



## 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

To  
The Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Date: 14.12.2017  
Place: Hyderabad

### SUB: Intimation to BSE about outcome of Board Meeting –Reg

Dear Sir / Madam,

With reference to the above cited subject, Board of Directors of the company at their meeting held on Thursday, 14<sup>th</sup> December 2017, inter-alia has transacted the following items of agenda:

1. Financial Results with Limited review report has been approved for quarter ended 30.09.2017.

This is for your information and record.

For Southern Magnesium and Chemicals Limited

N. Rajender Prasad  
Joint Managing Director & CFO



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## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

(Amount in Lakhs.)

Particulars	For the Quarter Ended			For Half year ended	
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I Revenue from operations	77.38	53.07	154.67	130.45	283.75
II Other income	0.99	0.95	1.32	1.94	1.93
III Total Revenue(I+II)	78.37	54.01	155.99	132.38	285.68
IV Expenses					
Cost of materials consumed	3.38	63.59	84.33	66.97	166.65
Purchase of stock In trade	-	-	-	-	-
Change in inventories of finished goods, stock in trade and work in progress	71.32	(33.69)	(52.83)	37.63	(90.60)
Employee benefit Expenses	12.54	12.72	12.13	25.26	24.28
Finance costs	2.33	1.55	2.67	3.88	5.38
Depreciation and amortisation expenses	0.51	0.48	0.43	0.99	0.86
Other expenses	19.22	16.43	31.67	35.65	58.02
Total Expenses(IV)	109.31	61.08	78.39	170.39	164.60
V Profit before tax	(30.94)	(7.06)	77.60	(38.00)	121.08
VI Tax expense:					
Current tax	-	-	41.17	-	41.17
Deferred tax	-	-	-	-	0
VII Profit for the period (VII-VIII)	(30.94)	(7.06)	36.44	(38.00)	79.91
VIII OTHER COMPREHENSIVE INCOME					
A-(i) Items that will be reclassified to the profit or loss	-	-	-	-	-
(ii) Income tax on items that will be reclassified to the profit or loss	-	-	-	-	-
B-(i) Items that will not be reclassified to the profit or loss					
a) Remeasurement of Defined employee benefit plans	-	-	-	-	-
(ii) Income tax on items that will not be reclassified to the profit or loss	-	-	-	-	-
Total Other Comprehensive Income (net of taxes)	-	-	-	-	-
Total Comprehensive Income for The Period	(30.94)	(7.06)	36.44	(38.00)	79.91
IX Earnings per Equity share-Basic and diluted (Not Annualised)	(1.03)	(0.24)	1.21	(1.27)	2.66
Weighted average number of equity shares (In no's)	30,00,000	30,00,000	30,00,000	30,00,000	30,00,000

### Notes:

1. The company has presented for the first time, its financial results under Indian accounting standards ("Ind AS") from April 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS-34-Interim financial reporting prescribed under section 133 of the companies act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for the comparative period have also been presented in accordance with the recognition and measurement principles of Ind AS-34

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

For Southern Magnesium & Chemicals Limited

Joint Managing Director



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(Amount In Lakhs.)

Nature of Adjustments	Note no	For the	For the
		Quarter ended	half year ended
		30.09.2016	30.09.2016
AS per the Previous GAAP		36.44	79.91
Ind AS Adjustments		-	-
AS per Ind AS		36.44	79.91

- The Company's business activity falls within a single business segment i.e yarn, in terms of IND AS 108 on operating segments.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15-2015, dated 30th November 2015, has been modified to comply with requirements of SEBI's circular dated 5th July, 2016. The company has opted to present Ind AS compliant figures for the corresponding quarter/half year ended September 2016 without subjecting to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's
- The above unaudited financial results have been reviewed by the audit committee and approved by the board at their meeting held on 14-12-2017. The statutory auditors of the company have carried out limited review of the results for the quarter ended September
- Previous year/period figures have been regrouped and reclassified wherever necessary to conform to those of the current period.

For and on behalf of Board of Directors

N.Rajender Prasad  
Jt.Managing Director

Place : Hyderabad  
Date : 14.12.2017



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## Statement of Assets and Liabilities

Particulars	Amount in ₹ Lakhs	
	As at September 30, 2017	
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	52.43	
(b) Capital work-in-progress	-	
(c) Intangible Assets	-	
(d) Financial Assets	-	
(i) Loans	-	
(ii) Other financial assets	-	
	<u>52.43</u>	
<b>Current assets</b>		
(a) Inventories	250.53	
(b) Financial Assets	-	
(i) Investments	-	
(ii) Trade receivables	42.59	
(iii) Cash and cash equivalents	58.91	
(iv) Others financial assets	4.95	
(c) Other current assets	38.69	
	<u>395.65</u>	
	<u>448.08</u>	
<b>Total Assets</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	300.00	
(b) Other Equity	(87.88)	
	<u>212.12</u>	
<b>Liabilities</b>		
<b>Non - current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	29.80	
(b) Deferred tax liabilities	7.79	
	<u>37.59</u>	
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	88.28	
(ii) Trade payables	-	
Micro and small enterprises	-	
Creditors other than micro and small enterprises	56.30	
(iii) Other financial liabilities	13.01	
(b) Other current liabilities	-	
(c) Current tax liabilities	-	
(d) Provisions	40.78	
	<u>198.37</u>	
<b>Contingent Liabilities and Commitments</b>		
	<u>448.08</u>	
<b>Total Equity and Liabilities</b>		

For and on behalf of Board of Directors

Place : Hyderabad  
Date : 14.12.2017

  
N. Rajender Prasad  
Joint Managing Director



Limited Review Report

**Review Report**

**To the Board of Directors of 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 and half year ended 30th September, 2017 (the "statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by 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 from 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. The figures for quarter ended 30th June 2017 and quarter and half year ended 30th September 2016 included in this statement under report were reviewed/audited by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an unmodified conclusion/opinion thereon.





4. 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 Indian Accounting Standards (Ind AS) and other recognized accounting principles 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 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Hyderabad  
Date : 14.12.2017

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S



*K. Shrawan*  
**(K.SHRAVAN)**  
Partner  
Membership No. 215798