

## 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 : L27109TG1985PLC005303

Date: 17.09.2015

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 29<sup>th</sup> August, 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 2014-15.


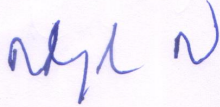
Thanking You,

For Southern Magnesium and Chemicals Limited

Rajender Prasad Nuthakki  
(DIN: 00145659)  
Joint Managing Director

**ANNEXURE: I**

<b>Statement On Impact Of Audit Qualifications For The Financial Year Ended 31<sup>st</sup> March, 2015</b>				
<b>I.</b>	<b>S.No.</b>	<b>Particulars</b>	<b>Audited Figures Before Adjustments Rs In Lakhs</b>	<b>Audited Figures After Adjustments Rs In Lakhs</b>
	1.	Turnover/Income	546.64	546.64
	2.	Total Expenditure	223.15	243.19
	3.	Net Profit(Loss)	325.63	305.59
	4.	Earnings Per Share	10.69	10.19
	5.	Total Assets	237.72	237.72
	6.	Total Liabilities	271.37	291.41
	7.	Net Worth	-33.65	-53.69
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II.</b>	<b>Audit qualification (each audit qualification separately):</b>			
	<b>a) Details of Audit Qualification:</b>		AS-15 Has not been complied with	
	<b>b) Type of Audit Qualification:</b>		Qualified opinion	
	<b>c) Frequency of qualification:</b>		Repetitive since 2007-08	
	<b>d) For audit qualification(s) where the impact is quantified by auditor Management views: Not quantified by the Auditor</b>			
	<b>e) For audit qualification(s) where the impact is not quantified by auditor:</b>			
	<b>i) Management's estimation on the impact of audit qualification</b>		Rs 20,04,231/- ( 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)	

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