**

To  
The Board of Directors of Southern Magnesium and Chemicals Limited

1. We have audited the quarterly financial results of Southern Magnesium and Chemicals Limited for the quarter ended March 31,2016 and the year to date results for the period April 1,2015 to March 31,2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has been initiated by us for identification. The financial results for quarter the ended March 31,2016 have been prepared on the basis of the audited financial statements for the year ended March 31,2016 and the financial results for the nine months ended December 31,2015, which were subject to limited review and are the responsibility of the company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our audit of the financial results as at and for the year ended March 31,2016 and our review of the financial results for the nine month period ended December 31, 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

**Basis for Qualified Opinion**

3. *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 Act, 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 year, income tax and shareholder's funds.*

4. In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion Paragraph these quarterly financial results as well as the year to date results




(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2016 and of the profit for the year to date for the period from April 1, 2015 to March 31, 2016.

5. These financial results include the results for the quarter ended March 31, 2016 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to December 31 of the relevant financial year, which were subject to limited review by us as stated in paragraph-1 above as required under the SEBI regulations

for K.S. RAO & Co  
Chartered Accountants  
Firm's Regn. No. 003109S

  
(P. GOVARDHANA REDDY)  
Partner  
Membership No. 029193

Place : HYDERABAD  
Date : 28.05.2016.