



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

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

Date: 13.11.2018
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 Tuesday, 13th November 2018, inter-alia has transacted the following items of agenda:

1. Financial Results with Limited Review report have been approved for quarter ended 30.09.2018.

**This is for your information and record.
For Southern Magnesium and Chemicals Limited**

**N. Rajender Prasad
Joint Managing Director & CFO**

SOUTHERN MAGNESIUM AND CHEMICALS LIMITED

CIN: L27109TG1985PLC005303

Regd. office : Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad – 500 082

Unaudited Financial Results for the Quarter ended 30-09-2018,30-06-2018,30-09-2017and for Half year ended on 30-09-2018,30-09-2017 and audited results for the year ended 30-03-2018


(Rupees in lakhs)

| Particulars | For the Quarter ended | | | Year to date | | Previous year ended |
|---|-----------------------|---------------|---------------|---------------|---------------|---------------------|
| | 9/30/2018 | 6/30/2018 | 9/30/2017 | 9/30/2018 | 9/30/2017 | 3/31/2018 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| I Revenue From Operations | 180.15 | 1.15 | 77.38 | 181.30 | 130.45 | 161.83 |
| II Other Income | 0.67 | 0.86 | 0.99 | 1.53 | 1.94 | 3.62 |
| III Total Income (I+II) | 180.82 | 2.01 | 78.37 | 182.84 | 132.39 | 165.45 |
| IV EXPENSES | | | | | | |
| Cost of materials consumed | 12.41 | 0.00 | 3.38 | 12.41 | 66.97 | 77.99 |
| Purchase of stock in trade | - | - | - | - | - | - |
| Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 48.84 | 0.38 | 71.32 | 49.22 | 37.63 | 50.00 |
| Employee benefits expense | 15.90 | 12.33 | 12.54 | 28.23 | 25.26 | 51.01 |
| Finance costs | 2.61 | 3.23 | 2.33 | 5.83 | 3.88 | 9.09 |
| Depreciation and amortization expense | 1.78 | 1.78 | 0.51 | 3.55 | 0.99 | 4.57 |
| Other expenses | 11.24 | 4.09 | 19.22 | 15.33 | 35.65 | 49.02 |
| Total expenses (IV) | 92.77 | 21.81 | 109.30 | 114.58 | 170.38 | 241.68 |
| V Profit/(loss) before exceptional items and tax (I- IV) | 88.05 | -19.80 | -30.93 | 68.26 | -37.99 | -76.24 |
| VI Exceptional Items | - | - | - | - | - | -33.30 |
| VII Profit/(loss) before tax (V-VI) | 88.05 | -19.80 | -30.93 | 68.26 | -37.99 | -109.54 |
| VIII Tax expense: | | | | | | |
| (1) Current tax | - | - | - | - | - | 0.00 |
| (2) Deferred tax | - | - | - | - | - | -1.72 |
| IX Profit (Loss) for the period (VII-VIII) | 88.05 | -19.80 | -30.93 | 68.26 | -37.99 | -107.82 |
| X Other Comprehensive Income | | | | | | |
| A (i) Items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| B (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| Total Other Comprehensive income (net of taxes) | - | - | - | - | - | - |
| XI Total Comprehensive Income for the period | 88.05 | -19.80 | -30.93 | 68.26 | -37.99 | -107.82 |
| XII Earnings per equity share- Basic and Diluted | 2.94 | -0.66 | -1.03 | 2.28 | -1.27 | -3.59 |
| Weighted Average number of equityshares in nos | 3000000 | 3000000 | 3000000 | 3000000 | 3000000 | 3000000 |

Notes:

- The unaudited financial results of the Company have been prepared in accordance with the Indian Accounting standards (IND AS) as prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- The above results for the quarter ended 30th September, 2018, were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on 13th November 2018 and Statutory Auditors have carried out limited review.
- The Company's business activity falls within a single business segment i.e Magnesium in terms of IND AS 108 on operating segments.
- In view of very limited strength of employees, presently working with the Company, the requirements of Ind AS-19 Employee Benefits in respect of gratuity could not be complied with. However provision for gratuity as required under Payment of Gratuity Act has been provided for and is being paid as and when the liability arises.
- The figures of the quarter ended March ,2018 are the balancing figures between audited figures in respect of full financial years upto 31st March,2018 and the un audited published year to date figures upto 31st December, 2017 being the date of the end of the third quarter of respective year, which are subject to limited review.
- Previous figures have been regrouped or rearranged wherever necessary to confirm current year classification.

