



SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

Deccan Chambers, 5th 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: 10.10.2017
Place: Hyderabad


SUB: Financial Results under IND AS for the quarter ended 30.06.2017 - Reg

**Ref: Your email dated 06.10.2017 received from Shri: Rakesh Parekh
(rakesh.parekh@bseindia.com)**

Dear Sir,

With reference to the above cited subject and referred email – we along with our financial results for the quarter ended 30.06.2017 attach herewith Reconciliation table for Net Profit/Loss as per SEBI circular dated 5th July, 2016. Also Signed Financial Result in Prescribed format with relevant report is enclosed for your record and perusal.

For Southern Magnesium and Chemicals Limited


Mr. Rajender Prasad Nuthakki
Joint Managing Director & CFO

SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

CIN :L27109TG1985PLC00530

Registered Office :DECCAN CHAMBERS,5TH FLOOR, 6-3-666/B, SOMAJIGUDA HYDERABAD-500082(TELANGANA)

Statement of standalone financial results for the quarter ended June 30,2017

(Rs.Lakhs)

S.no	PARTICULARS	Quater ended			Year Ended
		30.06.2017	31.03.2017	30.06.2016	31.03.2017
		Un-Audited	Audited	Un-Audited	Audited
I	Income from operations				Rs.
	(a) Gross Sales (including Excise Duty)	53.06	128.44	129.08	725.22
	(b) Other operating Income	-	-	-	-
	Total income from operations (net)	53.06	128.44	129.08	725.22
II	Other Income	0.95	2.67	0.60	7.09
III	Total Revenue	54.01	131.11	129.68	732.31
IV	Expenses				
	a) Cost of raw materials consumed	63.59	94.40	82.32	403.44
	b) Changes in inventories of finished goods and work-in-progress	(33.69)	(50.95)	(37.77)	(175.15)
	c) Excise duty on sales	5.38	14.27	14.34	73.30
	c) Employee benefits expense	12.77	33.76	12.16	70.81
	d) Finance Cost	1.55	1.62	2.72	8.44
	e) Depreciation and amortization expense	0.48	0.60	0.43	1.90
	f) Other Expenses	11.04	19.22	12.01	61.18
	Total Expenses (IV)	61.12	112.92	86.21	443.92
V	Profit Before Tax(III-IV)	(7.11)	18.19	43.47	288.39
VI	Tax Expense				
	a) Current tax	-	6.01	-	98.75
	b) Deferred tax				
VII	Profit for the period (V-Vi)	(7.11)	12.18	43.47	189.64
VIII	Other Comprehensive Income				
	i) Items that will not be reclassified to profit and Loss:	-	-	-	-
	ii) Tax relating to items that will not be reclassified to Profit and loss				
IX	Total comprehensive income for the period(VII+VIII)	(7.11)	12.18	43.47	189.64
X	Paid up equity Share Capital (Rs.10/- Share Face value)	300.00	300.00	300.00	300.00
XI	Earnings per Share (EPS) (in rupees)				
	a) Basic (in Rs.)	(0.24)	0.41	1.45	6.32
	b) Diluted EPS. Rs.	(0.24)	0.41	1.45	6.32

1. The company has adopted Indian Accounting Standarda (Ind As) from April01,2017 prescribed under Section 133 of the Companies Act,2013, read with relevent rules issued thereunder. Accordingly, these unaudited standalone financial results for all the periods presented have been prepared in accordance with the recognitin and measurement principles laid in Ind As 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

2. Reconciliation of Net profit between the financial results as previously reported (referred to as "previous GAAP") and Ind AS for the Quarter ended 30th June,2016 are as under

Nature of Adjustments	Note	(Rs. In Lakhs)
		Amount
As per Previous GAAP		43.47
<u>Adjustments</u>		
Effect of Financial assets/ Liabilities	a	Nil
Profit as per Ind As		43.47

a) Measurement of Financial Assets/Liabilities

As per Ind As, certain financial Liabilities like Loan from related parties were required to be recognised at fair value on initial recognition subsequently, those have been measured at amortised cost by using effective Interest method (EIR)

All advances were interest free and repayable on demand, due to which the unsecured loans from Related parties were not recognised in fair value.

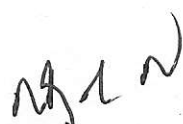
There was no specific repayment period (payable on demand) for debtors and creditors for all sales, purchases made respectively, due to which there was no change in profits.

The company's Business activity falls within a single business segment ,processing and sale of Magnesium Powder in terms of Ind As 108 on operating Segments.

3. The figures of last quarter for the previous year are the balancing figures between the audited standalone figures in respect of the full financial year ended March31,2017 and unaudited published year-to -date standalone figures up to june 30,2016.

4. The above standalone financials results have been reviewed by the audit committee of the Board and approved by the Board Of Directors of the company at their meeting held on 7th Sept 2017

Place : Hyderabad
Date : 10.10.2017


(N.Rajender Prasad)
Jt. Managing Director



Review Report to
The Board of Directors
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 ended 30th June, 2017 attached herewith, being submitted by the Company pursuant to the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure) Regulations 2015. ("Listing Regulations").

This statement is the responsibility of companies Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review. Attention is drawn to the fact that the figures for the corresponding quarter ended 30th June 2016, previous quarter ended 31st March 2017 and year ended 31st March 2017 with profit report reported under previous GAAP, as reported in this statement, have been approved by the Company's Board of Directors, but have not been subjected to 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 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 standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices 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 read with SEBI Circulars No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Hyderabad
Date : 07.09.2017

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

(Naga Prasad Muvva)
Partner
Membership No. 231388