



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

Date: 17.09.2016

To,
BSE Limited,
Phiroze Jeejeebhoy Towers ,
Dalal Street,
Mumbai- 400001

SUB: Submission of Reply quantifying the Impact of audit qualification

Respected Sir,

In reply to your email Dated 09th September, 2016 in compliance with SEBI Circular number CIR/CFD/CMD/56/2016 dated May 27, 2016 we would like to bring to your notice that we are enclosing herewith an annexure as notified by SEBI on the impact of the audit qualification for the Financial Year 2015-16.


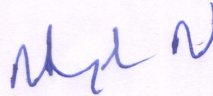
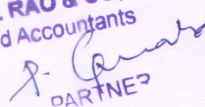
Thanking You,

For Southern Magnesium and Chemicals Limited

Rajender Prasad Nuthakki
(DIN: 00145659)
Joint Managing Director

ANNEXURE: I

Statement On Impact Of Audit Qualifications For The Financial Year Ended 31st March, 2016				
I.	S.No.	Particulars	Audited Figures Before Adjustments Rs In Lakhs	Audited Figures After Adjustments Rs In Lakhs
	1.	Turnover/Income	321.43	321.43
	2.	Total Expenditure	229.75	250.60
	3.	Net Profit(Loss)	94.34	73.49
	4.	Earnings Per Share	3.14	2.44
	5.	Total Assets	332.61	332.61
	6.	Total Liabilities	272.07	292.92
	7.	Net Worth	60.54	39.69
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II. Audit qualification (each audit qualification separately):				
	a) Details of Audit Qualification:		AS-15 Has not been complied with	
	b) Type of Audit Qualification:		Qualified opinion	
	c) Frequency of qualification:		Repetitive since 2007-08	
	d) For audit qualification(s) where the impact is quantified by auditor Management views: Not quantified by the Auditor			
	e) For audit qualification(s) where the impact is not quantified by auditor:			
	i) Management's estimation on the impact of audit qualification		Rs 20,85,577/- (The same amount has been considered in the total expenditure and the relevant adjustment has been made to that extent expecting the probability of incurring such expenses)	

	ii) If management is not able to estimate the impact, reasons for the same	NA
	iii) Auditor's comments on (i) and (ii) above	the amount shown in e (i) is estimated by the management and not as per actuarial valuation.
III	Signatories:	
	CEO/ Managing Director	
	CFO/Jt. Managing Director	
	Audit committee chairman	* G. Raghavendra Rao.
	Statutory Auditor	For K.S. RAO & CO, Chartered Accountants  PARTNER 