Place : Hyderabad
Date : 13-11-2018


N.Rajender Prasad
Joint Managing Director

Southern Magnesium and Chemicals Limited

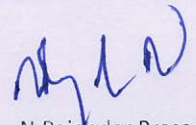
CIN- L27109TG1985PLC005303

Regd. office : Deccan Chambers, 5th Floor, 6-3-666/B, Somajiguda, Hyderabad – 500 082

Statement of Assets and Liabilities as at 30-09-2018 and 31-03-2018

| Particulars | Note No. | Amount in Rupees | |
|--|----------|----------------------|----------------------|
| | | As at 30.09.2018 | As at 31-03-2018 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | | 45.65 | 49.08 |
| b) Other Non Current Assets | | 1.17 | 1.18 |
| | | <u>46.82</u> | <u>50.26</u> |
| Current assets | | | |
| (a) Inventories | 4 | 177.93 | 227.15 |
| (b) Financial Assets | | - | - |
| (i) Trade receivables | 5 | 66.21 | 21.60 |
| (ii) Cash and cash equivalents | 6 | 73.81 | 47.05 |
| (iii) Others financial assets | 7 | 0.34 | 5.07 |
| (c) Other current assets | 8 | 16.17 | 3.86 |
| | | <u>334.46</u> | <u>304.74</u> |
| Total Assets | | <u><u>381.28</u></u> | <u><u>354.99</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 9 | 300.00 | 300.00 |
| (b) Other Equity | 10 | (89.87) | (158.14) |
| | | <u>210.13</u> | <u>141.86</u> |
| Liabilities | | | |
| Non - current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 29.80 | 29.80 |
| (b) Deferred tax liabilities | | 6.07 | 6.07 |
| (c) Provisions | | - | - |
| | | <u>35.87</u> | <u>35.87</u> |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 12 | 77.75 | 110.48 |
| (ii) Trade payables | 13 | - | - |
| Micro and small enterprises | | - | - |
| Creditors other than micro and small enterprises | | - | 9.76 |
| (iii) Other financial liabilities | 14 | 9.85 | 9.23 |
| (b) Other current liabilities | | 47.44 | 47.55 |
| (c) Provisions | 15 | 0.24 | 0.24 |
| | | <u>135.28</u> | <u>177.26</u> |
| Contingent Liabilities and Commitments | | | |
| Total Equity and Liabilities | | <u><u>381.28</u></u> | <u><u>354.99</u></u> |

For and on behalf of Board of Directors



N. Rajender Prasad
Joint Managing Director

Place : Hyderabad
Date : 13.11.2018

Southern Magnesium and Chemicals Limited
CIN No. :- L27109TG1985PLC005303
STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED March 31, 2018

| Particulars | Note No. | As per Previous GAAP | Impact of IndAS | Impact of IndAS for April to | Amount in ₹ | |
|--|----------|----------------------|-----------------|------------------------------|------------------|---------------------|
| | | | | | Current Year | Previous Year |
| I. Revenue from Operations | 15 | 18,130,235 | - | - | 18130235 | 16183258 |
| II. Other Income | 16 | 153,299 | - | - | 153299 | 361608 |
| III. Total Income (I + II) | | 18,283,534 | - | - | 18283534 | 16544866 |
| IV. Expenses | | | | | | |
| Cost of Materials Consumed | 17 | 1,241,000 | - | - | 1241000 | 7798849 |
| Changes in inventories of Stock-In-Trade | 18 | 4,171,567 | - | - | 4171567 | 4999545 |
| Employee Benefits Expense | 19 | 2,822,997 | - | - | 2822997 | 5101464 |
| Finance Cost | 20 | 583,290 | - | - | 583290 | 909066 |
| Depreciation and amortisation expense | | 355,330 | - | - | 355330 | 457454 |
| Other expenses | 21 | 2,282,399 | - | - | 2282399 | 4902101 |
| Total expenses (IV) | | 11,456,583 | - | - | 11456583 | 24168479 |
| V. Profit before exceptional items and tax (III - IV) | | 6,826,951 | - | - | 6826951 | (7623613) |
| VI. Exceptional items (Add/(Less)) | | - | - | - | 0 | (3330260) |
| VII. Profit before tax | | 6,826,951 | - | - | 6826951 | (10953873) |
| VIII. Tax Expenses: | | | | | | |
| a. Current Tax | | | | | | |
| i. Relating to current | | - | - | - | - | 0 |
| ii. Relating to prior period | | - | - | - | - | 0 |
| b. Deferred tax | | | | | | |
| i. On Temporary | | - | - | - | 0 | (171626) |
| Total Tax Expenses (VI) | | - | - | - | 0 | (171626) |
| IX. Profit for the period (VII - VIII) | | 6,826,951 | - | - | 6826951 | (10782247) |
| X. Other Comprehensive income | | | | | | |
| i. Items that will not be reclassified subsequently to profit or loss | | - | - | - | - | - |
| ii. Income tax relating to items that will not be reclassified to profit or loss | | - | - | - | - | - |
| Total Other Comprehensive Income for the period (VIII) | | - | - | - | - | - |
| XI. Total Comprehensive Income for The Period (VII + VIII) | | 6,826,951 | - | - | 6,826,951 | (10,782,247) |
| XII. Earnings per equity share from Continuing operations : | 22 | | | | | |
| Basic and Diluted | | 2.28 | - | - | 2.28 | 6.32 |

For Southern Magnesium & Chemicals Limited


Joint Managing Director



Limited Review Report – Financial Results

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 ended 30th September, 2018 and year to date from 1st April, 2018 to 30th September, 2018 (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. 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.

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



K. Shrawan
(K.SHRAVAN)
Partner

Place : Hyderabad
Date : 13.11.2018

Membership No. 215798